

Date: August 21, 2024

BSE Limited

Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400001.

Scrip: 514418

The National Stock Exchange of India Limited

Listing & Compliance Department
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Symbol: MANORG

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2023-24 as required under Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations')

We hereby wish to inform you that the 42nd Annual General Meeting ('AGM') of the members of the Company will be held **Saturday, September 14, 2024** at 3.00 p.m. (IST) through Video Conferencing/ Other Audio Visual Means.

Pursuant to Regulation 34(1) of the Listing Regulations, attached herewith is the Annual Report containing the Notice of AGM for the Financial Year 2023-24, which is also being sent to the Members who have registered their e-mail addresses with the Company/ Depositories through electronic mode.

The Annual Report 2023-24 containing the Notice is also available on the website of the Company at www.mangalamorganics.com

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Mangalam Organics Limited

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Encl: As above

2023-24

Mangalam
Organics Limited



WHERE

tradition MEETS INNOVATION



What's Inside

Corporate Overview

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Forward-Looking Statements:

In this annual report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', "intends, 'plans', 'believes and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results are subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

”

Your brand is what other people say about you when you're not in the room

– Jeff Bezos



Inhale Calm, Exhale Stress, Repeat

Our camphor cones are a natural air purifier, eliminating odors and leaving a fresh, clean scent. They're perfect for aromatherapy, promoting relaxation, reducing stress, and improving focus. Whether you're seeking serenity at home, in the office, or anywhere, our camphor cones create a tranquil atmosphere everywhere.



About Mangalam Organics Limited

Who We are

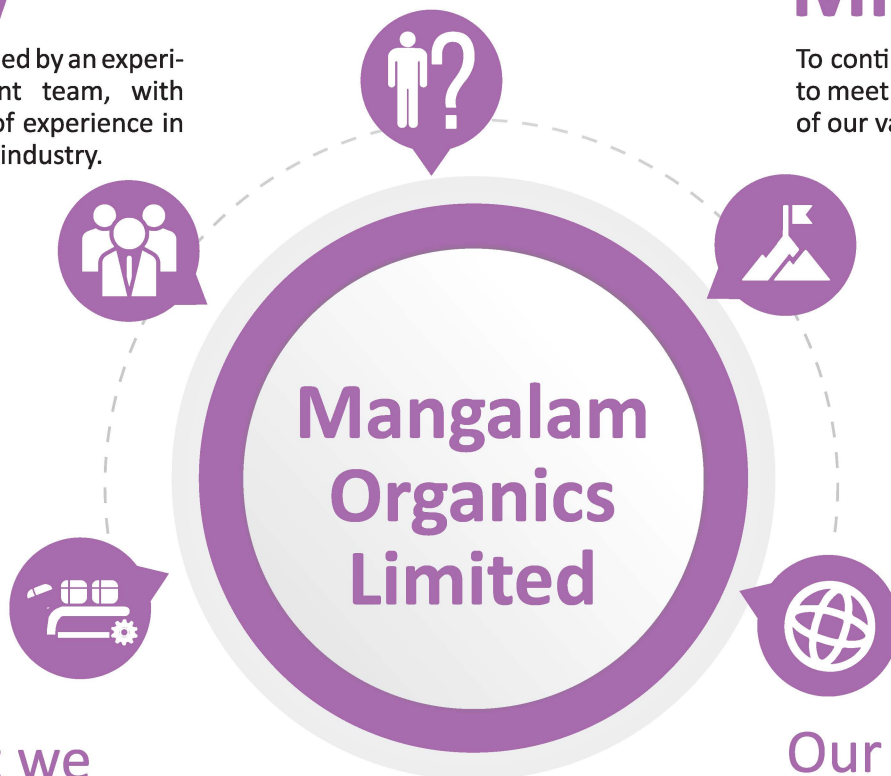
Mangalam Organics Limited is a pioneer in the field of pine chemistry. It is a leading manufacturer of terpene and rosin derivatives.

Our Legacy

Our operations are led by an experienced management team, with over five decades of experience in the pine chemicals industry.

Our Mission

To continue to strive and innovate to meet the growing requirements of our valued customers.



What we Manufacture

Terpene Chemistry

Camphor, Dipentene, Sodium Acetate, Isobornyl Acetate, Isoborneol

Synthetic Resins

Terpene Phenolic, Alkyl Phenolic, Rosin-based Resins

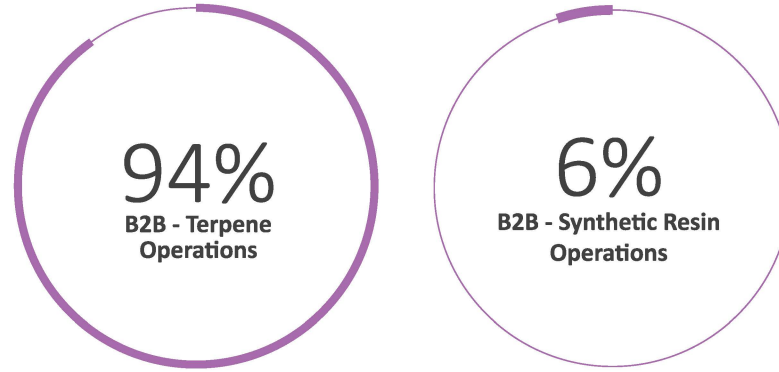
Our Wide Footprint

Turpentine, our principal raw material to manufacture Camphor, is procured from across the globe: Brazil, Argentina, Chile, USA, Russia, Indonesia, Vietnam, China, Portugal, and Spain, among other countries.

Domestic sale of Camphor and Synthetic Resins takes place through our network of 8 offices across India. Our products are also exported to Europe, USA, African, Middle East and South East Asian countries.



Our revenue break-up



Our Products and Application Areas

| Business Segments | Products |
|------------------------------|---|
| B2B - Terpene | <ul style="list-style-type: none"> • Camphor • Dipentene • Sodium Acetate • Isobornyl Acetate, • Isoborneol <p>Camphor: Religious use, healthcare products, hygiene products Dipentene: Paints, cleaning and degreasing agents Sodium Acetate: Textile and dyes industry, Leather tanning</p> |
| B2B - Synthetic Resin | <ul style="list-style-type: none"> • Terpene Phenolic Resin • Alkyl Phenolic Resin • Rosin Esters <p>Adhesives, Tyres, Rubbers, Chewing Gum, Printing Ink</p> |

Note: The retail percentage is NIL in the standalone revenue because the retail business of Mangalam Organics Limited has been transferred to it's wholly owned subsidiary Mangalam Brands Private Limited from FY 2022-23





Our Journey of Evolution

2022

Successfully completed the expansion to manufacture ~10,000 MT of camphor

2020

Established Mangalam Brands Private Limited to focus on Brands 'Mangalam' and 'Campure'

2017

Commenced manufacturing and retailing of homecare product based on camphor under "CamPure"

2013

Commenced manufacturing and retailing of Mangalam camphor tablet

2007

- Kamal Dujodwala took over as Chairman
- Set up a new division to manufacture Synthetic Resins

1994

Facility built for manufacture of Camphor and MOL listed on BSE Limited

1949

Late Ramgopal Dujodwala established a Rosin and Turpentine manufacturing unit at Hoshiarpur, followed by a unit at Una, Faridabad, and one in Jammu and Kashmir

1946

Late Ramgopal Dujodwala (founder of Mangalam Organics Ltd.) commenced trading in Rosin



**“The willingness to produce is a choice,
the ability to produce is a skill,
but the capacity to produce is an intelligent effort.”**





Our Sales Network

- Manufacturing Plant
- Head Office
- △ Warehouse & Marketing Office
- Marketing Office

Pin Codes serviced from e-Commerce orders

FY2022
12,000

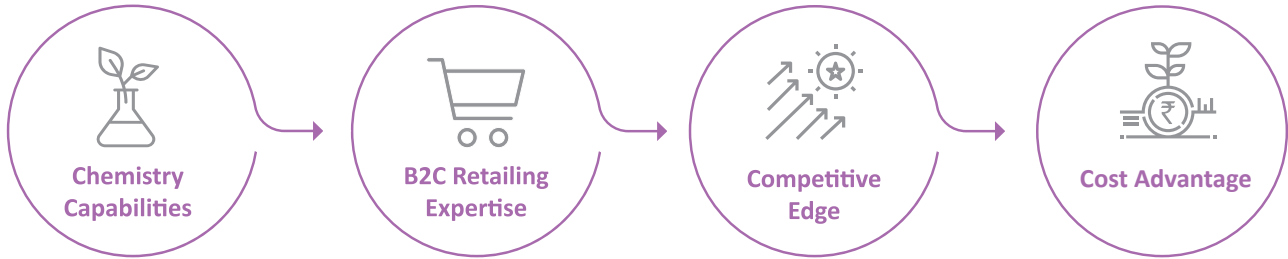
FY2023
18,000

FY2024
21,000





Our Business Model



In our Terpene operations, continuing focus on yields, time cycle, energy conservation and quality of the products has enabled us to increased our sales volume and profitability.

Though sales volume has increased total sales is decreased due to low camphor realisation during this year

Through our Resin operations, we continue to offer closely formulated and niche solutions to our customers, enabling regular business and healthy margins.

Our retail operations continue to grow, as we expand the distribution of our brands Mangalam and CamPure and as we take on additional private labelling opportunities.

Total Income

₹407.92 Crore

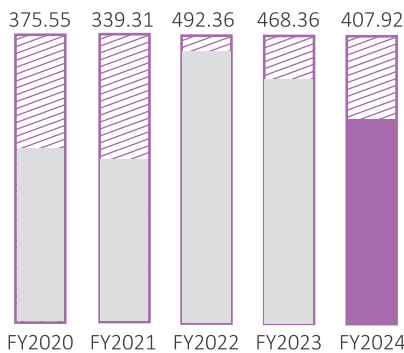
PAT

₹4.08 Crore

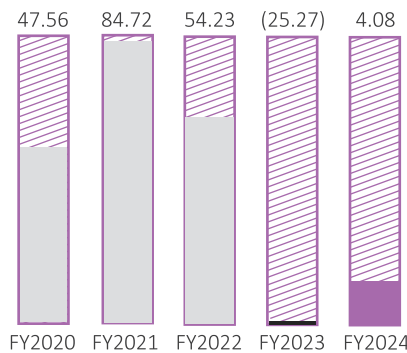
Total EBITDA

₹36.91 Crore

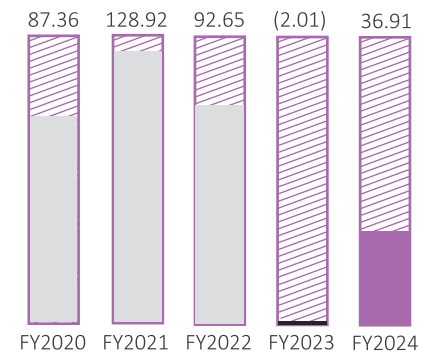
Total Income (₹ Crore)



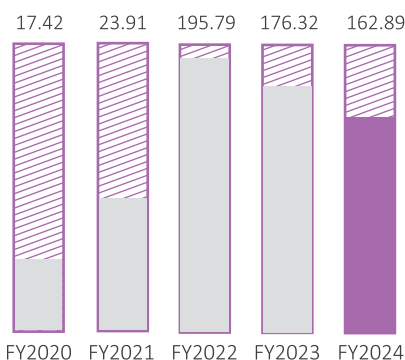
Profit After Tax (₹ Crore)



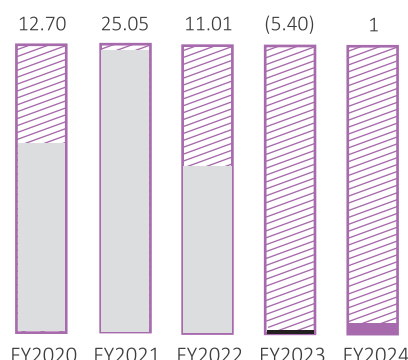
Total EBITDA (₹ Crore)



Total Debt (₹ Crore)



Total PAT Margin (%)





Our Key Clientele

Terpene Operations



Synthetic Resin Operations



Retail Operations





Our net sales have held strong at Rs. 493.52 Cr for the financial year 2023-24, defying market trends of falling prices. This remarkable achievement is a testament to our strategic investments in new capacities, which have boosted production and yield. Moreover, the growing demand for our products has enabled us to maintain a steady revenue stream, surpassing last year's record of Rs. 492.53 Cr in 2022-23.





From The Chairman's Desk

Ladies and gentlemen, esteemed shareholders, and dear colleagues, it is my privilege to stand before you today to present our annual report for FY-2023-24.

Our Company extended its lead, protected its margins, increased its investments to prepare for the future and helped its presence grow across the country. Our flagship Brands, Mangalam and Campure exert irresistible appeal, turn heads and inspire dreams; they are where creativity reaches its zenith, where the magnetic force of desirability is strongest. Though this financial year was extremely challenging due to falling commodity prices across the globe our expertise and experience has helped us to tide over this phase successfully.

Throughout the challenging period our world has experienced these past few years, the desirability of our products has continued ever upward journey among our customers, We have seen a notable increase in demand for camphor across various industries, including pharmaceuticals, cosmetics, and religious ceremonies. Our ability to meet this growing demand is a reflection of our commitment to excellence, innovation, and customer satisfaction. We have worked tirelessly to enhance our production capabilities, improve our supply chain efficiency, and expand our product offerings to meet the evolving needs of our customers.

Our Net sales stood at Rs.407.92 crore for the financial year, despite exorbitant fall in Camphor prices we have been able to grow in terms of volume though we have seen downfall in net turnover compared to previous financial year, from 492.53 crore in FY 23.

The highlight of this year is that we've transitioned from a loss of ₹27.09 crore to a profit of ₹4.08 crore, with an EBIDTA of ₹36.91 crore, compared to a negative EBIDTA of ₹2.01 crore last year. This turn around is attributed to increased production, yield, and various cost-cutting measures implemented by the company.

Like the fragrant essence of camphor, which has been distilled and refined over generations, our family's legacy is built on the foundation of values passed down through the ages. As we look to the future, we remain steadfast in our dedication to preserving the art of traditional camphor production while embracing new opportunities and technologies to ensure a sustainable and thriving business opportunities.

Our Segmental performance

Camphor is the primary product in our "Terpene Operations" segment. Apart from puja consumption of camphor is showing increasing trend in day to day life. Its use is increasing in hygiene and aromatherapy. We have initiated sales of our terpene intermediates and look forward to growing these through the years to come which will contribute to our growth.

Our "Synthetic Resin" is also getting noticed by large domestic and international players which has contributed to our bottom-line handsomely. This year we have gained healthy margins due to the expansion we did previously in this segment.

Our "Retail Operations" are executed through our 100% subsidiary, Mangalam Brands Private Limited (MBPL). Our revitalized efforts have yielded impressive results, driving robust growth across all three pillars of our operations:

Mangalam, CamPure, and Private Label. Our expanded General Trade channel now reaches an extensive network across 18 Indian states, while our Modern Trade channel provides access to over 4,000 organized retail stores. Furthermore, we continue to dominate the E-commerce space, fueling growth by expanding the category. On the branding front, we're strategically investing in digital platforms and exhibitions to boost awareness and generate trials, ensuring our brand remains top of mind for customers."

I would like to take this opportunity to thank our stakeholders, employees, customers, suppliers, and various government departments for their unwavering support. Your trust and collaboration have been invaluable, and I am grateful for your contributions to our success. As we look to the future, we are committed to continuing our momentum and achieving our long-term goals. We will continue to innovate, invest in our people, and strive for excellence in all we do.

Kamalkumar Dujodwala

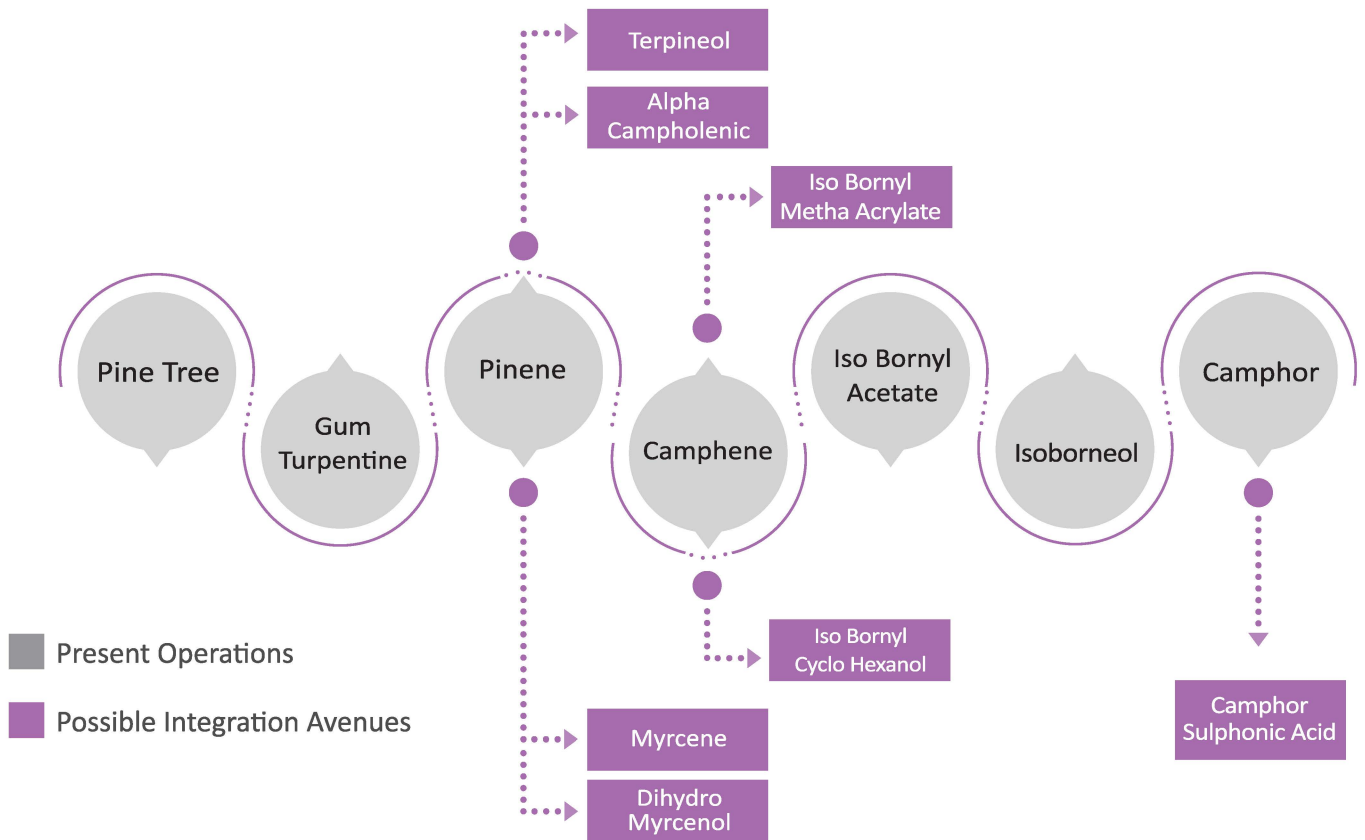
Executive Director and Chairman

Pannkaj Dujodwala

Executive Director and Managing Director



Our Terpene Strategy: Unlocking the Value of Intermediates



Going forward, we intend to focus on manufacturing and marketing high quality intermediate products to International customers: Camphene for Paint, Resin and Fragrance Applications-Iso Bornyl Acetate and Isoborneol for the fragrance industry

Further, opportunity presents itself in the manufacture and sale of derivatives of these intermediate products. Alpha and Beta Pinene derivatives such as Myrcene, Dihydro Myrcenol can serve as stepping stones into the world of rapidly-growing fragrance and flavours. Once the quality of intermediate products are standardized, we will work towards manufacturing and marketing downstream products such as Pinene and Camphene derivatives, which present nicher and more specialised opportunities with healthier margins.

Our Synthetic Resins Strategy: Bespoke and Niche Approach

| Terpene Phenolic Resin | Alkyl Phenolic Resin | Rosin Modified Resins |
|---|---|---|
| <ul style="list-style-type: none"> • Increase range of terpene phenols to cater wide needs of customers in domestic market • Pursue product approvals with global tyre and adhesive export market | <ul style="list-style-type: none"> • Understand customer pain points and provide tailor-made products • Introduce wide range of quality products to enable registration with key distributors | <ul style="list-style-type: none"> • Explore opportunities of import substitution in adhesives and printing ink industry • Improve quality of products to global standards to unlock export opportunities |



Bhagwan Ke Liye, Sirf Mangalam Mangalam



Why Camphor?

As written in our Holy books, Pure Campher symbolises union with God as it bums completely, leaving behind no trace, Pure camphor dispels regardvity, keeps ore healthy and attracts prosperity.

How to check the purity of Camphor?

Pure Camphor burns completely without sparking and does not leave behind any residue or ash.

Significance of the Camphor Flame

Camphor flame inspires the devotee to spread warmth and fragrance through one's life, burning away energetically to eventually allow the focus solely on the almighty without any trace of existence or ego. At the end of the aarti, one places his hands over the flame and touches his eyes and forehead which signifies "may the light which illumined the Lord light up my vision and may my thoughts be as pure and beautiful as this Camphor flame".



Choose calmness with Bhimseni Camphor



With immense spiritual and health benefits, Bhimseni camphor is the most beneficial for your body and soul. Bhimseni Camphor is known by many names, including Pacha Kapoor, Nagi karpura, Patri Kapoor, and Desi Kapoor. The many crucial qualities of this camphor make it the most powerful of all camphor forms.

Bhimseni camphor has been around for generations. Valued in Ayurveda for its purity and medicinal powers, it is often recommended by most Ayurvedic practitioners to treat various conditions. It repels microorganisms and germs, purifying the air around us. When burnt, it releases a fragrance, making it a powerful insect repellent. It can be used to treat colds and coughs, helps with breathing problems, various skin and hair problems as well as helps treat toothaches.





CamPure



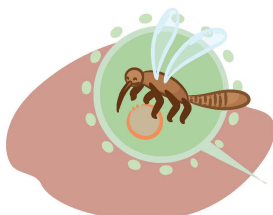
Unlock the Power of Camphor: Nature's Miracle

Camphor is believed to purify the mind, body, and spirit, driving out negative energies and attracting positive vibrations. Camphor's calming and clarifying properties create a conducive atmosphere for meditation, helping practitioners focus and connect with the divine.

For centuries, camphor has been a trusted ally in traditional and modern medicine, offering a natural solution for a multitude of health concerns. Derived from the wood of the camphor tree, this versatile remedy has been used worldwide to alleviate the Inflammation, Infection, Congestion, Pain, and Irritation. Research has revealed that camphor's potent compounds have Antimutagenic properties, suppressing cancer cell growth without harming healthy cells. It showed promise in preventing and treating serious diseases like cancer and diabetes. Additionally, camphor has been found to be an effective remedy for patients with Memory disorders & Brain disorders.

Modern uses of Camphor:

Camphor is a versatile ingredient in modern homecare and personal care products, leveraging its pain-relieving, decongestant, antimicrobial, skin soothing, insect repellent, and oral care properties. It's used in topical creams and ointments for muscle and joint pain, inhalers and vapor rubs for cold and cough relief, and soaps and hand sanitizers for infection prevention.



Camphor also finds application in skincare products for dry skin, acne, and irritation, as well as haircare products for scalp issues, dandruff, and lice control. Additionally, it's used in aromatherapy essential oil blends for relaxation and stress relief, wound care products for minor cuts and scrapes, and as a natural remedy for various health issues. However, it's essential to use camphor responsibly, diluting it with a carrier oil or following product instructions to avoid irritation or adverse effects.

CamPure

CamPure Cone



Air Purifier



Camphor Stick



Camphor Mosquito Repellent



Camphor Instacone



Camphor Surface Cleaner



Goodness of camphor is something we've known for centuries, and its usage extends far beyond our prayer rooms.

In today's fast-paced world, camphor is a simple yet powerful solution for a healthier and more sustainable lifestyle. This natural wonder purifies the air, repels insects, and eliminates odors, making it a perfect addition to your smart home. Whether you're looking for a chemical-free alternative for pest control, a natural remedy for stress and anxiety, or a refreshing boost for your wellness routine, camphor is the perfect fit. Its versatility and effectiveness make it an essential tool for modern living, helping you breathe easier, live cleaner, and feel better.

We have brought the goodness of camphor in a range of Homecare & Personal Care products.



Mangalam Organics Limited (MOL)

Embarking on a journey in July 1981, Mangalam Organics Limited (formerly Dujodwala Products Limited) having its head office at Mumbai, India. The Company is a leading pine chemicals manufacturer in the sub-segments of Terpenes and Synthetics Resins which is a single segment as chemicals.

Reaching a milestone in 2022, Mangalam Organics became the world's largest camphor manufacturer, boasting a production capacity of 10,000 MT p.a. As it continues to strive for excellence, the company remains dedicated to improving yield and efficiency, solidifying its position as a conqueror in the chemical industry.



With a rich history spanning over four decades, Mangalam Organics has consistently pushed boundaries. In 1994, it launched an Rs 8.7-cr public issue to fuel its ambitious project of manufacturing camphor and by-products, while also strengthening its working capital. This move led to the establishment of state-of-the-art facilities in Khopoli, Maharashtra, where it produces resins and camphor.

The company's products are the backbone of various industries, including rubber, paper, paints, adhesives, and many more. Mangalam Organics has continued to diversify and expand its portfolio, introducing Mangalam Camphor Tablets in 2013 and homecare products under the Brand CamPure in 2017. Today, it stands as a global leader in the manufacturing and sale of chemicals, with a product range that includes terpene products, resin products, and camphor tablets.

Listed on India's premier stock exchanges, Mangalam Organics stands among the top 2000 listed entities on both the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Its commitment to innovation and excellence led to creation of a subsidiary. Mangalam Brands Private Limited, which deals mainly in FMCG and retail business.



Mangalam Brands Private Limited (MBPL)

“Mangalam Brands Private Limited (MBPL) is a Private Limited Company incorporated in India on 21 April 2020 as a startup. Its registered office is in Mumbai. The Company was formerly known as Campure Private Limited. The Company is engaged mainly in FMCG and retail business. It operates in B2C category, which is demerged from its parent company Mangalam Organics Ltd. As a 100% subsidiary of Mangalam Organics Limited, MBPL has carved a niche for itself in the B2C category, leveraging its state-of-the-art manufacturing plant in Khopoli to process an impressive volume of Camphor. With a sales turnover of Rs. 160.11 crore in the financial year 2024.

Mangalam Brands Private Limited (MBPL) boasts a diverse portfolio, expertly navigating multiple channels to reach its customers. Its expansive reach encompasses- General Trade, Modern Trade, E-Retail Platforms, including Flipkart and Amazon, Contract Manufacturing, Own Platform and Website Sales, fostering direct connections, CSD (Canteen Stores Department), supplying to government channels, Export by venturing into international markets.



By mastering these varied channels, MBPL ensures its products are accessible to a wide audience, cementing its position as a versatile and dynamic market player. In a remarkable feat, Mangalam Brands Private Limited (MBPL) has catapulted to market leadership in modern trade, e-retail, and CSD channels within a mere 3 to 4 years. With its robust infrastructure and visionary leadership in place, the company is now poised to conquer the vast expanse of General Trade, unlocking unprecedented growth opportunities. As MBPL sets its sights on an ambitious Rs. 500 crore plus revenue target within the next 3-4 years, it's clear that this trailblazer is destined to dominate the camphor and FMCG landscape, leaving an indelible mark on the industry."



TV commercial



"In the heart of Indian devotion, purity shines bright. Camphor, a timeless offering, kindles spiritual growth and clarity. But amidst the chaos of commoditization, adulterated Camphor threatens to dim this sacred flame. Mangalam ignites a movement to enlighten consumers, through a lighthearted TVC campaign empowering them to demand the purest Camphor, reinforcing its brand as the gold standard for authenticity and spiritual integrity."

Mangalam Bhimseni Camphor's TVC addresses the current sentiment of consumers and offers a solution towards keeping a positive frame of mind to endure daily woes. The film showcases a protagonist purchasing the Bhimseni Camphor diffuser for her home and how that evokes a sense of tranquility once she returns home, starts her daily routine of being at peace and plugs the diffuser into a socket. There is a touch of humor added with kids playing the Bhim ki sena co-relating to the word Bhimseni Camphor. They follow the protagonist in all her daily routine work and join her as she unwinds at home diffusing the product on a Kapur Dani.





Mangalam over the last year





CamPure over the last year

Limited Time Offer!
Special 10% Off on Floral Basket
Coupon code : DISC10

BUY NOW

Automatic Air Freshener
FITS ALL MACHINES

100% Organic | Repels Mosquitoes | Elevates Mood

Original camphor | Lavender & camphor

CamPure

FRESH & PURE FRAGRANCE IN YOUR CAR

100% Organic | Elevates Mood | Repels Mosquitoes

REPELS MOSQUITOES
ENABLES PEACEFUL SLEEP
FITS MOST MACHINES

Making Playtime Sparkle with Our Surface Cleaner

Enjoy a rejuvenating bathing experience

Dark Knight
Embrace the shadows, ignite your glow

ELEVATE YOUR SENSES WITH THE PUREST
Ayurvedic air fresheners

Turmeric | Kesari Chandan | Tulsi

Freedom in the air
Freshness everywhere!

100% ORGANIC CAMPHOR

LIMITED Edition

ORIGINAL CAMPHOR
AIR PURIFIER
Refreshing Fragrance - Repels Mosquitoes

CamPure



MANGALAM ORGANICS LIMITED

CIN: L24110MH1981PLC024742

Regd Office: Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli - 410 202, Dist : Raigad, Maharashtra.

Head Office: 812/813, Tulsiani Chambers, 212, Nariman Point, Mumbai - 400 021, Maharashtra, India.

Tel: 022-49204089, Email - info@mangalamorganics.com, Website - www.mangalamorganics.com

NOTICE

NOTICE is hereby given that the Forty-Second (42nd) Annual General Meeting ('AGM') of the Members of MANGALAM ORGANICS LIMITED will be held on Saturday, September 14, 2024, at 3.00 p.m. through Video Conferencing ('VC') / Other AudioVisual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements for the Financial Year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Kamalkumar Dujodwala (DIN: 00546281), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:

3. Ratification of remuneration of Cost Auditor appointed by the Board of Directors of the Company for the financial year 2024-25 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with the Companies (Audit and Auditors) Rules 2014, as amended to date, payment of Rs. 50,000/- (Rupees Fifty Thousand only), reimbursement of out-of-pocket expenses at actuals plus applicable taxes thereon incurred in connection with the audit, payable to M/s. NKJ & Associates, Cost Accountants (Firm Registration No. 101893), who have been appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the Financial Year 2024-25 be and is hereby ratified."

4. **To approve existing as well as new material related party transactions with the Mangalam Brands Private Limited, the Material Unlisted Subsidiary of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (Listing Regulations) read with Section 188 of the Companies Act, 2013 (the Act) the Rules made thereunder (including any other applicable provision(s) or statutory modification(s) or re-enactment thereof for the time being in force) read with the Company's Policy on Related Party Transactions' and based on the recommendation/approval of the Audit Committee and the Board of Directors, approval of the Members be and is hereby accorded to the Company for entering into and/or continuing with Material Related Party Transaction(s)/contract(s)/arrangement(s)/agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with Mangalam Brands Private Limited, related party falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, for the FY 2024-25 on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related party and the Company, such that the maximum value of the Related Party Transactions with such party, in aggregate, does not exceed ₹175 crores in a FY 2024-25, provided however, that the said contracts/arrangements/transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

5. **To approve Borrowing powers of the Company U/s 180(1)(c) of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1) (c) 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), the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company’s Bankers and / or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or otherwise or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose such that the total borrowing shall not exceed Rs. 1000 Crores (Rupees One Crores only) excluding of any interest or charges but including the borrowing already availed and the Directors are hereby further authorized to execute such deeds and instruments or writings containing such conditions and covenants as the Directors may think fit;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to finalize, settle and execute such documents / deeds /writings / papers and Agreements as may be required and to take all necessary steps and actions in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee(s)/ Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary fit and proper.”

6. **Appointment of Mr. Sudarshan Kumar Saraf (DIN: 00035799) as an Independent Director**

To consider and, if thought fit to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Sudarshan Kumar

Saraf (DIN: 00035799), who was appointed as an Additional Director (Independent) by the Board of Directors of the Company at its meeting held on August 10, 2024 and who holds office upto the conclusion of this Annual General Meeting and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) along with Regulation 17 (1A) and 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as the Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from August 10, 2024 till August 09, 2029.”

7. **Approval for waiver of excess managerial remuneration paid to Mr. Pannkaj Dujodwala, Managing and Whole Time Director of the Company.**

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

“RESOLVED THAT upon recommendation of the Nomination and Remuneration Committee and Audit Committee of the Board of Directors of the Company and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the “Act”) read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof), the Articles of Association of the Company, the approval of the Members be and is hereby accorded for the waiver of excess managerial remuneration paid to Mr. Pannkaj Dujodwala (DIN: 00546353), the Whole-time Director designated as Managing Director of the Company for the period beginning from October 01, 2023 to March 31, 2024;

RESOLVED FURTHER THAT the Board or Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things as it may consider necessary, expedient or desirable, including delegation of all or any of its powers herein conferred to any Committee of Directors and/ or any person, to give effect to the above resolution.”

8. **Approval For Remuneration of Mr. Pannkaj Dujodwala**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended (“the Act”), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the members of the Company be and is hereby accorded to reconsider the remuneration of Mr. Pannkaj Dujodwala (DIN:00546353) as Whole-time Director designated as Managing Director (MD) of the Company for the remaining tenure of his office with effect from April 01, 2024 to August 12, 2025 upon the following terms:



Basic and Gross Salary: Rs. 25,00,000/- per month (including basic salary, allowances, and perquisites) with such annual increment in salary as may be decided by the Board or any Committee thereof. For the purpose of calculating the allowances and perquisites, valuation shall be done as per Income Tax Act and Rules made thereunder, wherever applicable and in the absence of any such rule, allowance and perquisites shall be valued at actual cost.

Computation of ceiling: The contribution to provident fund, gratuity and encashment of leave shall not be included in the computation of perquisites for the purposes of ceiling to the extent these are not taxable under the Income-tax Act, 1961.

RESOLVED FURTHER THAT any of the Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution.”

By Order of the Board of Directors

Sd/-

Mr. Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024

NOTES:

- In view of the ongoing threat posed by the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 ('SEBI Circulars') has permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with these MCA and SEBI Circulars, applicable provisions of the Act (including any statutory modifications or re-enactments thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the 42nd AGM of the Company is being conducted through VC/OAVM on Saturday, September 14, 2024, at 3.00 p.m. (IST).
- In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P//2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars") and the Notice of the AGM along with the Integrated Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories" Pursuant to Section 101 and Section 136 of the Act, read with relevant Rules made there under, Members may note that the Notice and the Annual Report will also be available on the Company's website at www.mangalamorganics.com, on the website of the Stock Exchanges where the shares of the Company are listed i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com and on the website of Link Intime India Private Limited viz., rnt.helpdesk@linkintime.co.in.
- Furthermore, the members who have not registered their e-mail ID with the Company can access the Annual Report on the website of the Company www.mangalamorganics.com. Members who would like to obtain pdf copy on their e-mail ID, may write an e-mail to cs@mangalamorganics.com
- Pursuant to the provisions of the Act, a Member 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 pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
- The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item Nos. 3 to 8 of the Notice, is annexed hereto. The relevant details with respect to Item Nos. 3, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
- To support the 'Green Initiative', Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent ('RTA') / their Depository Participants, in respect of shares held in physical/electronic mode, respectively.

7. In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI LODR, the Company is pleased to offer its Members, facility to exercise their right to vote in respect of the businesses to be transacted through E-Voting Services.
8. The Company has entered into an agreement with Link Intime India Pvt. Ltd, ("LIPL") for availing Electronic Voting facility in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014. E-voting instructions, user ID & Password are being informed by LIPL, to those members who have registered their e-mail ID. Further members who are already in possession of user ID & Password may use the same.
9. Members of the Company holding shares either in physical form or in electronic form as on the Record date (Cut-off date) of September 07, 2024 shall be eligible to cast their votes by remote e-voting. The Share Transfer Books and Register of Members of the Company will remain closed from September 07, 2024 to September 14, 2024 (both days inclusive).
10. The facility for voting through InstaMeet (VC/OAVM) shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote E-voting shall be able to exercise their right at the meeting through InstaMeet (VC/OAVM). The necessary details for joining the meeting are given at **Form -A**.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Link Intime (India) Private Limited, at rnt.helpdesk@linkintime.co.in in case the shares are held in physical form.
12. In compliance with the SEBI circular, the Company has assigned all the work related to share registry in terms of both physical and electronic to –

Link Intime India Pvt. Ltd. (LIPL, RTA of the Company)
 (Unit: West Coast Paper Mills Ltd.,)
 C-101, 247 Park,
 LBS Marg, Vikhroli (West)
 Mumbai - 400 083.
 Ph: (022) 49186000; Fax: (022) 49186060;
 E-mail: rnthelpdesk@linkintime.co.in
13. All the members are requested to send/deliver their documents/correspondence relating to the Company's Share Transfer/Demat/Remat requests to the above Registrar and Share Transfer Agent. Members holding shares in physical form are requested to notify promptly any change in their address, to the Registrar and Share Transfer Agent.
14. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their bank mandates immediately to the LIPL.
15. Members are requested to register their Permanent Account Number (PAN), E-mail ID and Mobile number with their Depository Participants, in case shares are held in dematerialized form.
16. Shareholders holding share in physical form are requested to register their PAN, E-mail ID, Mobile Number and Bank Account details on Web portal Link https://liiplweb.linkintime.co.in/EmailReg/Email_Register.html or send the hard copy to LIPL.
17. Members holdings shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent.
18. As per the provisions of Section 72 of the Act, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
19. In view of SEBI Circulars: SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July,2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated 4th August,2023, Shareholder if not satisfied with the resolution provided by RTA/Company(Level 1) or SEBI Scores Portal(Level 2), then the online resolution can be availed by lodging the grievances/ complaints/ disputes through the ODR Portal (Online Dispute Resolution) within the time frame under law at <https://smartodr.in/login>. Detailed process to access ODR Portal and the link for the ODR are also hosted on the website of the Company (under Investor Information) at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/664f369a2ea3243537860c83_Online%20Dispute%20Redressal%20Mechanism_MOL.pdf
20. Link Intime India Private Ltd (RTA) has launched 'SWAYAM', is a secure, user-friendly web-based application that empowers shareholders to effortlessly access various services. Shareholders are requested to get registered and have first-hand experience of the portal. This application can be accessed at <https://swayam.linkintime.co.in>.
21. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):



Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend amount have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in). The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time. Members who have not yet encashed the dividend warrants are requested to forward their claims to the Company or its Registrar and Share Transfer Agent. Kindly refer the Directors' Report / Corporate Governance Report in respect of the unclaimed dividends.

22. Members are requested to update their bank mandate/ NECS/ Direct credit details / name / address / power of attorney and their Core Banking Solutions enabled account number
 - For shares held in physical form: with the Registrar and Share Transfer Agent of the Company.
 - For shares held in dematerialized form: with the depository participant with whom they maintain their demat account.'
23. Members are requested to kindly note that the Company has not declared final dividend for the financial year 2023-24.
24. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in dematerialized form, they must quote their DP ID and Client ID number.
25. Members are requested to notify immediately any change of address:
 - a. to their Depository Participants ('DPs') in respect of the shares held in electronic form, and
 - b. to the RTA of the Company, in respect of the shares held in physical form together with a proof of address of any of the documents viz., Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.
26. Non-Resident Indian members are requested to immediately inform their depository participant (in case of shares held in dematerialized form) or the Registrars and Transfer Agents of the Company (in case of shares held in physical form), as the case may be, about:
 - a. the change in the residential status on return to India for permanent settlement;
 - b. the particulars of the NRE account with a bank in India, if not furnished earlier.
27. The members who are holding shares in physical form and who have not registered their e-mail ID with the Company, can write to evoting.investors@linkintime.co.in by providing their name and folio number and obtain default PAN (if PAN is not registered with the Company) for the purpose of e-voting and exercise their vote through remote e-voting or vote electronically during the AGM. The credentials will be provided to the members after verification of all details.
28. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.
29. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form
30. As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 & BSE circular No. List/COMP/15/2018-19 dated 5th July, 2018; no request for effecting transfer of securities (except in case of transmission of securities) has been processed after March 31, 2019 unless the securities are held in the dematerialized form with the depositories. Hence, Members who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic / dematerialized form.
31. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Governing Body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to csymsharma@gmail.com with copies marked to the Company at cs@mangalamorganics.com and to its RTA at rnt.helpdesk@linkintime.co.in
32. Instructions for e-voting and joining the AGM are provided in section 'Request to Members'.

FORM A

REQUEST TO MEMBERS:

1. E-Voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, the Company is providing facility for remote e-voting and e-voting at the AGM to all members as on the cut-off date as per the applicable regulations and all the businesses contained in this Notice may be transacted through such voting. The remote e-voting and e-voting facility at AGM are being provided through e-voting platform provided by Link Intime India Private Limited (LI IPL). The instructions for members for voting by electronic means are given in below paragraphs:

- A. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Saturday, September 07, 2024 may cast their vote by remote e-Voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- B. The remote e-Voting period commences on Wednesday, September 11, 2024 at 9.00 a.m. (IST) and ends on Friday, September 13, 2024 at 5.00 p.m. (IST). Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Saturday, September 07, 2024.
- C. As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
- D. Login instructions for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Instructions |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL | <p>Method 1: Users who have registered for NSDL IDeAS facility</p> <p>a) Visit URL: https://eservices.nsd.com and click on “Beneficial Owner” icon under “Login”.</p> <p>b) Enter user id and password. Post successful authentication, click on “Access to e-voting”.</p> <p>c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> |

OR

User not registered for IDeAS facility:

- a) To register, visit URL: <https://eservices.nsd.com/> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “e-voting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Method 2: By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL

Method 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

- a) Visit URL: <https://web.cdslindia.com/my-easitoken/Home/Login>
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.



| | | |
|--|--|--|
| | <p>d) After successful login, user able to see e-voting menu.</p> <p>e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> <p>Method 2 - By directly visiting the e-voting website of CDSL.</p> <p>a) Visit URL: https://www.cdslindia.com/</p> <p>b) Go to e-voting tab.</p> <p>c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.</p> <p>d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account</p> <p>e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> | <p>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company- in DD/MM/YYYY format)</p> <p>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>E. Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</p> <p>F. Shareholders holding shares in NSDL form, shall provide ‘D’ above</p> <ul style="list-style-type: none"> ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click ‘confirm’ (Your password is now generated). <p>3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.</p> <p>4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.</p> <p>Cast your vote electronically:</p> <ol style="list-style-type: none"> 1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. 2. E-voting page will appear. 3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). 4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote. |
| <p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p> | <ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. <ol style="list-style-type: none"> a) Login to DP website b) After Successful login, members shall navigate through “e-voting” tab under Stocks option. c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu. d) After successful authentication, click on “LINKINTIME” or “e-voting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. | |
| <p>Individual Shareholders holding securities in Physical mode & evoting service (Provider is LINKINTIME).</p> | <ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in 2. Click on ‘Sign Up’ under ‘SHARE HOLDER’ tab and register with your following details: <ul style="list-style-type: none"> - <p>A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</p> <p>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> | <p><u>Guidelines for Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”):</u></p> <p>STEP 1 – Registration</p> <ol style="list-style-type: none"> a) Visit URL: https://instavote.linkintime.co.in b) Click on Sign up under “Corporate Body/ Custodian/Mutual Fund” c) Fill up your entity details and submit the form. d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in. e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person’s email ID. |

- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on “Investor Mapping” tab under the Menu Section
- c) Map the Investor with the following details:
 - a. ‘Investor ID’-
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b. ‘Investor’s Name- Enter full name of the entity.
 - c. ‘Investor PAN’- Enter your 10-digit PAN issued by Income Tax Department.
 - d. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on ‘Votes Entry’ tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter ‘16-digit Demat Account No.’ for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- f) After selecting the desired option i.e., Favour / Against, click on ‘Submit’.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select ‘View’ icon for ‘Company’s Name / Event number’. E-voting page will appear.
- d) Download sample vote file from ‘Download Sample Vote File’ option.
- e) Cast your vote by selecting your desired option ‘Favour / Against’ in excel and upload the same under ‘Upload Vote File’ option.
- f) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

FORGOT PASSWORD:

Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’

o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.



In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

User ID for Shareholders holding shares in NSDL demat account: 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL: demat account is 16 Digit Beneficiary ID.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular 'Event'.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| 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 helpdesk.evoting@cdslindia.com or contact at toll free no.: . 1800 225533 |

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in/> under Help section or send an email to enotices@linkintime.co.in or contact on:- Tel: 022- 4918 6000.

- Any person who becomes a member of the Company after dispatch of the Notice of the 42nd AGM and holding shares as on the cut-off date may obtain the User ID and Password by writing to the Company Secretary at cs@mangalamorganics.com or to Link Intime Private Limited at mailto: enotices@linkintime.co.in
- A copy of this notice has been/ shall be placed on the website of the Company and the website of Link Intime India Private Limited.
- Mr. Yogesh M Sharma, Proprietor of Yogesh Sharma & Co., Practicing Company Secretaries (Membership No. FCS 11305/ Certificate of Practice No. 12366) has been appointed as the Scrutinizer to scrutinize the voting by instapoll and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make not later than two days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him, who shall countersign the same.
- The facility for e-voting shall be made available at the meeting and members attending the meeting through VC/OAVM who have not already casted their vote by remote e-Voting shall be able to exercise their voting right at the meeting.
- The members who have casted their votes by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again.
- The consolidated results of remote e-voting and e-voting at the AGM shall be declared after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.mangalamorganics.com/> within 2 (two) days of conclusion of the AGM and will be communicated to National Stock Exchange of India Limited and BSE Limited, the same shall also be placed on the website of Link Intime India Private Limited.

2. Video Conferencing

Instructions for Shareholders/Members to attend the AGM through InstaMeet (VC/OAVM) are as under:

- Shareholders/Members are entitled to attend the AGM through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the AGM

through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available to the Members on first come first serve basis.

- B. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the AGM. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first-serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

- C. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the AGM as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click 'Go to Meeting'

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or call at:- Tel: (022-49186175), may also email to the Company at cs@mangalamorganics.com

Instructions for Shareholders/Members to register themselves as Speakers during AGM:

1. Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id and mobile number at cs@mangalamorganics.com on Wednesday, September 11, 2024 from 9.00 A.M. (IST) to 5.00 P.M. (IST).
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id and mobile number at cs@mangalamorganics.com. The same will be replied by the Company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting 'Cast your vote'.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see 'Resolution Description' and against the same the option 'Favour/ Against' for voting.



4. Cast your vote by selecting appropriate option i.e. 'Favour/Against' as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the AGM through InstaMeet 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 facility during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Shareholders/ Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding-voting, you can write an email to instameet@linkintime.co.in or call on:- Tel: 022-49186175.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

In conformity with the provisions of section 102 of the Companies Act, 2013 the following explanatory statements set out all material facts in respect of Item No. 3 to 8

Item No. 3

Ratification of appointment of the Cost Auditor

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, is required to appoint an individual who is a Cost Accountant in practice or a firm of Cost Accountants in practice, as Cost Auditor. The remuneration of the Cost Auditor is required to be approved by the Board of Directors and ratified by the members.

At its meeting held on July 26, 2024 the Board had considered and approved appointment of Mr. Naresh Jethwani, Cost Accountants (Membership No.18869) to conduct the audit of the Company's cost records for financial year 2024-25 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of out-of-pocket expenses, if any.

The Members are requested to approve the same.

None of the Promoters, Directors and Key Managerial Personnel of the Company or their respective relatives are deemed to be concerned or interested financially or otherwise in the said resolution.

Item No. 4

To approve existing as well as new material related party transactions with the Mangalam Brands Private Limited, the Unlisted Material Subsidiary of the Company.

As per the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), with effect from 1st April, 2022, related party transactions, if material, require the prior approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity, whichever is lower and such material related party transactions exceeding the limits, would require prior approval of Members by means of an ordinary resolution.

Once approved by shareholders, the transaction shall also be reviewed/ monitored on an annual basis by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders.

Mangalam Brands Private Limited (MBPL) is a wholly owned unlisted Material subsidiary of Mangalam Organics Limited (MOL). The MBPL currently sources raw materials of Camphor & Isoborneol Powder from MOL. The Company proposes entering and/ or continuing with Material Related Party Transactions/ contracts/arrangements/ agreements with MOL up to an amount not exceeding Rs. 175 crores for the FY 2024-25, the Company hereby seeks approval from the Members in line with Regulation 23(4) of Listing Regulations. The limit proposed is an enabling limit to help the business operate smoothly without interruptions. All transactions with MOL will continue to be in adherence with arm's length principle as per the Companies Act, 2013 (the Act) & Listing Regulations, as reviewed by our Statutory auditor and the Audit Committee.

Information required to be disclosed in the Explanatory Statement for this Item pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given as **Annexure-3**

Item No. 5

To approve Borrowing powers of the Company U/s 180(1)(c) of the Companies Act, 2013

The Company requires to borrow funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate, individuals or other kind of lenders. According to section 180 (1) (c) of the Companies Act, 2013, the total amount of such borrowings as well as the outstanding at any time cannot exceed the aggregate of paid up capital and free reserves of the Company, except with the consent of the members. The Company felt that the said limit is not adequate and needs enhancement, accordingly the resolution has been proposed to increase the limits of borrowing to Rs. 1000 Crores.

It is recommended that the resolution be passed as Special resolution. None of the Directors is interested or concerned in the resolution.

Item No. 6

Appointment of Mr. Sudarshan Kumar Saraf (DIN: 00035799) as an Independent Director

Mr. Sudarshan Kumar Saraf (DIN: 00035799) was appointed as an Additional Directors (Non-Executive and Independent) on the Board of the Company w.e.f. August 10, 2024 to hold office till the conclusion of the ensuing Annual General Meeting and subject to the approval of the members for appointment as Independent Directors to hold office for a term upto 5 (Five) consecutive years.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the performance evaluation had proposed to the members for appointment of Mr. Sudarshan Kumar Saraf (DIN: 00035799) as an Independent Directors for a period of 5 (five) years on the Board of the Company in accordance with the provision of Section 149(10) of the Act.

Mr. Sudarshan Kumar Saraf (DIN: 00035799) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Independent Directors.

The Company has received declaration from Mr. Sudarshan Kumar Saraf that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI Listing Regulations.

In the opinion of the Board, Mr. Sudarshan Kumar Saraf (DIN: 00035799) fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

Mr. Sudarshan Kumar Saraf (DIN: 00035799) is independent of the management. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience, it is desirable to appoint them as an Independent Directors.

Accordingly, it is proposed to appoint Mr. Sudarshan Kumar Saraf (DIN: 00035799) as Independent Directors of the Company, not

liable to retire by rotation and to hold office for a period of 5 (five) consecutive years on the Board of the Company.

Details of Directors whose appointment as Independent Directors is proposed at Item No.6 is provided in the “Annexure- 2” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Sudarshan Kumar Saraf setting out the terms and conditions of appointment is available for inspection by the members of the Company.

The Board recommends the Special Resolution set out at Item Nos. 6 of the Notice for approval by the members. Pursuant to sub-regulation (1A) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 inserted by the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has exceed the age of 75 (Seventy-Five) years.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the resolution for approval of the Members.

Item No. 7

Approval for waiver of excess managerial remuneration paid to Mr. Pannkaj Dujodwala, Managing and Whole Time Director of the Company.

Mr. Pannkaj Dujodwala was appointed as the Managing Director of the Company for a period of five years with effect from August 13, 2020 to August 12, 2025 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 29, 2020;

The remuneration paid to Mr. Pannkaj Dujodwala (DIN: 00546353), the Whole-time Director designated as Managing Director of the Company, for the period beginning from October 01, 2023 to March 31, 2024, requires to be waive off as pursuant to Schedule –V, Part -II of the Companies Act, 2013 read with Section 197 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Special Resolution passed for the payment of remuneration as per item (b) of Schedule –V at the general meeting of the Company is valid for a period of not exceeding three years.

Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution. The management of the Company believes that the remuneration as previously approved by the members of the Company and paid to Mr. Pannkaj Dujodwala is justified in terms of his key role within the Company.

Considering the critical role played by Mr. Pannkaj Dujodwala, his responsibilities, contribution and his on-going efforts towards



corporate growth and Profitability during his association with the Company, the Nomination & Remuneration Committee and the Board, subject to the approval of the members of the Company.

Accordingly, the consent of the Members is sought for passing a Special Resolution as set out in Item No. 7 of the Notice for the waiver of recovery of excess remuneration paid to Mr. Pannkaj Dujodwala.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor, if any.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Kamalkumar Dujodwala, being the brother of Mr. Pannkaj Dujodwala and the entire Promoter group may be deemed to be interested in the proposed resolution at Item no. 7.

The following additional information as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

GENERAL INFORMATION:

- Nature of Industry:** The Company is engaged in the business of manufacturing chemical and has Terpenes and Synthetic Resins as primary segment, which falls under single segment of chemicals.
- Date of commencement of commercial production:** 03/07/1981
- In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable as the Company is an existing Company.
- Financial Performance based on given indicators:**

| Particulars | FY 2021-22 | 2022-2023 | FY 2023-24 |
|--|----------------|----------------|----------------|
| Total Income | 4,92,35,68,667 | 4,68,36,41,697 | 4,07,92,01,238 |
| Expenditure other than interest and Depreciation | 3,99,71,20,886 | 4,70,37,40,794 | 3,71,01,35,457 |
| Profit before interest, Depreciation and tax | 92,64,47,781 | (2,00,99,097) | 36,90,65,781 |
| Interest (Net) | 3,88,61,130 | 12,68,45,463 | 14,61,76,509 |
| Profit before Depreciation and Tax | 88,75,86,651 | (14,69,44,560) | 22,28,89,272 |
| Depreciation | 14,91,28,959 | 16,63,98,819 | 18,81,62,933 |
| Profit before Tax and Exceptional Items | 73,84,57,692 | (31,33,43,379) | 3,47,26,339 |
| Provision for Current Tax | 18,00,00,000 | - | - |

| | | | |
|----------------------------|---------------------|-----------------------|--------------------|
| Provision for Deferred Tax | 1,55,29,856 | (7,43,28,688) | 72,36,694 |
| Net Profit | 54,23,10,459 | (25,27,32,860) | 4,07,57,484 |

- Foreign investments and collaboration, if any:** The Company has neither made any Foreign Investments nor entered into any collaborations during the last Financial Year

INFORMATION ABOUT THE APPOINTEE:

1. Background Details of Mr. Pannkaj Dujodwala:

Mr. Pannkaj Dujodwala holds an MBA degree from Landsdown College, New Hampshire University, UK and is a Graduate in Commerce. He has been involved in the Pine Chemicals Industry for over 30 years and brings with him wide experience to oversee day-to-day activities at Mangalam Organics Limited.

2. Past remuneration:

For the Financial year ended March 31, 2024 Mr. Pannkaj Dujodwala was in receipt of Remuneration amounting to Rs. 3,00,00,000.

3. Recognition / Awards / Accolades : -

Expertise in the Pine Chemicals Industry: With an impressive track record spanning over three decades, Mr. Pannkaj has been deeply entrenched in the Pine Chemicals Industry. His wealth of experience uniquely positions him to oversee the day-to-day operations at MOL.

Leadership beyond Business: Beyond his business acumen, Mr. Pannkaj has also made significant contributions to education. As the Past President of the esteemed *Akhil Bharatvarshia Marwadi Agrawal Jatiya Kosh*, he has played a pivotal role in shaping educational institutions, including schools and colleges.

International Education Background: Mr. Pannkaj's pursuit of knowledge extends across borders. He holds a degree in Business Administration from Landsdown College, New Hampshire University in the United Kingdom.

4. Job profile and his Suitability:

Job Profile: Mr. Pannkaj Dujodwala, Managing Director looks after the overall management of the Company subject to the superintendence, control and direction of the Board of Directors of the Company.

Suitability: Considering the qualification and experience of Mr. Pannkaj Dujodwala and his excellent performance as the "Executive & Managing Director" of the Company (since May 20, 2009), the Nomination and Remuneration Committee and thereafter the Board of Directors, have recommended waiver of recovery of excess managerial remuneration paid to him.

5. Remuneration:

The approval of the Members is being sought for waiver of excess managerial remuneration paid to Mr. Pannkaj

Dujodwala, for the period beginning from October 01, 2023 to March 31, 2024.

| | Particulars | Amount (In Rs.) |
|-----|--|-------------------------|
| (A) | Remuneration Approved as per Special Resolution of Shareholders dated September 29, 2020 | Rs.3,00,00,000/- p.a |
| | Particulars | Amount (In Rs.) |
| (B) | Ceiling on Managerial Remuneration as per the Companies Act, 2013* | Rs. 3,00,00, 000/- p.a. |
| (C) | Ceiling applicable as per Section 178(1) | Rs. 1,50,00,000/- p.a. |
| (D) | Amount actually paid as remuneration | Rs. 3,00,00,000/- p.a. |
| (E) | Excess Remuneration | Rs. 1,50,00,000/- p.a. |

Pursuant to Schedule –V, Part-II of the Companies Act, 2013 read with Section 197 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Special Resolution passed for the payment of remuneration as per item (b) of Schedule –V at the general meeting of the Company is valid for a period of not exceeding three years.

Mr. Pannkaj Dujodwala was re-appointed as the Managing Director of the Company for a period of five years with effect from August 13, 2020 to August 12, 2025 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 29, 2020.

In compliance with the above provision, approval of the Shareholders is hereby accorded to waive off the excess remuneration paid from the period beginning from October 2023 to March 2024.

6. 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 with respect to the country of his origin)

a) Comparative remuneration profile with respect to industry:

The remuneration of Mr. Pannkaj Dujodwala, Managing Director is in tune with the remuneration in similar sized industries in same segment of business. The proposed remuneration compares favorably with that being offered to similarly qualified and experienced persons from the industry and the professionals with an entrepreneurial background.

The remuneration is considered to be appropriate, having regard to factors such as past experience, position held, his contribution as Managing Director to the growth of the Company, its business and its profitability, age and merits of Mr. Pannkaj Dujodwala.

b) Size of the Company:

The Revenue from Operations of the Company for the Financial Year ended March 31, 2024 is Rs. 4,05, 43, 35,256.

c) Profile of the Position and Person:

Apart from job profile as stated at Point no. (4) above, Mr. Pannkaj Dujodwala provides guidance and professional advice to the associates and subsidiaries companies of the Company as he is on the Board of these companies and is actively pursuing their business objectives.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Other than the remuneration stated above, Mr. Pannkaj Dujodwala has no other pecuniary relationship directly or indirectly with the Company, except that he is holding 1.53 % of the Paid-up Equity Share Capital of the Company.

III. OTHER INFORMATION:

Reasons of loss or inadequate profitability / Steps taken / proposed to be taken for improvement of Performance / Expected increase in productivity and profitability in measurable terms:

Mr. Pannkaj Dujodwala was re-appointed as the Managing Director of the Company for a period of five years with effect from August 13, 2020 to August 12, 2025 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 29, 2020.

It may be noted that the excess remuneration has arisen only on account of validity of approval granted was for 5 years whereas allowed as per the Companies Act, 2013 for 3 years, Hence, Members are hereby requested to waive off the remuneration beyond the term as prescribed under the Companies Act, 2013.

Item No. 8

Approval For Remuneration of Mr. Pannkaj Dujodwala

Mr. Pannkaj Dujodwala was appointed as the Managing Director of the Company for a period of five years with effect from August 13, 2020 to August 12, 2025 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 29, 2020;

Pursuant to Schedule –V, Part-II of the Companies Act, 2013 read with Section 197 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Special Resolution passed for the payment of remuneration as per item (b) of Schedule –V at the general meeting of the Company is valid for a period of not exceeding three years.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC') Audit committee the Board of Directors ('Board') in their meeting held as on August 10,



2024, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013, as amended (“the Act”), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Members of the Company be and is hereby requested to reconsider the remuneration of Mr. Pannkaj Dujodwala (DIN:00546353) as Whole-time Director designated as Managing Director (MD) of the Company for the remaining tenure of his office with effect from April 01, 2024 to August 12, 2025 upon the following terms:

1. **Term:** For a period commencing from April 01, 2024 to August 12, 2025.
2. **Gross Salary:** Rs. 25,00,000/- per month (including basic

salary, allowances, and perquisites). For the purpose of calculating the allowances and perquisites, valuation shall be done as per Income Tax Act and Rules made thereunder, wherever applicable and in the absence of any such rule, allowance and perquisites shall be valued at actual cost.

The Board commends the resolution at Item No. 8 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Kamalkumar Dujodwala, being the brother of Mr. Pannkaj Dujodwala and the entire Promoter group may be deemed to be interested in the proposed resolution at Item no. 8.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

[Pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard-2 on General Meetings]

| Particulars | Mr. Kamalkumar Dujodwala |
|--|---|
| DIN | 00546281 |
| Designation | Executive Director and Chairman |
| Date of Birth | April 01, 1951 |
| Age | 74 Years |
| Qualifications | B.Sc Graduate and extensive training at National Chemical Laboratory. |
| Experience (including expertise in specific functional area)/ Brief Resume | Mr. Kamalkumar has over 40 years' experience in the chemical Industry and has spearheaded commissioning and operations at various facilities across India. He has been the president of the All India Manufacturers Organization and is presently the Vice President of the Indo-China Chamber of Commerce. |
| Terms and Conditions of Appointment / Re-appointment | As per the resolution passed by the shareholders at the Annual General Meeting held on September 28, 2022. Mr.Kamalkumar Dujodwala was re-appointed as a Chairman designated as Executive Director, liable to retire by rotation |
| Date of first appointment on the Board | July 03, 1981 |
| Shareholding in the Company as on March 31, 2024 | 157216 (1.83%) |
| Relationship with other Directors/ Key Managerial Personnel | Brother of Managing Director, Mr. Pannkaj Dujodwala |
| Directorships held in other listed companies and the membership of Committees of the board including Listed entities from which the person has resigned in the past three years | NIL |
| Membership/Chairmanship of Committees of other public companies | NIL |
| No. of Board meetings attended during the year | 5 |
| Details of remuneration last drawn (FY 2023-24) | Rs. 3.00 Crores |



DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

[Pursuant to the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard-2 on General Meetings]

| Particulars | Mr. Sudarshan Kumar Saraf |
|---|--|
| DIN | 00035799 |
| Designation | Non-Executive Independent Director |
| Date of Birth | 07/06/1949 |
| Age | 75 Years |
| Qualifications | Bachelors in Mechanical Engineering, Indian Institute of Technology, Mumbai |
| Experience (including expertise in specific functional area)/ | The largest producer and supplier of drum closures in China entirely for the extremely competitive Chinese market in competition against 22 domestic producers. |
| Skills and capabilities and the manner in which the Independent Director meet such requirements | <ul style="list-style-type: none"> Conferred the distinguished service award for the year 1999 by the Institute of Technology, Bombay. Pioneered the development of interval thread rolling process, developed and built SPM's, toolings, innovative processes, automation, control panels in house to give operations a strong competitive edge. Holds four PATENTS in process, products and tooling for drum closures. Turned around tube division setup in 2000 by converting it to value added and world class quality scaffold and Formwork systems that now uses original product tube as an intermediate product. |
| Terms and Conditions of Appointment | Appointed as a Non-Executive Independent Director for a tenure of 5 years |
| Date of first appointment on the Board | August 10, 2024 |
| Shareholding in the Company including Shareholding as a beneficial owner | Nil |
| Relationship with other Directors/Key Managerial Personnel | None |
| Directorships held in other listed companies | 01 Co-Chairman & Managing Director at Technocraft Industries (India) Limited |
| The membership of Committees of the board including Listed entities from which the person has resigned in the past three years | 01 Member of Stakeholders' Relationship Committee at Technocraft Industries (India) Limited |

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Date: August 10, 2024

Place: Mumbai

TO APPROVE EXISTING AS WELL AS NEW MATERIAL RELATED PARTY TRANSACTIONS WITH THE MANGALAM BRANDS PRIVATE LIMITED, THE UNLISTED MATERIAL SUBSIDIARY OF THE COMPANY.

Information required to be disclosed in the Explanatory Statement for Item Nos. 4 pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

| Sr.no. | Description | Particulars |
|--------|--|--|
| 1. | Name of the related party | Mangalam Brands Private Limited (MBPL)- Wholly owned material unlisted Subsidiary of the Mangalam Organics Limited |
| 2. | Nature of relationship [including nature of its interest (financial or otherwise)] | 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations |
| 3. | Type of the proposed transaction | Sourcing of the raw materials of Camphor & Isoborneol Powder from Mangalam Organics Limited (MOL) |
| 4. | Nature, duration/tenure, material terms, monetary value and particulars of contract/ arrangement | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions through contracts/arrangements which are entered for a duration of 1 year, shall be subject to a maximum Rs. 175 crores during the financial year. This transaction with related party is amounting to 35.50 percent of the consolidated turnover of the Company for F.Y. 2023-24 |
| 5. | Particulars of the proposed transaction | As provided in Serial no. 3 |
| 6. | Tenure of the transaction | For the duration of 1 year |
| 7. | Value of the proposed transaction | As provided in Serial no. 4 |
| 8. | Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction | Monetary value of transactions through which are entered for a duration of 1 year, shall be subject to a maximum of 35.50 percent of the consolidated turnover of the Company for F.Y. 2023-24 |
| 9. | Justification of the proposed transaction | The Company, being world's largest manufacturer of Camphor, sources raw materials primarily Camphor & Isoborneol Powder to its subsidiary company at the competitive and at arm's length price, leveraging Mangalam's global scale and proximity to source supply of Camphor. |
| 10. | Details of the valuation report or external party report (if any) enclosed with the Notice | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally and by Statutory Auditors and by the Audit committee. |
| 11. | Any other information relevant or important for the shareholders to take an informed decision | All relevant information forms a part of this explanatory statement setting out material facts. |
| 12. | Following additional disclosures to be made in case of loans, inter-corporate deposits, advances or investments made or given | |
| A | Source of funds | Not Applicable |
| B | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: <ul style="list-style-type: none"> • Nature of indebtedness; • cost of funds; and • tenure of the indebtedness | Not Applicable |



| Sr.no. | Description | Particulars |
|--------|--|---|
| C | Terms of the loan, inter-corporate deposits, advances or investment made or given <i>(including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)</i> | Not Applicable |
| D | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | Not Applicable |
| 13 | Any other relevant information | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice. |

None of the Directors or other Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

BOARD'S REPORT

TO THE MEMBERS OF MANGALAM ORGANICS LIMITED

Your Directors have pleasure in presenting the Forty Second Annual Report on the performance of the Company together with the audited financial statements for the Financial Year ('FY') ended March 31, 2024.

FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2024 is summarized below:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Revenue from Operations | 40543.35 | 46697.39 | 49351.96 | 49252.62 |
| Other Income | 248.66 | 139.03 | 77.61 | 33.69 |
| Total Revenue | 40792.01 | 46836.42 | 49429.57 | 49286.31 |
| Profit before Depreciation and finance cost | 3690.66 | -200.99 | 3944.15 | -242.73 |
| Depreciation and Amortization expenses | 1881.63 | 1663.99 | 1983.58 | 1754.46 |
| Finance Cost | 1461.77 | 1268.45 | 1561.96 | 1378.77 |
| Profit after Depreciation, Finance costs and Exceptional items and before tax | 347.26 | -3133.43 | 398.61 | -3375.96 |
| Tax expenses | -67.94 | -592.97 | -30 | -653.47 |
| Profit after Tax | 415.20 | -2540.46 | 428.61 | -2722.49 |
| Other comprehensive income | -7.63 | 13.13 | -6.96 | 13.13 |
| Total Comprehensive Income for the Year | 407.57 | -2527.33 | 421.65 | -2709.36 |

NATURE OF BUSINESS AND FINANCIAL PERFORMANCE / STATE OF COMPANY'S AFFAIRS

Your Company is engaged in the business of manufacturing chemical and has Terpenes and Synthetic Resins as primary segment, which falls under a single segment of chemicals.

Financial Performance Highlights for FY 2023-24

- 1. Net Sales Turnover:** Our net sales turnover reached an impressive Rs. 493.52 Crore, reflecting steady growth. This compares favorably to the Rs. 492.53 Crore achieved in the previous financial year.
- 2. Profit after Tax (PAT):** Our profit after tax (PAT) turned the corner significantly. In FY 2023-24, we recorded a PAT of Rs. 4.29 Crore, a remarkable improvement from the negative PAT of Rs. (27.22) Crore in FY 2022-23.
- 3. Revenue Composition:** Approximately 94% of our revenue came from Terpenes Chemicals.
- 4. Business Continuity:** There was no change in the nature of our business and structure of the business during the period under review. We remain committed to our core operations and strategic direction.

- 5. New Acquisitions :** No new acquisitions made by the Company during the Period under review.

The chemicals industry has undergone significant transformations, with new entrants and expanded capacities leading to a softer demand environment and downward pressure on selling prices. However, we anticipate a gradual recovery in demand, paving the way for improved pricing and restored profitability.

We remain steadfast in our commitment to profitable growth. Our risk-mitigated strategies have enabled us to maintain consistent annual sales despite market fluctuations.

DIVIDEND

With a view to conserve resources, the Directors have thought it prudent not to recommend any dividend for the financial year under review.

UNCLAIMED AND UNPAID DIVIDEND AND TRANSFER OF SHARES TO IEPF

As on March 31, 2024 amount of Rs. 17,29,034/-, comprising of Rs. 3,79,914/-, Rs. 2,63,486/-, Rs. 2,68,524/-, Rs. 4,10,274/- and Rs. 4,06,836/- are lying in the unpaid equity dividend account of the Company in respect of the dividends for FY 2017-18, FY 2018-



19, FY 2019-20, FY 2020-21 and FY 2021-22 respectively. Members who have not yet received/ claimed their dividend entitlements are requested to contact the Company or the Registrar and Transfer Agents of the Company. The list of such shareholders for unpaid and unclaimed dividend for FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22 is placed on the Company's website www.mangalamorganics.com.

Pursuant Section 124 of the Companies Act, 2013 read with the Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules"), all dividends remaining unpaid or unclaimed for a period of seven years and also the shares in respect of which the dividend has not been claimed by the shareholders for seven consecutive years or more are required to be transferred to Investor Education Protection Fund in accordance with the procedure prescribed in the Rules. In this regard, all dividends remaining unpaid or unclaimed for a period of seven years and also the shares in respect of which the dividend have not been claimed by the shareholders for seven consecutive years for FY 2010-11 have been transferred to Investor Education Protection Fund (IEPF) account on November 2, 2018 and February 15, 2019 respectively. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time. The list of such shareholders whose shares and dividend has been transferred to IEPF is placed on the Company's website www.mangalamorganics.com.

TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of profits for FY 2023-24 in the Retained Earnings.

SHARE CAPITAL

a. Authorized Capital: The authorized share capital of the Company as on March 31, 2024 stood at 12,00,00,000/- (Rupees Twelve Crores only) comprising of 1,20,00,000 Equity shares of Rs. 10/- each.

b. Paid-Up Capital: The paid-up capital of the Company as on March 31, 2024 stood at 8,56,44,400 /- (Rupees Eight Crore Fifty Six Lakh Forty Four Thousand Four Hundred only) comprising of 85,64,440 shares of 10/- each.

During the year under review, the Company has not issued any:

- shares with differential rights
- sweat equity shares.

DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the

beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

FINANCIAL STATEMENT

The audited Standalone and Consolidated Financial Statements for the year ended on March 31, 2024 have been prepared in accordance with the Indian Accounting Standards (Ind AS) , provisions of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time and Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The estimates and judgment relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2024. The Notes to the Financial Statements adequately cover the Standalone and Consolidated Audited Statements and form an integral part of this Report. The Audited Financial Statements together with Auditor's Report form part of the Annual Report.

SUBSIDIARY/ JOINT VENTURES/ ASSOCIATES COMPANIES

The Company has three wholly owned subsidiary Companies, viz. 'Mangalam Brands Private Limited', 'Mangalam Pooja Stores Private Limited' and 'Mangalam Speciality Chemicals Private Limited'

During the period under review, Private Placement took place in Mangalam Pooja Stores Private Limited, this event has changed the status of the Company from Wholly Owned Subsidiary Company to Subsidiary Company.

The performance and financial position of the subsidiaries of the Company for the year ended March 31, 2024 is attached to the financial statements hereto.

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as **Annexure - 1** to the Board's Report.

DirectorS AND KEY MANAGERIAL PERSONNEL

a. Composition

The Board of the Company comprises of 6 (Six) Directors. Out of the said Directors, 4 (Four) are Independent Directors including a Woman Director and 2 (Two) are Executive Directors.

The Board Composition is in compliance with Section 149 of the Companies Act, 2013.

b. Appointment / Re-appointment / Resignation

In accordance with the provisions of Section 152 read with Section 149(13) of the Companies Act, 2013 **Mr. Kamalkumar Dujodwala** (DIN: 00546281) is liable to retire by rotation. The said Director has offered himself for reappointment and resolution for his reappointment is incorporated in the Notice of the ensuing Annual General Meeting.

There was no change in the composition of Board of Directors during the period under review.

During the year under review, there was a change in the Company Secretary & Compliance officer of the Company:

Ms. Shachi Sanghavi was resigned w.e.f. 27/10/2023 and @ Mr. Nitin Kore was appointed as the Company Secretary & Compliance officer of the Company w.e.f. 28/10/2023.

@ Mr. Nitin Kore: Resigned w.e.f. June 12, 2024

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

c. Declaration by Independent Directors:

All the Independent Directors of Company have given the declarations that they meet the criteria of Independence as prescribed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) & Regulation 17(10) of SEBI Listing Regulations, as amended from time to time and are independent of the management.

d. Familiarization Program for Independent Directors:

The Company has set Familiarization program for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of which are available on the website of the Company.

The Weblink of the same is as: <https://www.mangalamorganics.com/post/familiarization-program-for-independent-Directors>. For details of the Familiarization program conducted, kindly refer Corporate Governance Report which forms part of this Annual Report.

e. Annual Evaluation of Directors, Committee and Board:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual Directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance

with the policy adopted by the Board and also taking into consideration the Guidance Note on Board Evaluation issued by SEBI. The structured questionnaire prepared to evaluate the performance of the board included criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The evaluation of performance of individual Directors was carried out on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The questionnaire for performance of the committees included criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent Directors, performance of non-independent Directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and non-executive Directors.

f. Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the KMPs of the Company as on March 31, 2024 were as follows:

1. Mr. Kamalkumar Dujodwala, Chairman and Executive Director
2. Mr. Pannkaj Dujodwala, Managing Director
3. Mr. Sanjay Bhardwaj, Chief Executive Officer
4. Mr. Shrirang V. Rajule, Chief Financial Officer
5. @Mr. Nitin Kore, Company Secretary & Compliance Officer
@: Resigned w.e.f. June 12, 2024

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met 5 times during the financial year ended March 31, 2024. The maximum gap between two Board meetings did not exceed 120 days. The details of the Board meetings and the attendance of Directors thereat are provided in the Corporate Governance Report forming part of the Annual Report.

Director's 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 annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, wherever applicable;
- b) such accounting policies have been selected and applied



consistently and the Directors 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 at March 31, 2024 and of the profits of the Company for the year ended on that date;

- c) proper and sufficient care was taken for the 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 annual accounts of the Company have been prepared on a going concern basis;
- e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Committees of Board

The Company has constituted the following Committees of Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the composition, terms of reference, meetings, etc. are given in the Corporate Governance Report forming part of the Annual Report.

AUDITORS

I. STATUTORY AUDITORS

M/s. NGST & Associates, Chartered Accountants, Mumbai (Firm Registration No. 135159W) were reappointed as the statutory auditors of the Company to hold office for a term of 5 years from the conclusion of the 39th Annual General Meeting held on September 29, 2021 until the conclusion of the 44th Annual General Meeting of the Company to be held in the year 2026. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

II. COST AUDITORS:

The Board of Directors based on recommendation of the Audit

Committee has appointed M/s. NKJ & Associates, Cost Accountants in practice, to audit the cost accounts of the Company for the FY 2024-25. In term of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 3 of the AGM Notice as Ordinary Resolution.

III. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Yogesh Sharma & Co., Practising Company Secretary to undertake the Secretarial Audit of the Company and its Unlisted material subsidiary Company – Mangalam Brands Private Limited, for FY 2024-25. As required under provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by M/s. Yogesh Sharma & Co., Company Secretaries, in Forms MR-3 for the FY 2023-24 forms part to this report. The said report does not contain any adverse observation or qualification or modified opinion requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Secretarial Standards

The Company has complied with the applicable Secretarial Standards i.e. SS-1 & SS-2, relating to 'Board of Directors Meeting' and 'Annual General Meeting', respectively, issued by the Institute of Company Secretaries of India.

Corporate Social Responsibility

Pursuant to notification of the Ministry of Corporate Affairs dated September 20, 2022, regarding the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, sub rule (2) of Rule 3 has been omitted. Due to this amendment the criteria for complying with the CSR provisions was modified from immediately preceding **three financial years to the immediately preceding financial year.**

The Company had incurred the **loss of Rs. 31,33,43,379** as per Section 198 of the Companies Act, 2013, in financial year 2022-23, in light of the amendment as prescribed above the requirement of incurring expenditure on CSR are not applicable to the Company for this Financial year 2023-24.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR policy is available on https://assets-global.website-files.com/6173d2812ea50ef2de67463e/658d58fe62cc5190513f9e24_Corporate%20Social%20Responsibility%20Policy.pdf

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the report on Management Discussion & Analysis is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Company has complied with the Corporate Governance requirements under the Act and as stipulated under the Listing Regulations. A report on the Corporate Governance along with the certificate from the statutory auditors is separately given in this Annual Report.

CREDIT RATINGS

As on March 31, 2024, the Company has following credit ratings from CRISIL:

Long Term Rating: CRISIL BBB+/Positive (Reaffirmed)

Short Term Rating: CRISIL A2 (Reaffirmed)

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditor of the Company on the inefficiency or inadequacy of such controls.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting including financial statements timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

MAINTENANCE OF COST RECORD

The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act,

2013 in respect to the Company's products. We have broadly reviewed the books of accounts & records maintained by the Company

in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained.

We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website at the link: https://assets-global.website-files.com/6173d2812ea50ef2de67463e/647496db3cfe3851b739ac81_Policy%20on%20Related%20Party%20Transactions.pdf

Particulars of contracts/arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review in the prescribed under Section Section 134(3)(h) of the Act in Form AOC-2 is appended as **Annexure II** to the Boards' Report.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186

The particulars of loans, guarantees and investments given/made during the financial year under review and governed by the provisions of Section 186 of the Companies Act, 2013 has been furnished in financial statements as on March 31, 2024

Fraud Reporting

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

Particulars of Employees and Remuneration

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure V** attached herewith and which forms part of this report. The relation between the Company and its employees continues to be cordial.

A Statement containing the details of the Employees employed throughout the financial year and who were in receipt of remuneration of Rs. 102 lakhs or more and employees employed for part of the year and in receipt of remuneration of Rs. 8.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure IV** to this report.



Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft of the Annual Return as on March 31, 2024 is available on the Company's website at https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/649ba004be0d7edb0347673e_Annual%20Return%202024.pdf

OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

Vigil Mechanism for the Directors and Employees

In compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company.

The Whistle Blower Policy is placed on the website of the Company at <https://www.mangalamorganics.com/post/vigil-mechanism-and-whistle-blower-policy>

Policy on Nomination and Remuneration of Directors, KMP & Senior Employees

The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and senior employees pursuant to the provisions of the Act and the SEBI Listing Regulations which is placed on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/61d5e2f385b673d3890e879a_Nomination%20Remuneration%20and%20Evaluation%20Policy%20for%20Board%20of%20Directors.pdf

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have been furnished in **Annexure- VI** with respect to the nature of activities undertaken by the Company during the year under review.

Service of documents through electronic means

Subject to the applicable provisions of the Companies Act, 2013, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

Internal Complaints Committee

The Internal Complaints Committee of the Company as required

under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 exists for both Factory and Administrative Office of the Company. The Company is strongly opposed to sexual harassment and employees are made aware about the consequences of such acts and about the constitution of the said Committee.

Neither were any complaints filed during financial year 2023-24 under the provisions of the said Act, nor were any complaints outstanding as at the beginning of the year under review.

Insurance:

The Company's buildings, plant & machinery and inventories have been adequately insured. Loss of profit with respect to both factories has also been adequately insured.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

The Company is deeply committed to pollution control, environmental protection, and sustainability throughout its manufacturing processes. By maximizing resource recovery, conserving water, and minimizing e uents and emissions, we are actively working to reduce our environmental impact. To ensure transparency and accountability, we submit the required analytical reports to local authorities, demonstrating our commitment to maintaining high environmental standards The Company holds the Environmental Management Systems (EMS) ISO 14001:2015 certification, validating our efforts in establishing and maintaining an active environmental management system. This certification enhances our environmental performance, helps achieve environmental objectives, and ensures compliance with regulatory obligations. By implementing an EMS, we demonstrate our commitment to continuous improvement in environmental performance and sustainable practices. The Company's focus on pollution control, environmental protection and sustainability, along with our compliance with environmental regulations, positions us as a responsible and environmentally conscious organization.

OTHER DISCLOSURES

The Directors state that no disclosure or reporting is required in respect of the following items as they were

either not applicable to the Company or there were no transactions/events on these matters during the year

under review:

- No material changes and commitments affected the financial position of the Company between the end of the financial year and the date of this Report

- ii. There has been no change in the nature of business of the Company as on the date of this report.
- iii. There was no revision in the financial statements.
- iv. The Managing Director & CEO of the Company did not receive any remuneration or commission from any of its subsidiaries.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- vi. There are no proceedings, pending under the Insolvency and Bankruptcy Code, 2016.
- vii. There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGMENTS AND APPRECIATION

Your Directors take this opportunity to thank the employees, customers, suppliers, bankers, business partners/associates, financial institutions and various regulatory authorities for their consistent support/ encouragement to the Company.

The Directors appreciate and value the contribution made by every member of the MOL family.

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024



ANNEXURE I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

(Amount in ₹)

| Sl. No. | Particulars | Details | | |
|---------|---|--|---------------------------------------|---|
| | | Mangalam Brands Private Limited (Formerly, Cam-pure Private Limited) | Mangalam Pooja Stores Private Limited | Mangalam Speciality Chemicals Private Limited |
| 1. | Name of the subsidiary | Mangalam Brands Private Limited (Formerly, Cam-pure Private Limited) | Mangalam Pooja Stores Private Limited | Mangalam Speciality Chemicals Private Limited |
| 2. | Year of Incorporation | FY 2020-21 | FY 2021-22 | FY 2021-22 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | 01/04/2023 31/03/2024 | – 01/04/2023 31/03/2024 | 01/04/2023 – 31/03/2024 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Indian Rupees | Indian Rupees | Indian Rupees |
| 5. | Share capital (Rs.) | 10,00,000 | 10,00,000 | 5,00,000 |
| 6. | Reserves & surplus | 1,73,94,987 | (3,01,96,165) | (36,13,933) |
| 7. | Total assets | 65,35,98,388 | 2,28,63,300 | 48,460 |
| 8. | Total Liabilities | 65,35,98,388 | 2,28,63,300 | 48,460 |
| 9. | Investments | Nil | Nil | Nil |
| 10. | Turnover | 160,12,08,687 | 1,53,84,908 | Nil |
| 11. | Profit before taxation | 2,37,02,119 | (1,60,21,484) | (2,68,364) |
| 12. | Provision for taxation | 37,92,715 | (39,92,264) | Nil |
| 13. | Profit after taxation | 1,99,09,404 | (1,20,29,220) | (2,68,364) |
| 14. | Proposed Dividend | Nil | Nil | Nil |
| 15. | % of shareholding | 100% | 90% | 100% |

During the period under review, Private Placement took place in Mangalam Pooja Stores Private Limited, this event has changed the status of the Company from Wholly Owned Subsidiary Company to Subsidiary Company.

For and on behalf of the Board of Directors

Sd/-
Kamalkumar Dujodwala
 Chairman
 DIN: 00546281

Place: Mumbai

Date: August 10, 2024

ANNEXURE II

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2024, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2024 are as follows:

| Sl. No. | Particulars | Details |
|---------|---|--|
| a) | Name (s) of the related party & nature of relationship | Mr. Akshay Dujodwala Relative of Chairman and Managing Director |
| b) | Nature of contracts/arrangements/transaction | Appointment as an Executive, Employer- Employee |
| c) | Duration of the contracts/arrangements/transaction | Not Applicable |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Not Applicable |
| e) | Date of approval by the Board | August 25, 2018 |
| f) | Amount, if any | ₹ 3.60 Crore per annum (Remuneration) |
| g) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | September 29, 2018 |

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024



ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013]

1) A brief outline on CSR Policy of the Company:

The following are the areas of emphasis for CSR activities under the CSR policy:

- Promotion of education, including Improving and facilitating the literacy levels in various sections of the society,
- Efforts towards to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and providing monetary support, setting up and managing rehabilitation centers, medical camps, creating awareness through various programs, etc.
- Efforts towards to provide vocational training to improve skills of people in the primarily unorganized sector
- Efforts towards to manage its operations using principles of Sustainable development to minimize impact on environment and protect health & safety of our employees, service providers, neighboring communities and customers.

2) The composition of the CSR Committee:

| Sl. No. | Name of Director | Designation /Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------------|-------------------------------------|--|--|
| a. | Mrs. Manisha Agarwal (Chairperson) | Independent Woman Director | 1 | 1 |
| b. | Mr. Sharad Kumar Saraf | Independent Director | 1 | 1 |
| c. | Mr. Kamalkumar Dujodwala | Executive Director | 1 | 1 |

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: The web links thereto are:

CSR Committee: https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62fcdd0c2e03aeedc373cc60_CSR%20Committee.pdf

CSR Policy: https://assets-global.website-files.com/6173d2812ea50ef2de67463e/61d5e2efdb504707211ba8ee_Corporate%20Social%20Responsibility%20Policy.pdf

CSR Projects: https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/649ba0ddec9163d4f3bc1bea_CSR%20Projects.pdf

- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not applicable**
- Average Net Profit of the Company as per sub-section (5) of section 135: NIL
 - Two percent of average net profit of the Company as per sub-section (5) of section 135: NIL
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 - Amount required to be set off for the financial year, if any: NIL
 - Total CSR obligation for the financial year [(b)+(c)-(d)]: NIL
 - Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project): NIL
 - Amount spent in Administrative Overheads: NIL
 - Amount spent on Impact Assessment, if applicable: Not Applicable
 - Total amount spent for the Financial Year [(a)+(b)+(c)]: NIL
 - CSR amount spent or unspent for the Financial Year 2023-24: NIL

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| 1. | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| NIL | | | NIL | | |

f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the Company as per sub-section (5) of section 135 | NIL |
| (ii) | Total amount spent for the Financial Year | NIL |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial Years, if any | NIL |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | NIL |

6) Details of Unspent CSR amount for the preceding three financial years

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---------|-----------------------------|---|---|---|--|------------------|--|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs.) | Date of Transfer | | |
| | | | | | | | | NIL |

7) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|---|-------------------------------------|------------------|----------------------------|---|------|------------|
| | | | | | CSR Registration Number, if applicable | Name | Registered |
| (1) | (2) | (3) | (4) | (5) | (6) | | |

NIL

8) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Sd/-

Pannkaj Dujodwala

Managing Director

DIN: 00546353

Place: Mumbai

Date: August 10, 2024

Sd/-

Manisha Agarwal

Chairperson, Corporate Social Responsibility Committee

DIN: 00441841



ANNEXURE IV

DISCLOSURE OF REMUNERATION DETAILS

[Pursuant to Section 197 of the Companies Act, 2013 ('Act') and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio of the remuneration of each Director to the median remuneration of the employees for the financial year 2023-24 is as follows:

| Name of Directors | Ratio |
|-----------------------------|-------|
| Mr. Kamalkumar Dujodwala | 91.16 |
| Mr. Pannkaj Dujodwala | 91.16 |
| Mr. Sharad Kumar Saraf | NA |
| Mrs. Manisha Agarwal | NA |
| #Mr. Sanjay Bhiva Kadam | NA |
| #Mr. Sidharath Singh Sekhon | NA |

Note: Since Independent Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings, the required details are not applicable.

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24, is as follows:

| | | |
|--------------------------|-------------------------|-------|
| Mr. Kamalkumar Dujodwala | Chairman | NIL |
| Mr. Pannkaj Dujodwala | Managing Director | NIL |
| Mr. Shrirang V. Rajule | Chief Financial Officer | 4.50% |
| Mr. Sanjay Bhardwaj | Chief Executive Officer | 3.53% |
| Mr. Nitin Kore | Company Secretary | NA |

Percentage increase in the median remuneration of employees in the financial year 2023-24: 5.17%

Number of permanent employees on the rolls of the Company as on March 31, 2024: 307

Average percentage increase already made in the salaries of employees' other than the managerial personnel in the last financial Year: 3.98%

Percentage increase/ (decrease) in the managerial remuneration: NIL

Justification, including any exceptional circumstances, for increase in the managerial remuneration: N.A.

Affirmation:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024

ANNEXURE V

Details of employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sr No. | Name of Employee | Date of joining (dd-mm-yyyy) | Gross Remuneration (₹) | Educational Qualification | Age | Experience (yrs) | Last Employment | Designation |
|--------|----------------------|------------------------------|------------------------|---|-----|------------------|------------------------------------|------------------------|
| 1. | Kamalkumar Dujodwala | 03-07-1981 | 3,00,00,000 | B.Sc. Graduate and extensive training at National Chemical Laboratory. | 73 | 46 | NA | Chairman |
| 2. | Pannkaj Dujodwala | 03-06-1987 | 3,00,00,000 | Commerce graduate, MBA from Landsdown College, New Hampshire University, UK | 61 | 37 | NA | Managing Director |
| 3. | Akshay Dujodwala | 01-04-2014 | 3,60,00,000 | Master's Degree in Business Analytics & Consulting from Warwick Business School, London and a Bachelors' Degree in Banking and Insurance from University of Mumbai. | 34 | 11 | Universal Consulting India Pvt Ltd | Chief Strategy Officer |

Note:

1. Remuneration comprises salary, allowances, commission, performance based payments and perquisites.



ANNEXURE VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

FORM A

Information pertaining to Power and fuel Consumption, Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as provided under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

Power and Fuel Consumption:

| | | 2023-24 | 2022-23 |
|----|--------------------------------|---------|----------|
| 1. | Electricity Purchased | | |
| | Units (Kwh/Lakh) | 125.80 | 117.89 |
| | Total Amounts (₹/Lakh) | 1261.88 | 1117.19 |
| | Rate /Unit (₹) | 10.03 | 9.48 |
| 2. | Furnace Oil / Light Diesel Oil | | |
| | Quantity (Ltrs/Lakh) | 0.36 | 1.19 |
| | Total Cost (₹/Lakh) | 28.96 | 109.20 |
| | Average Rate (₹/Lakh) | 80.44 | 91.76 |
| 3. | Coal | | |
| | Quantity (MT) | 20899.4 | 25634.06 |
| | Total Cost (₹/Lakh) | 1880.95 | 3000.12 |

Conservation of Energy

1. Steps taken for conservation of energy: -

Your Company is committed towards conservation of energy and climate action. As a responsible corporate citizen, Mangalam Organics Limited is committed to reducing its environmental footprint and promoting sustainability. This includes a focus on energy conservation, which is critical to minimizing our impact on the environment and reducing costs.

The Company has been making continuous efforts to conserve energy, reduce greenhouse gas emissions and upgrade technology to optimize the energy cost. Your Company has always been conscious of the need for conservation of energy and natural resources, biofuel and considers it as a focus area. Energy efficiency improvement initiatives have been implemented across all the Units and Offices by undertaking various energy and resource conservation measures. Your Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilization thereof.

The following key initiatives have been undertaken by your Company towards conservation of energy are outlined as follows:

Equipment Upgrades: We have systematically replaced conventional equipment with more energy-efficient alternatives across various processes. These upgrades not only improve performance but also contribute to overall energy savings.

Engineering Controls: Our focus on robust and safe processes includes the implementation of engineering controls. These measures enhance operational safety while optimizing energy usage.

Green Chemistry Research: Our dedicated R&D team continually explores green chemistry solutions. By modifying existing processes, we aim to transform Mangalam Organics Limited into a truly environmentally conscious Company.

Batch Time Reduction: The R&D process team actively works to decrease batch cycle times. This reduction directly correlates with energy consumption savings.

Variable Frequency Drives (VFD): We have installed VFDs for vacuum pumps and reactors. These drives allow precise control over energy usage, resulting in significant energy savings.

Effluent Reduction and ZLD: Our ongoing process improvements focus on achieving Zero Liquid Discharge (ZLD) across all our plants. Effluent reduction measures contribute to both environmental conservation and energy efficiency.

Manufacturing Innovation: We prioritize reliable synthesis, process innovation, and safety. Shorter manufacturing processes with high atom efficiency led to reduced energy consumption and lower carbon footprint.

Distributed Control Systems (DCS): The installation of DCS enhances process efficiency and allows better control over batch times.

Regular Maintenance and Overhaul: Our plant and machinery undergo regular servicing, updates, and overhauls to maintain optimal performance and energy efficiency.

Streamlined Manufacturing: We continuously streamline our manufacturing processes, ensuring efficient resource utilization and minimal energy waste.

Lighting Optimization: A dedicated team monitors our lighting systems to prevent unnecessary energy consumption. We strive for efficient illumination without wastage.

Energy Consumption Audits: We initiate regular audits to assess electrical energy consumption. These findings inform our strategies for further reducing electricity usage.

2. Steps taken by the Company for utilizing alternate sources of energy :

- Green technology development at pilot scale to commercial level for intermediates and finished products.
- Process efficiency/performance improvement in many processes audited by Quality Assurance to reduce non-compliances & achieve customer satisfaction through conducting inspection & testing.
- New Sewage Treatment Plant implemented.
- Recycling of boiler & cooling tower blow down through reverse osmosis (RO) plant is implemented.
- Recycle of water during distillation and chiller mechanism, piping use in R&D.
- The adoption of energy conservation measures indicated above have resulted in optimum efficiency in operation and saving & controlling in the cost of production.



FORM B

Form for disclosure of particulars with respect to:

- 1) Areas in which Research & Development is being carried out;
- 2) The Research and Development has been strengthening Company's business by giving new parameters by optimizing the existing process and bettering the pollution control methods. The brief details are given below:-
 - a) Strong Research and Development has enabled development of various quality products like Camphor, Sodium Acetate, Synthetic Resin and Terpenes Chemicals.
 - b) Pollution control has been a top most importance and efforts directed towards reduction at source and recovery of by-products and usages.
- 3) **Benefits derived as a result of above Research and Development:**
 - a) Increase in product range, augmenting extended potential and marking.
 - b) Products consistency for remaining universally competitive.
 - c) Improvements in process control and conservation of energy resulting in cost reduction.

4) Future Plan of Action

Technology absorption

| Efforts made | Benefits derived as a result of above efforts: |
|---|--|
| a) Improvement in technical services to meet customer's requirement. | a) Better customer satisfactions. |
| b) Interaction with various laboratories and consultants for improving process and pollution control. | b) Cost effectiveness and increase in marketability. |

The Company's manufacturing process for its products are based on in-house technology which has been successfully absorbed. The Company has been constantly making efforts for improvement of quality and for marketing new ranges of products.

Foreign Exchange earnings and outgo during the year under review are as follows:

(₹ In Lakhs)

| Particulars | 2023-24 | 2022-23 |
|--------------------------|----------|----------|
| Foreign Exchange earning | 3448.99 | 5056.01 |
| Foreign Exchange outflow | 20251.76 | 23388.47 |

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

MANGALAM ORGANICS LIMITED,

Kumbhivali Village, Savroli Kharpada Road,

Taluka Khalapur, Khopoli - 410202

I have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **MANGALAM ORGANICS LIMITED** having **CIN: L24110MH1981PLC024742** (hereinafter called 'the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's responsibility

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period from 1st April, 2023 to 31st March, 2024 ('the Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2024 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 Bye-laws 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 is Not Applicable to the Company during the Audit period);**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit period)**



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulation”)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with:

1. Factories Act, 1948
2. Water (Prevention and Control of Pollution) Act, 1974
3. Air (Prevention and Control of Pollution) Act, 1981
4. Environment Protection Act, 1986

I further report that, the Board of Directors of the Company is constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the Composition of the Board of Directors during the Audit period.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance. 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.

All the decision in the board meetings and committee meetings are carried out unanimously as recorded in the minutes of the meeting of Board of Directors or committee of the Board, as the case may be.

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.

I further report that during the audit period, the Company has not undertaken any specific events/actions that can have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Prop. YOGESH M. SHARMA

Practicing Company Secretary

Yogesh M. Sharma

Proprietor

FCS No: 11305

COP No: 12366

UDIN: F011305F000944776

PR NO: 1583/2021

Place: Mumbai

Date: 10th August, 2024

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

APPENDIX A

To,

The Members,

MANGALAM ORGANICS LIMITED,

Kumbhivali Village, Savroli Kharpada Road,

Taluka Khalapur, Khopoli - 410202

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes 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 accurate facts are reflected in secretarial records. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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 management. My examination was limited to the verification of procedures 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.

Prop. YOGESH M. SHARMA

Practicing Company Secretary

Yogesh M. Sharma

Proprietor

FCS No: 11305

COP No: 12366

UDIN: F011305F000944776

PR NO: 1583/2021

Place: Mumbai

Date: 10th August, 2024



SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

MANGALAM BRANDS PRIVATE LIMITED,

812/813, Tulsiani Chambers, Free Press Journal Marg,

212 Nariman Point, Mumbai – 400021

I have conducted the Secretarial Audit of the compliance with applicable statutory provisions and the adherence to good corporate practices by **MANGALAM BRANDS PRIVATE LIMITED** having **CIN: U24100MH2020PTC339492** (hereinafter called 'the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's responsibility

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of the 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 authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period from 1st April, 2023 to 31st March, 2024 ('the Audit Period') generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2024 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 Bye-laws 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- **Not Applicable to the Company during the Audit period;**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the Audit period)**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulation”) (Not applicable to the Company during the Audit period)

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on

test-check basis, the Company has generally complied with:

1. Factories Act, 1948
2. Water (Prevention and Control of Pollution) Act, 1974
3. Air (Prevention and Control of Pollution) Act, 1981
4. Environment Protection Act, 1986

I further report that, the Board of Directors of the Company is duly constituted with balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance. 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.

All the decision in the board meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors.

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.

I further report that during the audit period, the Company has not undertaken any specific events/actions that can have a bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Prop. YOGESH M. SHARMA
Practicing Company Secretary

Yogesh M. Sharma
Proprietor
FCS No: 11305
COP No: 12366
UDIN: F011305F000944842
PR NO: 1583/2021

Place: Mumbai
Date: 10th August, 2024

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



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Prop. YOGESH M. SHARMA

Practicing Company Secretary

Yogesh M. Sharma

Proprietor

FCS No: 11305

COP No: 12366

UDIN: F011305F000944842

PR NO: 1583/2021

Place: Mumbai

Date: 10th August, 2024

MANAGEMENT DISCUSSION & ANALYSIS

The Financial Performance of our Company reflects the collective efforts of our team, and we remain committed to driving our growth, innovation and sustainability in the years to come."



BUSINESS OVERVIEW

Global Economic Overview

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024-25. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023-24 to 5.9 percent in 2024-25 and 4.5 percent in 2025-26, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. High interest rates could have greater cooling effects than envisaged as fixed-rate mortgages reset and households contend with high debt, causing financial stress. In China, without a comprehensive response to the troubled property sector, growth could falter, hurting trading partners. Amid high government debt in many economies, a disruptive turn to tax hikes and spending cuts could weaken activity, erode confidence, and sap support for reform and spending to reduce risks from climate change.

Geo-economics fragmentation could intensify, with higher barriers to the flow of goods, capital, and people implying a supply-side slowdown. On the upside, looser fiscal policy than necessary and assumed in projections could raise economic activity in the short term, although risking more costly policy adjustment later on. Inflation could fall faster than expected amid further gains in labour force participation, allowing central banks to bring easing plans forward. Artificial intelligence and stronger structural reforms than anticipated could spur productivity. *(Source: IMF - World Economic Outlook Update, April 2024)*

The global economy has remained surprisingly resilient despite repeated and overlapping shocks and unprecedented monetary tightening. Growth in the US and several major emerging market economies (EMEs) has held up better than expected. Sectorally,

manufacturing activity has remained subdued, but services have exhibited strength. Headline inflation has come down across countries although the descent in core and services inflation has been slow amidst continuing tightness in labour markets. Major central banks in advanced economies (AEs) have kept policy rates on hold to ensure the aligning of inflation with targets.

Incoming data on the economic outlook and evolving expectations about monetary policy's trajectory in AEs reverberated through global financial markets imparting high volatility. A faster-than-expected decline in inflation fuelled expectations of an early reversal in the US monetary policy cycle, leading to a sharp correction in sovereign bond yields in November and December 2023. Yields have, however, hardened since the beginning of 2024 as central bank communication pushed back on market exuberance related to the magnitude and pace of monetary policy easing. Following the correction seen in Q2:2023 (July-September), global equity markets posted strong gains in November-December, primarily in AEs. The US dollar (US\$) depreciated to a 6-month low at end-December but recovered subsequently on stronger-than-expected US economic data. Crude oil prices declined during October-December 2023 on slowing global demand and improved supply from countries outside of organization of the petroleum exporting countries (OPEC) but recovered thereafter in the wake of supply disruptions in key shipping routes and extension of production cuts by OPEC plus through June 2024. Food prices eased with the decline in prices of cereals, meat and vegetable oils, although sugar prices have firmed up. *(RBI Monetary Policy Report-April 2024)*

India Economic Overview

India's GDP took a big leap on Leap Day in 2024: The country's remarkable growth rate of 8.4% in the third quarter of the fiscal year 2024 surpassed all expectations, as market analysts had penciled in a slower growth this quarter, between 6.6% and 7.2%. Deloitte's projected growth for the quarter was between 7.1% and 7.4% (as published in January 2024). With substantial revisions to the data from the past three quarters of the fiscal year, India's GDP growth already touched 8.2% year over year (YoY) in these quarters. (Deloitte Global Economics Research Center-India Economic Outlook, April 2024).

Turning to the domestic economy, the second advance estimates (SAE) released by the National Statistical Office (NSO) placed real gross domestic product (GDP) growth for 2023-24 at 7.6 per cent, underpinned by strong investment activity. On the supply side, gross value added (GVA) expanded by 6.9 per cent in 2023-24, with manufacturing and services sectors turning out to be the key drivers. Real GDP growth for Q3:2023-24 was placed at 8.4 per cent,



outpacing consensus forecasts by a wide margin, underpinned by strong investment and an improvement in private consumption.

Headline CPI inflation moderated to 5.3 per cent in October 2023-February 2024 from an average of 5.5 per cent in H1:2023-24. Sporadic food price shocks continued to impart significant volatility to the inflation trajectory, with headline inflation rising sharply in November and December 2023 due to a spike in vegetable prices. Core inflation (i.e., CPI excluding food and fuel) has, however, been on a steadily declining path. In February 2024, it fell to 3.4 per cent, among the lowest prints in the current CPI series (2012=100), driven by both core goods and services components. With the cumulative rate hike of 250 basis points (bps) undertaken during May 2022-February 2023 working its way through the economy, the Monetary Policy Committee (MPC) kept the policy repo rate unchanged at 6.50 per cent through H2 and remained resolute in its commitment to align inflation with the target, keeping in mind the objective of growth. Amidst global challenges, the Indian economy has stayed resilient. Buoyed by strong domestic demand and backed by robust macroeconomic fundamentals, India has emerged as the fastest growing major economy of the world in 2023-24.

The upturn in the investment cycle, broad-based revival in manufacturing and services sectors, government's capex push, upbeat business and consumer sentiments and strong corporate and bank balance sheets provide impetus to the growth momentum going forward. Volatile food prices, however, interrupt the path of disinflation and cloud the inflation outlook. The continuing effect of monetary policy action and stance is keeping core inflation muted. Spillovers from geopolitical hostilities, volatile global financial markets and climate shocks are the key risks to the growth and inflation outlook. (RBI Monetary Policy Report-April 2024)

Real GDP or GDP at Constant Prices is estimated to attain a level of ₹173.82 lakh crore in the year 2023-24, against the First Revised Estimates (FRE) of GDP for the year 2022-23 of ₹160.71 lakh crore. The growth rate in Real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. Nominal GDP or GDP at Current Prices is estimated to attain a level of ₹295.36 lakh crore in the year 2023-24, against ₹269.50 lakh crore in 2022-23, showing a growth rate of 9.6%.

Real GVA is estimated at ₹158.74 lakh crore in the year 2023-24, against the FRE for the year 2022-23 of ₹148.05 lakh crore, registering a growth rate of 7.2% as compared to 6.7% in 2022-23. Nominal GVA is estimated to attain a level of ₹267.62 lakh crore during FY 2023-24, against ₹246.59 lakh crore in 2022-23, showing a growth rate of 8.5%. (Press Information Bureau- Government of India)

CHEMICAL INDUSTRY

Global Chemical Industry

The chemicals market size has grown strongly in recent years. It will grow from \$5115.19 billion in 2023 to \$5574.05 billion in 2024 at a compound annual growth rate (CAGR) of 9.0%. The expansion

observed in the historical period can be ascribed to factors such as global economic conditions, trends in the global economy, costs of raw materials, market consolidation, and the growth. The chemicals market size is expected to see strong growth in the next few years. It will grow to \$7788.18 billion in 2028 at a compound annual growth rate (CAGR) of 8.7%. The anticipated growth in the forecast period can be linked to factors such as stringent environmental regulations, shifts in consumer preferences, the adoption of renewable and bio-based materials, geopolitical considerations, and an increased prioritization of health and safety. Prominent trends projected for the forecast period encompass sustainability and green chemistry, digital transformation, the circular economy, advancements in materials and nanotechnology, supply chain resilience, and the integration of digitalization and industry 4.0.

The anticipated growth in the chemicals market is expected to be propelled by industrial and economic expansion. Various factors contribute to this expansion, including technological advancements, increased productivity, and improved transportation systems. Industrialization signifies the shift of an economy from predominantly agrarian production to the mass production of technologically advanced goods and services. Several industries, such as paper and pulp, energy, packaging, adhesives, and sealants, extensively utilize diverse types of chemicals in their production processes. For instance, in September 2023, the Bureau of Economic Analysis (BEA) reported that the real gross domestic product (GDP) of the United States grew at an annual rate of 2.1% in the second quarter of 2023. Additionally, the Federal Reserve Board noted a 0.4% increase in industrial production in August 2023, with capacity utilization reaching 79.7%, aligning with its historical average. Therefore, the chemicals market's growth is being driven by ongoing industrial and economic expansion. (Chemicals Global Market Report 2024)

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. India's agrochemicals export was estimated to be at US\$ 3.12 billion from April 2023 to December 2023. Indian colourants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). From April 2023 to December 2023, India's dye exports (Dyes and Dye Intermediates) totalled US\$ 1.69 billion

Indian Chemical Industry

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals,

petrochemicals, polymers, and fertilizers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which was estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale. The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognises the chemical industry as a key growth element and is forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. Despite the pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and the trade conflict between the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

To bring about structural changes in the working of the domestic chemical industry, future investments should not only focus on the transportation of fuels such as petrol and diesel but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

(Source: India Brand Equity Foundation – Chemical Industry India)

INDUSTRY OVERVIEW

Pine Chemicals

The viability of the pine chemical industry lies in the principles of sustainability. The industry has been a pioneer in developing sustainable value added products from a renewable resource, even before the term became popular globally. Pine chemicals are recovered from the pine tree (genus Pinus) through three different methods of craft pulping, tree tapping and wood stumps. The biomass is extracted in the form of crude sulphate turpentine, gum turpentine and wood turpentine. They are processed in a bio refinery into a spectrum of marketable products used in a wide array of applications such as paints, inks, adhesives, perfumes, edible flavours, fragrances, food additives, vitamins, automobile tires etc. Because of its multiple uses and organic properties, pine chemical market is on a high growth trajectory.

According to a report of 'IndustryArc', the global pine-derived chemicals market is projected to reach USD 5.91 Billion by 2025, after growing at a CAGR of 4.20% during 2020-2025.

Terpenes

Terpenes are aromatic compounds found in many plants, especially conifers. The term 'terpenes' originates from turpentine, which is a pine chemical and it contains resin acid and hydrocarbons. Because of its strong odour and high resistance capabilities it is widely used in various applications like essential oil, fragrance, flavouring agent in industrial uses. Demand for terpenes is being driven by its growing use in industries such as cosmetics, food & beverages, paints & coatings, rubber, and pharmaceuticals. However, fluctuation in supply of terpenes and high cost extraction process are creating market challenges. Despite the challenges, with growing market applications and increasing investment, more players are expected to enter the terpenes industry.

The global Terpenes market was valued at USD 991 Million in 2022 and is expected to reach USD 1450 Million by 2027, growing at a CAGR of 7.9% from 2022-2027.

Synthetic Resins

Synthetic or manmade polymers, such as polyacrylamide, polymethacrylate, and polystyrene, are used as media in different chromatography applications. Synthetic copolymers, such as polystyrene divinylbenzene and methacrylate copolymers, are used as base matrices in chromatography. These resins are suitable in laboratories or analytical-scale experiments because of their high mechanical stability and ability to withstand large pH ranges. All these factors drive the market for synthetic resin.

The Synthetic Resin Market size is projected to reach a value of USD 521.6 Billion by the end of 2027 after growing at a CAGR of 4.8% during the forecast period 2022-2027

Aroma Chemicals

Aroma chemicals are cyclic compounds that find application in additives and fragrances. They can be either synthetic aroma chemicals, or natural aroma chemicals. Key factor driving demand for aroma chemicals is its increasing application in Flavour & Fragrance (F&F) and nutraceutical sector.

Aroma chemicals are used in various applications and are mostly found in spices, food, perfumes, soaps, wines, detergents, fragrance oils, and others. Increasing consumer demand for natural-based products over synthetic chemicals and a shift of consumers towards fragrances and exotic scents are likely to drive the market growth. The growing demand from the fragrance and food & beverage industries, along with the rise in consumer spending is driving the overall market size.

The latest report by IMARC Group, titled "**India Aroma Chemicals Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2022-2027,**" finds that the India aroma chemicals market reached a value of USD 235.2 Million in 2021. Aroma chemicals are chemical substances that are used as ingredients in flavors and fragrances.

The global aroma chemicals market is expected to grow from USD 5.41 Billion in 2022 to USD 5.81 Billion in 2023 at a compound



annual growth rate (CAGR) of 7.4%. The aroma chemicals market is expected to reach USD 7.42 Billion in 2027 at a CAGR of 6.3%.

India represents one of the leading consumers and exporters of aroma chemicals in the Asia Pacific region. Various types of chemical aromatics, such as benzene and toluene, are used to enhance the flavour of food and beverages, thereby making them more appealing to consumers.

Growing Demand from Fine Fragrances Application:

- Aroma chemicals are an important group of organic molecules used as ingredients in flavours and fragrances.
- Formulations of fragrance from aroma chemicals are used globally, for imparting attractive aroma and pleasing scents to perfumes, toiletries, and detergents.
- The growth of the fragrance industry is primarily driven by the increase in demand for natural fragrances from developing nations and significant technological advancements to meet the changing consumer demands.
- Additionally, the increasing demand for customizable and niche fragrances is driving the consumption of aroma chemicals, since consumers are looking for personalized fragrance experiences and exotic scents.
- Further, the rising importance of organic and natural fragrances in aromatherapy, which influences the emotional and psychological wellbeing, is expected to drive the demand for the market studied.

Opportunities and Threats

| Opportunities | Threats |
|---|---|
| 1. Demand for Pine chemicals is growing because of its organic and environment friendly properties and numerous benefits | 1. Raw Material Price Volatility |
| 2. India has abundance of natural ingredients like spice and herb used for making aroma chemicals | 2. Intense competition from Chinese and other international players |
| 3. The growth of population in India will lead to more demand and consumption of Camphor for religious purposes. | 3. Potential impact of global economic downturns |
| 4. Apart from religious use, Camphor is also being used by the young generation as car freshener and room freshener for its numerous benefits related to air purification | 4. Volatility in foreign exchange rate |
| 5. Demand for synthetic resin is growing fast due to its applications in flexible packaging and automotive sector | 5. Competition from unorganised players |
| 6. Growth of Flavour & Fragrance (F&F) and nutraceutical sector is driving demand for aroma chemicals significantly | 6. Geopolitical tensions impacting export |
| | 7. Lack of adequate research and development in the sector. |
| | 8. FMCG slowdown |

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The key operational segment of the Company is Chemical manufacturing.

Company OVERVIEW

Mangalam Organics Limited (henceforth referred to as 'MOL' or 'the Company') is a leading pine chemicals manufacturer in India. The Company produces Terpenes from Pine chemicals, from which a number of sub products like Camphor, Isobornyl Acetate, Isoborneol and Dipentene and Sodium Acetate are manufactured. It also produces Synthetics Resins under the single segment of chemicals. It is engaged in the manufacturing and selling of Camphor and by-products and various Synthetic Resins in India and abroad. The strength of its pine chemical products lies in the fact that they are extracted from natural resources and are devoid of the side effects of synthetic chemicals. The market performance of these products is not dependent on crude oil and the volatility of its prices.

Applications and uses

The Company's products have applications in a number of sectors such as religion and worship, pharmaceuticals, flavour and fragrance, rubber & tyre chemicals, paints and varnishes, among others. The Company caters to both domestic and the international market. In addition to having a wide reach and strong footprint in the domestic market, it is expanding its global operations. As its products have a variety of industrial applications, it has established a strong B2B and B2C presence, despite facing competition from domestic and international players.

Geographical presence

The Company has created a niche for itself in the pine chemicals industry as one of the major players with its customers spanning across Europe, Asia, Africa, USA and Middle East. With its decades of domain experience and backed by an experienced management team, MOL is creating its base in the Indian retail market with its branded offerings in camphor. The Company is tying up with a number of retail brands and e-commerce platforms to augment its B2C business.

Products and Applications

| Business Segments | Products | Applications |
|-------------------|---|--|
| B2B - Terpene | <ul style="list-style-type: none"> • Camphor • Isobornyl Acetate • Isoborneol • Dipentene • Sodium Acetate | <p>Camphor: Camphor: Religious use, healthcare products, hygiene products</p> <p>Isobornyl Acetate: Fragrance and flavor</p> <p>Isoborneol: Fragrance and flavor</p> <p>Dipentene: Paints, cleaning and degreasing agents</p> <p>Sodium Acetate: Textile and dyes industry, Leather tanning</p> |

| | | |
|------------------------------|--|--|
| B2B - Synthetic Resin | <ul style="list-style-type: none"> • Terpene Phenolic Resin • Alkyl Phenolic Resin • Rosin Esters | Adhesives, Tyres, Rubbers, Chewing Gum, Printing Ink |
|------------------------------|--|--|

Note: The retail percentage is NIL in the standalone revenue because the retail business of Mangalam Organics Limited has been transferred to its wholly owned subsidiary Mangalam Brands Private Limited from FY 2022-23

Manufacturing Capabilities

The Company has a state-of-the-art manufacturing facility spread across about 25 acres (101,200 Sq. Meters) at Kumbhivali village in the Raigad district of Maharashtra. The manufacturing site also has a logistic advantage as it is situated on the Mumbai-Pune expressway for Pan-India Road connectivity. Container terminal Jawaharlal Nehru Port (JNPT) is situated about 60 kms away from the plant.

The manufacturing operations are highly automated and run by a robust operation system that efficiently integrates the functions related to quality control, stores, packing, dispatch, maintenance and R&D. The Company regularly reviews the plant systems, procedures and practices to enhance productivity, efficiency and safety. The manufacturing activities of the products conform to statutory pollution control standards.

Product Portfolio

1. TERPENES

MOL manufactures a wide range of high demand products under this sub-segment. This is the key raw ingredient for producing camphor and related products. The Company is focusing on production efficiency and quality control so that it can produce international quality intermediate products and their derivatives for the fragrance and flavour industry. The Company has been exploring new product development from terpenes and is further exploring the retail opportunity to expand its market reach through diversification.

Camphor

Camphor is the primary product of the Company which contributes 80% of total sales in Terpenes. Due to its ability to impart a sense of complete purity to the religious devotees, it finds the widest application in religious use in the domestic market. This is a naturally derived product that completely burns off with no residue. Camphor was earlier sold as a commodity. However, as it presents a large retail opportunity, it enables the Company to forward integrate and diversify into the FMCG space by retailing the products through Modern Trade, General Trade and E-Commerce.

The Company continues to leverage the growing retail opportunity and is confident of continuing growth in the years ahead. It continues to grow capacities and grades offered from the same unit to capture a larger market share in the domestic and export markets. MOL has the following registered brands.

Retail Portfolio

| | |
|-----------------|---|
| Mangalam | Camphor tablets for religious purposes and Bhimseni Camphor for Aroma therapy |
| CamPure | Home care products based on camphor such as Camphor Cone, Camphor Sticks, Camphor Air Purifiers, Camphor Hand Wash, Camphor Soap Bar, Camphor Hand Sanitizer, Camphor Liquid Vaporiser. |

Isobornyl Acetate

With the expansion coming online MOL is able to expand its product offering by also supplying intermediate product Isobornyl Acetate to leading fragrance and flavour companies across the world. Presently the product is in approval stage at various companies and we look forward to the time when the product will be a major driver for growth

Isoborneol

Isoborneol finds application in fragrance and flavour industries across the world. The product has also got accelerated growth in the last few years on account of increased consumption of isoborneol flakes used for aromatherapy and well-being.

Dipentene

Dipentene is a by-product in Camphor manufacturing and is used as a solvent in the paints industry. The Company offers various grades of this material. Dipentene is a ready substitute in formulations of cleaning and degreasing agents, as Limonene faces supply shortages. It is also witnessing demand growth in the export market as a substitute for Limonene.

Sodium Acetate

Sodium Acetate is used as a dye intermediate by textile and dye manufacturers. It also finds application in leather tanning industry and is exported to Europe.

2. SYNTHETIC RESINS

MOL manufactures three broad types of synthetic resins, with each of them having a large domestic and export market. The Company is confident of all the categories in this segment and is continuing its efforts to enhance margins and build higher volumes in each of them.

Terpene Phenolic Resin

Terpene Phenolic Resin finds application in the adhesive, tyre and rubber industries as a tackifier. The Company foresees an increase in volumes, revenue and profitability over the years ahead.



Alkyl Phenolic Resin

Alkyl Phenolic Resin finds application in Neoprene and Chloroprene rubber-based adhesives. The Company is working with consultants to improve its quality of products as per global standards and leverage the growing export opportunities.

Rosin Esters

Rosin Esters finds application in pressure sensitive adhesives. The Company is working with consultants to improve its quality of products as per global standards and leverage the growing export opportunities.

FINANCIAL PERFORMANCE

During the year under review, Standalone Revenue from operations for FY 2023-24 stood at Rs. 405.43 crore, as against Rs. 466.97 crore in FY 2022-23 a negative growth of 13.18%. At consolidated level Revenue from operations for FY 2023-24 stood at Rs. 493.52 crore, as against Rs. 492.53 crore in FY 2022-23 a growth of 0.20%. Flat Growth in revenue was due to continuous corrections in sales price of camphor in FY 2023-24 and increased competition in domestic market. In FY 2023-24 Retail operations have been totally demerged and transferred to wholly owned subsidiary of the Company.

Further, on Standalone basis, Company registered a Net Profit of Rs. 4.08 Crore for FY 2023-24, a growth as compared to Rs.25.27 Crore loss for FY 2022-23. At Consolidated level, Company registered a Net Profit of Rs.4.22 crore for FY 2023-24, a growth as compared to Rs. 27.09 crore loss for FY 2022-23. The substantially increase in profit ratio was due to continuous cost cutting measures adopted and improved yield in Camphor. On Standalone basis, Company's EBIDT increased to Rs.36.91 crore in FY 2023-24, from Rs. -2.01 crore for previous year. On Consolidated level also EBIDT increased to Rs.39.45 from Rs.-2.43 crore in FY 2022-23.

Details of Significant Changes in Key Financial Ratios

Key Financial Ratios for FY 2023-24 are as under:

1. Interest Coverage Ratio

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 1.24% | -1.47% |

Increase in Interest Coverage Ratio was due to profit on account of better yield and various cost cutting measures adopted and well stocked up raw material by the Company as compared to FY 2022-23.

2. Current Ratio

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 1.32% | 1.41% |

Company has availed substantial working capital facility which resulted in marginally lower Current ratio as compared to FY 2022-23.

3. Debt Equity Ratio

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 0.67% | 0.76% |

Decrease in Debt Equity Ratio as compared to FY 2022-23 was due to considerable increase in profit and decrease in long term liability of the Company.

4. Operating Profit Margin (%)

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 4.46% | -3.99% |

Increase in Operating profit margin was due to better yield and various cost cutting measures adopted and decrease in raw material prices during the year as compared to FY 2022-23.

5. Net Profit Margin (%)

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 1.01% | -5.41% |

Increase in Net profit margin is due to better yield and various cost cutting measures adopted and decrease in raw material prices during the year as compared to FY 2022-23.

6. Return on Net Worth

| FY 2023-24 | FY 2022-23 |
|------------|------------|
| 1.44% | -9.09% |

Profitability has been increased due to better yield and various cost cutting measures adopted and decrease in raw material prices during the year, which resulted in high return on net worth as compared to FY 2022-23

RISKS AND CONCERNS

Risks are a part of any organizational setup, the bigger the market, higher the risks. Operating in a highly competitive and changing economic and business environment brings its own share of risks. Some of the key risks specified by the Company are:

Raw material price risk: Fluctuation in the price of raw materials or shortage in the supply of raw materials used by the Company poses a threat to its revenue and competitive position.

Operational risk: Functional and Operational risks arising out of various operational processes.

Business Continuity risk: Business Continuity risks arising out of climate change related and other disruptions like natural disasters, IT outages, pandemic, terror and unrest,

power, water and other resource disruptions etc. which may challenge or impact our customers business and availability of People and process, Technology and Infrastructure.

Competition risk: Any market share losses for the Company to the global and domestic players will adversely impact the financial results of the Company.

Macroeconomic risk: Any slowdown in economic growth of the country and resulted drop in consumption may lead to a slowdown in FMCG sector. Consequently, this would adversely affect Indian Chemical industry causing lower capacity utilizations for the Company.

Concentration of customers' risk: Dependency on a few large clients also poses a risk to revenue as any fall in the order book number can impact the business negatively.

Regulatory Compliance risk: Regulatory Compliances covering various federal, state, local and foreign laws relating to various aspects of the business operations are complex and non-compliances can result in substantial fines, sanctions etc.

The Company monitors and analyses all relevant parameters relating to above risks for the manufacturing site to minimise risk associated with protection of environment, safety of operations and health of people at work with reference to statutory regulations and guidelines defined. The Company fulfils its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continued to be top priority at the manufacturing sites.

MANAGEMENT & INDUSTRY OUTLOOK

Management Outlook:

For the year 2024-25, the Company will further continue to look at sustainable growth by focusing on:

- Quality and purity standard to maintain market reputation
- Expansion of production capacity for meeting growing demand
- Emphasis on sustainability and environmental responsibility
- Development of strategic partnership and collaborations
- Focus on employee safety, training and Development
- Effective supply chain management to reduce cost and improve efficiency
- Continuous monitoring of market trends and regulatory changes

This outlook assumes a positive industry growth trajectory and the management's focus is on leveraging opportunities, mitigating risks and ensuring sustainable growth.

Industry Outlook:

- Growing demand from pharmaceutical, fragrance and Flavour industries

- Increasing domestic and export market share
- Increasing efficiency of the Company's present production capacity
- Boosting the B2C business
- Rising use in Medicine and wellness products
- Growing focus on sustainability & eco-friendly products

Increased competition from global and domestic players is putting pressure on sales prices. Increase in prices of certain raw materials also puts pressure on contribution. However, with global growth of chemicals focused more on Asia, it is expected that there will be further growth in the chemical industry.

During the year 2024-25, the Company further expects its investments in various projects to add to the top and bottom-line.

The Company will continue with its efforts to improve the bottom line by further increasing efficiency in their existing production capacity, while re-looking at business strategies and models, wherever necessary.

INTERNAL CONTROLS

The Company has a well-established system of internal control and internal audit, commensurate with its size and complexity of the business, with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations. The Company continually upgrades internal control systems by adding better process control, various audit trails and use of external management assurance services, whenever required. The internal control system is supplemented by extensive internal audits, conducted internally by the finance and account department. The findings of Audit Team are discussed internally as well as in audit committee meetings. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them.

HUMAN RESOURCES

At MOL, we acknowledge the transformative power of Artificial Intelligence dominating the global conversation, innovation, and human ingenuity in creating a more equitable world. We believe that everyone is born with equal potential, but not equal opportunity. Our vision is to Empower individuals and communities to build self-reliance while promoting the core values of fairness, equity, and respect for human rights.

Therefore, we strategically plan the training and development of our human capital to unlock their full potential, fostering growth, innovation and success within our organisation. The headcount as on March 31, 2024 was 307 employees on the payrolls of the Company.



CAUTIONARY STATEMENT

This document contains some statements about expected future events, financial and operating results of Mangalam Organics Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and

uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

CORPORATE GOVERNANCE REPORT

Mere good governance is not enough; it has to be pro-people and pro-active. Good governance is putting people at the center of development process.

- Narendra Modi

CORPORATE GOVERNANCE

At the heart of our organization lies corporate governance—a dynamic framework that orchestrates our actions, ensuring they resonate with accountability, fairness, and transparency. Let’s explore this compass:

Stakeholder Symphony: Our board of Directors conducts a harmonious symphony, considering the interests of all stakeholders—the financiers who invest, the customers who rely on us, the management steering our ship, the employees who fuel our progress, the government overseeing our voyage, and the community we call home.

Ethical North Star: Corporate governance isn’t a mere checklist of legal obligations. It’s a compass pointing north—toward values, best practices, and unwavering ethics. We uphold these principles in every interaction, ensuring our ship sails with integrity.

Shared Responsibility: Our commitment extends beyond profit margins. We’re stewards of stakeholder trust. Responsible conduct permeates our roots, from the boardroom to the factory floor. Our actions echo our values.

Balancing Act: Corporate governance deftly balances competing interests. Shareholders seek returns, executives steer strategy, customers demand quality, suppliers collaborate, financiers invest, and the community watches. We navigate these currents with finesse.

Full-Spectrum Management: Governance isn’t confined to board meetings—it permeates every facet. From action plans to internal controls, from performance metrics to transparent disclosures, it shapes our voyage.

Company’S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that corporate governance is not only a principle that the organization follows but it’s a way of life that is embedded in its behavior & culture. It is essential for achieving long-term corporate goals and enhancing stakeholders’ value. It abides by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders viz., the employees, shareholders, customers, vendors and the society at large.

Your Company’s philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical

corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company firmly believes that maintaining the highest standards of Corporate Governance is the implicit rule that determines a management’s ability to make sound decisions and to perform efficiently and ethically in the best interest of its shareholders and other stakeholders to create value for all.

The philosophy of Corporate Governance is a principle-based approach as codified in Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholder’s disclosure and transparency and board responsibility.

Your Company is in compliance with the requirements on Corporate Governance during FY 2023-24. A report on the compliances of Corporate Governance requirements under the Listing Regulations and the practices/procedures followed by your Company for the year ended March 31, 2024 is detailed below:

BOARD OF DirectorS AND ITS COMMITTEES

1. Composition and Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other companies as on March 31, 2024

Your Company has the optimum combination of Executive and Non-Executive Directors in conformity with Regulations 17 and 17(1A) of the Listing Regulations. The present strength of the Board of Directors is a mix of Four Non-Executive Independent Directors including a woman Director, and two Executive Directors. All the Non-Executive Directors are also Independent Directors. The Chairman of the Board is an Executive Director. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013 (‘the Act’). In the opinion of the Board, the Independent Directors of the Company fulfill the criteria for independence given under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. Further, disclosures have been made by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.



The composition of Board of Directors as on March 31, 2024 and other relevant details are as follows:

| Directors | Category | Directors' Identification Number (DIN) | Total Number of Directorships, Committee Chairmanships and Memberships of public limited companies*, as on March 31, 2024 | | | Names of the listed entities and category of Directorship |
|----------------------------|--|--|---|--------------------------|------------------------|--|
| | | | Directorships \$ | Committee Chairmanships+ | Committee Memberships+ | |
| Mr. Kamalkumar Dujodwala | Promoter- Executive Director/ Chairman | 00546281 | 5 | - | 2 | - |
| Mr. Pannkaj Dujodwala | Promoter- Managing Director | 00546353 | 5 | - | - | - |
| Mr. Sharad Kumar Saraf | Independent Director | 00035843 | 3 | - | 3 | Technocraft Industries (India) Ltd. – Chairman and Managing Director |
| Mrs. Manisha Agarwal | Independent Woman Director | 00441841 | 1 | 2 | 2 | - |
| Mr. Sanjay Bhiva Kadam | Independent Director | 09826377 | 1 | - | - | - |
| Mr. Sidharath Singh Sekhon | Independent Director | 01983046 | 1 | - | - | - |

| | |
|----|--|
| * | Excludes private limited companies, foreign companies and companies registered under section 8 of the Act and Government Bodies. |
| \$ | Includes Additional Directorship and Directorship in your Company. |
| + | Committees considered are Audit Committee and Stakeholders' Relationship Committee, including that of your Company Committee Membership(s) excludes Chairmanship(s). |

During FY 2023-24, a separate meeting of Independent Directors was held on February 28, 2024, which was attended by all the Independent Directors.

Except for Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala, no other Directors are related to each other. Mr. Kamalkumar Dujodwala and Mr. Pannkaj Dujodwala are brothers.

None of the Independent Directors have any pecuniary relationship, transaction or association with the Company, which adversely affect their independence.

2. No. of Board Meetings and dates of Board Meetings

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis.

Your Board meets at least four times a year and the interval between any such two meetings does not exceed 120 days. The Company Secretary under the direction of the Chairman and in consultation with Chief Financial Officer prepares the agenda for the meetings along with the notes thereto and circulates it to the Directors, along with the notice of the meeting.

During FY 2023-24, 5 (Five) meetings of the Board of Directors were held on:

- May 26, 2023
- August 11, 2023
- October 25, 2023
- November 10, 2023
- February 09, 2024

The necessary quorum was present for all the meetings.

The attendance of the Directors at these Meetings was as under:

| Directors | Number of Board Meetings attended | Attendance at the Last AGM |
|----------------------------|-----------------------------------|----------------------------|
| Mr. Kamalkumar Dujodwala | 5 | Yes |
| Mr. Pannkaj Dujodwala | 5 | Yes |
| Mr. Sharad Kumar Saraf | 5 | No |
| Mrs. Manisha Agarwal | 5 | Yes |
| Mr. Sanjay Bhiva Kadam | 5 | Yes |
| Mr. Sidharath Singh Sekhon | 5 | Yes |

3. Procedure of Board/ Committee Meeting

The agenda papers with relevant notes and material documents relating to matters for perusal of the Board/ Committee are circulated in advance, so as to facilitate discussion and informed decision-making in the meeting.

The routine business brought to the relevant meetings includes, inter alia, the following:

- Annual business plans, budgets and strategy.
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review/audit report thereon.
- Minutes of various committee meetings of the Company and minutes of board meetings
- Statement of investments/ Disinvestments /Borrowings.
- Review of Internal Audit Report/s.
- Annual operating plans and budgets and any updates.
- Capital budgets and any updates
- Risk Management
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

4. Shareholding of Directors in the Company as on March 31, 2024

| Name | Number of Equity Shares | % of Total Paid Up Share Capital |
|----------------------------|-------------------------|----------------------------------|
| Mr. Kamalkumar Dujodwala | 1,57,216 | 1.83 |
| Mr. Pannkaj Dujodwala | 1,31,300 | 1.53 |
| Mr. Sharad Kumar Saraf | - | - |
| Mrs. Manisha Agarwal | - | - |
| Mr. Sanjay Bhiva Kadam | - | - |
| Mr. Sidharath Singh Sekhon | - | - |
| Total | 2,88,516 | 3.36 |

5. Familiarization Programme for Independent Directors

Pursuant to the provisions of Regulation 25(7) and 46 of SEBI Listing Regulations, the Company follows a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which the Company operates, the processes, systems and policies adopted and followed by the Company. The familiarization programme focuses on the business model and operations of the Company and aims at informing the Directors on the legal, regulatory as well as socio-economic regime in which the Company functions.

The Company briefs its Independent Directors on the roles, rights and responsibilities of the Independent Directors, nature of the industry in which the Company operates, business and operations model, credit policies of the Company etc. It also ensures that regular updates are provided to all the Directors on the changes/ revision in the Company's business model, new developments & initiatives undertaken by the Company, new processes & policies adopted/ revised, amendment/ introduction of applicable laws and/or regulations etc.

The familiarization programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs from them which helps in bringing forth the best practices into the organization and helps in taking informed decision(s) at the Board Level. The details of the same can be viewed on the Website of the Company. The Weblink of the same is as: <https://www.mangalamorganics.com/post/familiarization-program-for-independent-Directors>

6. Terms and Conditions for appointment of Independent Director

In Compliance with Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Companies Act, 2013, the terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website at : <https://www.mangalamorganics.com/post/terms-and-condition-for-appointment-of-independent-Directors>

7. Subsidiary Monitoring Mechanism

The Minutes of Board Meetings of the subsidiary companies are placed before the Meetings of Board of Directors of the Company.

During the year under review:

- Mangalam Brands Private Limited, the subsidiary of the Company fall under the criteria of 'Material Subsidiary', is the unlisted Material Subsidiary of the Company.

As per the requirement of the Listing Regulations, the Company has formulated a policy for determining 'Material Subsidiaries' and the same has been posted on Company's website at https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/66bb56a61cc1f5f91b22baf7_LINK2.pdf

8. Board Evaluation

The Board of Directors has carried out an Annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirement as prescribed by the Listing Regulations. The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of specified criteria such as the Board Composition and structures, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ('NRC') reviewed the performance of the individual Directors



on the basis of the contribution of the individual Director to the Board and Committee meetings based upon criteria such as preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At a separate meeting of Independent Directors, performance of Non-Independent Directors & performance of the Board as a whole was evaluated, taking into account the views of the

competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| | |
|------------------------|--|
| Global Business | Developing robust sales and marketing team, understanding various geographical markets, business development, identifying and working towards global market opportunities. |
| Technology | Product Development, process technology, leading research and development, create new product application. |
| Finance | Financial management, managing Financial systems, Financial reporting process, internal financial control, capital allocation, Auditor, principal controller, Capex management. |
| Leadership | Guiding and leading management teams to make decisions in uncertain environments, project management, strategic planning, risk management, Effective communication, Awareness of business process, Developing talent, integrity, building relations, innovation, developing leadership skills, planning successions. |

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

| Sr. No | Name of the Directors | Business | Technology | Finance | Leadership | Strategy |
|--------|------------------------|----------|------------|---------|------------|----------|
| 1. | Kamalkumar Dujodwala | ✓ | - | ✓ | ✓ | ✓ |
| 2. | Pannkaj Dujodwala | ✓ | ✓ | - | ✓ | ✓ |
| 3. | Sharad Kumar Saraf | ✓ | ✓ | ✓ | - | - |
| 4. | Manisha Agarwal | ✓ | ✓ | ✓ | - | ✓ |
| 5. | Sanjay Bhiva Kadam | ✓ | - | ✓ | - | - |
| 6. | Sidharath Singh Sekhon | ✓ | - | ✓ | - | ✓ |

10. Committees of the Board

To enable better and more focused attention on the affairs of the Company, the board delegates particular matters to committees of the board set up for the purpose. Pursuant to the applicable provisions of the Act and SEBI Listing Regulations the Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. These committees prepare the groundwork for decision-making and report the same to the Board at the subsequent meetings.

Audit Committee

During the year under review, 4 (four) Meetings of Audit Committee were held on the following dates:

- May 26, 2023
- August 11, 2023
- November 10, 2023
- February 09, 2024

Executive Directors and Non-Executive Directors. The same was discussed at 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.

9. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Composition and Attendance:

| Name of Members | Category | Number of Meetings | |
|-----------------------------------|----------------------------|--------------------|----------|
| | | Held | Attended |
| Mrs. Manisha Agarwal, Chairperson | Independent Woman Director | 4 | 4 |
| Mr. Sharad Kumar Saraf, Member | Independent Director | 4 | 4 |
| Mr. Kamalkumar Dujodwala, Member | Executive Director | 4 | 4 |

The time interval between any two Audit Committee meetings did not exceed 120 days.

The terms of reference and powers of the Audit Committee are in accordance with the requirements of Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 and includes overseeing the Company's financial reporting process,

reviewing the quarterly / half yearly / annual financial statements/ results and, reviewing with the management the adequacy of the internal audit function, recommending the appointment/ reappointment of statutory auditor, cost auditor and internal auditor and recommending/ fixation of audit fees, reviewing the significant internal audit findings, related party transactions, reviewing the Management Discussions & Analysis of financial condition and results of operations, scrutiny of inter-corporate loans and investments.

The Committee discusses with the auditors their audit methodology, audit planning and significant observations/ suggestions made by them and management responses and action taken by them.

11. Nomination and Remuneration Committee

During the year under review, 1 (One) Meeting of the Nomination and Remuneration Committee was held on October 25, 2023.

Composition and Attendance:

| Name of Members | Category | Number of Meetings | |
|-----------------------------------|----------------------------|--------------------|----------|
| | | Held | Attended |
| Mrs. Manisha Agarwal, Chairperson | Independent Woman Director | 1 | 1 |
| Mr. Sharad Kumar Saraf, Member | Independent Director | 1 | 1 |
| Mr. Sanjay Bhiva Kadam, Member | Independent Director | 1 | 1 |

The terms of reference and power of the Nomination, Remuneration and Compensation Committee is in accordance with the requirements of Regulation 19 read with Part D of Schedule II of Listing Regulations and Section 178 the Companies Act, 2013.

The role of the Committee, inter alia, is to approve/ recommend the appointment and remuneration/ packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of Board of Directors as whole, individual Directors and the committees of the Board. Under the said performance evaluation framework, the Committee has identified the criteria upon which every Director, every Committee, and the Board as a whole shall be evaluated.

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act and the SEBI Listing Regulations. The exercise of performance evaluation was carried out on the basis of questionnaires which was circulated with the Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long-term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation are broadly based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc.

12. Stakeholders Relationship Committee

During the year under review, 4 (four) Meetings of the Stakeholders Relationship Committee were held on the following dates:

- May 26, 2023
- August 11, 2023
- November 10, 2023
- February 09, 2024

Composition and Attendance:

| Name of Members | Category | Number of Meetings | |
|-----------------------------------|----------------------------|--------------------|----------|
| | | Held | Attended |
| Mrs. Manisha Agarwal, Chairperson | Independent Woman Director | 4 | 4 |
| Mr. Sharad Kumar Saraf, Member | Independent Director | 4 | 4 |
| Mr. Kamalkumar Dujodwala, Member | Executive Director | 4 | 4 |

The Committee has been constituted to specifically look into the matter of the redressal of stakeholders', security holders' and investors' complaints and grievances, including but not limited, those relating to transfer/ transmission of shares, non-receipt of dividends, non-receipt of Annual Report and any other grievance that a shareholder or investor may have against the Company. The details of shareholders' complaints received and disposed of during the year under review is as follows:

| Number of Investor Complaints | |
|--|-----|
| Pending at the beginning of the financial year | Nil |
| Received during the financial year | 5 |
| Resolved during the financial year | 5 |
| Pending at the end of the financial year | Nil |



Name, designation and address of Compliance Officer:

Mr. Shirang V. Rajule

Compliance Officer

Mangalam Organics Limited

812/813, Tulsiani Chambers,

212, Nariman point, Mumbai- 400021

Tel: +91 (22)- 49204089

Email: cs@mangalamorganics.com

13. Corporate Social Responsibility Committee

During the year under review, 1 (One) Meeting of the Corporate Social Responsibility Committee was held on the March 07, 2024.

| Name of Members | Category | Number of Meetings | |
|-----------------------------------|----------------------------|--------------------|----------|
| | | Held | Attended |
| Mrs. Manisha Agarwal, Chairperson | Independent Woman Director | 1 | 1 |
| Mr. Sharad Kumar Saraf, Member | Independent Director | 1 | 1 |
| Mr. Kamalkumar Dujodwala, Member | Executive Director | 1 | 1 |

The Company Secretary is the Secretary to the Committee. The role of the Committee is to formulate and recommend to the Board a Corporate Social Responsibility Policy, recommend the amount of yearly CSR expenditure and also monitor the implementation and functioning of Corporate Social Responsibility Policy.

DIRECTORS' REMUNERATION

The remuneration paid to Mr. Kamalkumar Dujodwala, Executive Chairman and Mr. Pannkaj Dujodwala, Managing Director of the Company for the financial year ended March 31, 2024 is in accordance with the terms and conditions contained as agreed between them and the Company and approved by the shareholders.

The Independent Directors are paid sitting fees for attending the Board and Committee Meetings.

Details of remuneration / sitting fees paid to Executive and Non-Executive Directors for the year ended March 31, 2024 is as follows:

(Amount in ₹)

| Name | Remuneration | Allowances | Performance Incentive | Perquisite | Sitting Fee | Commission |
|---------------------------------|--------------|------------|-----------------------|------------|-------------|------------|
| Executive Director | | | | | | |
| Mr. Kamalkumar Dujodwala | 3,00,00,000 | - | - | - | - | - |
| Mr. Pannkaj Dujodwala | 3,00,00,000 | - | - | - | - | - |
| Non – Executive Director | | | | | | |
| Mr. Sharad Kumar Saraf | - | - | - | - | 15,000 | - |
| Mrs. Manisha Agarwal | - | - | - | - | 15,000 | - |
| Mr. Sanjay Bhiva Kadam | - | - | - | - | 1,00,000 | - |
| Mr. Sidharath Singh Sekhon | - | - | - | - | 15,000 | - |

Remuneration to Executive Directors comprise salary, perquisites and allowances in accordance with the Company policy.

Brief about Remuneration Policy:

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel including the criteria for making payment to non-executive Directors and the same has been posted on Company's website at <https://www.mangalamorganics.com/post/nomination-remuneration-and-evaluation-policy-for-board-of-Directors>

Service contracts, notice period, severance fees

As per the employment contract entered into by the Company with the Executive Directors, either party can terminate the contract by giving 6 (Six) month prior notice in writing to the other party. The employment contract does not contain any provisions for payment of any severance fees in case of cessation of employment of the Directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

During the year under review, the Company has not issued or granted any stock options.

Succession Planning:

The Company's philosophy of empowering employees, its industry-leading talent retention, and a decentralized organization structure that devolves executive decision-making across all business units have resulted in a large and deep bench of leadership talent that enables robust succession planning and continuity and consistency in strategy. Succession planning for the top two leadership positions in each business unit is reviewed by senior management. Additionally, heads of business units carry out succession planning for key functions within their units.

Succession planning at senior management levels is reviewed by the Board. Business or unit heads are invited to present on specific topics at Board meetings from time to time, offering an opportunity to the Directors to assess their values, competencies, and capabilities.

DISCLOSURES

1. There are no materially significant related party transactions that have potential conflict with the interest of the Company. The disclosure of all related party transactions are set out in notes forming part of the financial statements. The policy framed by your Company on dealing with Related Party Transactions is posted on the Company's website at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/61d5e2f3e48783d0a8bec1ab_Policy%20on%20Materiality%20of%20Related%20Party%20Transactions.pdf
2. There have been no instances of non-compliance by the Company and no penalties, strictures have been imposed on the Company by the stock exchange(s) or the board or any other statutory authority, on any matter related to capital markets, during the previous 3 (three) financial years.
3. The Company has adopted a Whistle Blower Policy, as a part of Vigil Mechanism to provide appropriate avenues to Directors and Employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of Business Principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. This Policy has also been posted on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/61d5e2f6cac59753f9802c49_Vigil%20Mechanism%20and%20Whistle%20Blower%20Policy.pdf
4. Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/61d5e2f46e44be83d0bc84dd_Policy%20for%20determining%20Material%20Subsidiary.pdf
5. The Company adopted Indian Accounting Standards ('Ind AS') from 1st April, 2016. Accordingly, the Financial statements have been prepared in accordance with Ind-AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.
6. Code for Prevention of Insider Trading Practices: The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading in Securities of Mangalam Organics Limited' ('Code of Conduct of Insider Trading') in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the Regulations').

This Code has been posted on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/658d5a9146e668ae22c682fc_PIT%20Policy.pdf

Code of Conduct for prevention of Insider Trading has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable. Code of Conduct of Insider Trading lays down Guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.
7. Your Company has complied with all the mandatory requirements of the Listing Regulations relating to corporate governance. The Company has also complied with the requirement specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as may be applicable. Further, your Company has adopted four non-mandatory corporate governance requirements relating to-
 - (i) endeavor to have unmodified financial statements,
 - (ii) direct reporting of the Internal Auditor to the Audit Committee,
 - (iii) Separate posts of Chairman, CEO and MD.
 - (iv) Appointment of Independent Women Director.
8. The Company has complied with all the statutory requirement related to Policy on Archival and Preservation of Documents pursuant to Regulations 30 and 9 of the SEBI Listing Regulations, This Policy has also been posted on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/646dbb48bee9b94c7dccc1c_Policy%20on%20Preservation%20of%20Documents.pdf



9. Pursuant to the Regulation 30 of the SEBI Listing Regulations, Policy on Determination of Materiality for Disclosures of Events and Information is available on the website of the Company at https://assets-global.website-files.com/6173d2812ea50ef2de67463e/658d5bc5822af522de5c3556_Policy%20on%20Determining%20materiality%20of%20events%20and%20information.pdf
10. A certificate has been received from M/s. NGST & Associates, Chartered Accountants, regarding compliance with the conditions of Corporate Governance, as stipulated in Listing Regulations is annexed to this report and forms part of the Annual Report.
11. The Company has also received certificate from M/s. Yogesh Sharma & Co., Company Secretaries and appended hereto, certifying 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 Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
12. The particulars about the total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries, during the financial year 2023-24, is as follows: Rs. 4,50,000/- for the Statutory Audit and Rs. 1,00,000/- for Tax Audit.
13. The CEO/CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of the Annual Report.
14. Disclosure of commodity price risks and commodity hedging

activities: The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods from third parties, it is all the more subject to risk and rewards of price variations.

15. Your Company has not raised funds through preferential allotment or qualified institutions placement in FY 2023-24 as specified under Regulation 32 (7A).
16. Your Company has accepted all the recommendation received from any committee of the Board which is mandatorily required, in FY 2023-24.
17. Disclosure of Complaints during the year under review pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| | |
|--|-----|
| Number of complaints filed during the financial year | NIL |
| Number of complaints disposed of during the financial year | NIL |
| Number of complaints pending as on end of the financial year | NIL |

Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The disclosures with respect to demat suspense account / unclaimed suspense account is not applicable to the Company during the year under review.

GENERAL SHAREHOLDERS INFORMATION

1. General Body Meeting

The details of Annual General Meetings convened during the last three years are as follows:

| Financial Year Ended | Date & Time | Venue | Special Resolutions passed, if any |
|----------------------|---------------------------------|---|---|
| March 31, 2023 | September 29, 2023 3.00 p.m. | Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | - No Special Resolutions were passed |
| March 31, 2022 | September 28, 2022 3.00 p.m. | | - To approve the variation of terms of appointment of Mr. Kamalkumar Dujodwala. - To make loans or investments in excess of limit prescribed in section 186 of Companies Act, 2013 subject to a maximum limit of Rs. 1000 Crore. |
| March 31, 2021 | September 29, 2021 3.00 p.m. | | - Approval under section 180(1)(a) of the Companies Act, 2013 for creation of Charge and Hypothecation of Assets. |

2. Extraordinary General Meeting:

There were no extra-ordinary general meetings held during the last three years.

3. Postal Ballot:

During the period under no Postal Ballot activity conducted by the Company.

Company's Means of Communication

| | |
|---|---|
| Website | Your Company maintains a website www.mangalamorganics.com wherein there is a dedicated section 'Investors'. The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, share price data, unpaid dividend details, shareholding pattern, contact details etc. |
| Quarterly/Annual Financial Results | Generally published in Business Standard or Free press Journal (Mumbai editions) and Navshakti/Mumbai Laskhwadeep Mumbai edition. The results are also uploaded by National Stock Exchange of India Limited and BSE Limited on their website www.nseindia.com and www.bseindia.com respectively. |
| Stock exchanges | All periodical information, including the statutory filings and disclosures, are filed with National Stock Exchange of India Limited and BSE Limited. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are also filed with National Stock Exchange of India Limited and BSE Limited. |
| Presentations | Presentations made to the investors are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously hosted on the website of the Company www.mangalamorganics.com |
| Designated Exclusive Email ID | The Company has designated the email id i.e. cs@mangalamorganics.com for investor grievances. This Email ID has been displayed on the Company's website viz. www.mangalamorganics.com |
| Annual Report | Annual Reports and any other communication will be sent to email ids of members whose emails are registered with the Company. |
| SEBI Complaints Redress System (SCORES) | All complaints received through SEBI SCORES are resolved in a timely manner by the Company. |

4. Other Information

| CIN | L24110MH1981PLC024742 | | | | | | | | | | |
|--|---|---------------|--------------------|-----------------------|------------------------------|--|--------------------------------|-----------------------|--------------------------------|----------------|---------------------------|
| Registered office address | Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli – 410 202, District - Raigad. | | | | | | | | | | |
| Administrative Office/ Correspondence Address | 812, Tulsiani Chambers, Free Press Journal Marg, 212 Nariman Point, Mumbai – 400 021, Maharashtra. | | | | | | | | | | |
| Date, Time and Venue of Annual General Meeting | The Company has decided to hold its 42nd Annual General Meeting (the "AGM") on Saturday, September 28, 2024 at 3.00 P.M. through Video Conferencing ("VC") and/or Other Audio Visual Means ("OAVM"). The shareholders may note that the Ministry of Corporate Affairs, vide its General Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2020, Circular No. 02/2022 dated May 5, 2022 and Circular No. 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 has permitted the companies to conduct their AGMs, through VC/OAVM. Guidelines for participation in the Company's 42nd Annual General Meeting are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. www.mangalamorganics.com . | | | | | | | | | | |
| Financial Year | The financial year of the Company starts from April 1st and ends on March 31st of the succeeding year. Our tentative calendar for declaration of results for the financial year 2024-25 are as given below: <table border="1" data-bbox="545 1854 1450 2060"> <thead> <tr> <th>Quarter Ended</th> <th>Release of Results</th> </tr> </thead> <tbody> <tr> <td>First Quarter Results</td> <td>on or before August 14, 2024</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2024</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2025</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2025</td> </tr> </tbody> </table> | Quarter Ended | Release of Results | First Quarter Results | on or before August 14, 2024 | Second Quarter and Half Yearly Results | on or before November 14, 2024 | Third Quarter Results | on or before February 14, 2025 | Annual Results | on or before May 30, 2025 |
| Quarter Ended | Release of Results | | | | | | | | | | |
| First Quarter Results | on or before August 14, 2024 | | | | | | | | | | |
| Second Quarter and Half Yearly Results | on or before November 14, 2024 | | | | | | | | | | |
| Third Quarter Results | on or before February 14, 2025 | | | | | | | | | | |
| Annual Results | on or before May 30, 2025 | | | | | | | | | | |



| Dividend Payment Date and Date of Book Closure | The Directors have thought it prudent not to recommend any dividend for the financial year under review. | | | | | | | | | | | | | | | | | | |
|--|---|--|------------------|--|---------|-----|---------|---------|-----|---------|---------|-----|-------|---------|-----|-------|---------|-----|-------|
| Dividend History | <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Rate of Dividend</th> <th>Dividend (in Rs.) per share of Rs. 10 each</th> </tr> </thead> <tbody> <tr> <td>2021-22</td> <td>15%</td> <td>Rs. 1.5</td> </tr> <tr> <td>2020-21</td> <td>15%</td> <td>Rs. 1.5</td> </tr> <tr> <td>2019-20</td> <td>10%</td> <td>Re. 1</td> </tr> <tr> <td>2018-19</td> <td>10%</td> <td>Re. 1</td> </tr> <tr> <td>2017-18</td> <td>10%</td> <td>Re. 1</td> </tr> </tbody> </table> | Financial Year | Rate of Dividend | Dividend (in Rs.) per share of Rs. 10 each | 2021-22 | 15% | Rs. 1.5 | 2020-21 | 15% | Rs. 1.5 | 2019-20 | 10% | Re. 1 | 2018-19 | 10% | Re. 1 | 2017-18 | 10% | Re. 1 |
| Financial Year | Rate of Dividend | Dividend (in Rs.) per share of Rs. 10 each | | | | | | | | | | | | | | | | | |
| 2021-22 | 15% | Rs. 1.5 | | | | | | | | | | | | | | | | | |
| 2020-21 | 15% | Rs. 1.5 | | | | | | | | | | | | | | | | | |
| 2019-20 | 10% | Re. 1 | | | | | | | | | | | | | | | | | |
| 2018-19 | 10% | Re. 1 | | | | | | | | | | | | | | | | | |
| 2017-18 | 10% | Re. 1 | | | | | | | | | | | | | | | | | |
| Listing on stock exchanges | The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited | | | | | | | | | | | | | | | | | | |
| Listing fees | The listing fees of National Stock Exchange of India Limited and BSE Limited for FY 2024-25 has been paid. | | | | | | | | | | | | | | | | | | |
| Stock code | BSE Scrip Code: 514418 NSE Symbol: MANORG | | | | | | | | | | | | | | | | | | |
| ISIN Number | INE370D01013 | | | | | | | | | | | | | | | | | | |
| Suspension of trading in Securities | There was no suspension of trading in securities of the Company during the year under review. | | | | | | | | | | | | | | | | | | |
| Registrar and Transfer agents | Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Email: rnt.helpdesk@linkintime.co.in Tel: (022) 4918 6270 Fax: (022) 4918 6060 | | | | | | | | | | | | | | | | | | |
| Share Transfer system | All the work related to Share registry in terms of both physical and electronic segment has been allotted to M/s. Link Intime India Private Limited, in view of the directive issued by SEBI in this regard i.e. for handling both physical as well as electronic transfer at a single point. For any queries relating to equity share of the Company the shareholders/investors may contact them at above address. As the Company's shares are compulsorily to be traded in the dematerialized form. Members holding shares in physical Form are requested to dematerialise their shares. Further, as per Regulation 40 of SEBI Listing Regulation securities of Listed Companies can be transfer only in dematerialised form w.e.f. 1st April, 2019. | | | | | | | | | | | | | | | | | | |
| Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments and their impact on Equity | As on March 31, 2024, the Company have not issued any outstanding GDRs / ADRs /Warrants/ Convertible Instruments, including stock options. | | | | | | | | | | | | | | | | | | |
| Commodity price risk or foreign exchange risk and hedging activities | The Company is subject to commodity price risk like any other industry. Moreover, since the Company procures all the input commodities used in the production of goods, it is all the more subject to risk and rewards of price variations. In respect of contract for raw materials for Camphor production, the commodity/ hedging market for these items is not fully developed and the Company keeps on evaluating on continuous basis opportunities for price risk minimization. In respect of inward remittances from eligible overseas buyers of the Camphor, all billing is in INR and hence the Company is immune to foreign exchange risk on this account. | | | | | | | | | | | | | | | | | | |
| Plant locations | The Company has its Manufacturing plant at: Kumbhivali Village, Savroli Kharpada Road, Taluka – Khalapur, Khopoli – 410 202, Raigad, Maharashtra. | | | | | | | | | | | | | | | | | | |
| List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad | Your Company has obtained revised Credit Rating from CRISIL as on for FY 2024 as follows: Long Term Rating: CRISIL BBB+/Positive (Reaffirmed) Short Term Rating: CRISIL A2 (Reaffirmed) | | | | | | | | | | | | | | | | | | |

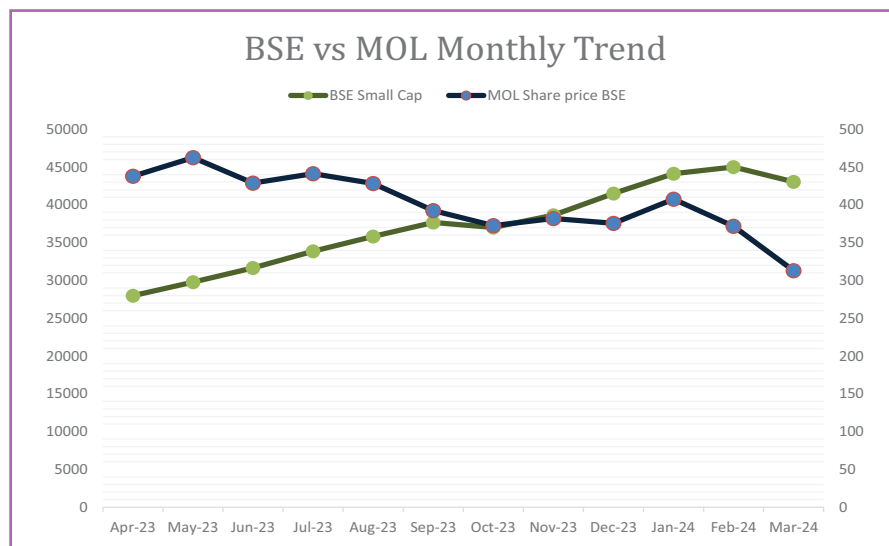
5. Market Price Data

The market price data and the volume of your Company's shares traded on NSE and BSE during the year ended March 31, 2024 are as follows:

| Month | BSE | | | NSE | | |
|--------|----------|---------|-----------------------------------|----------|---------|-----------------------------------|
| | High (₹) | Low (₹) | Total no. of equity shares traded | High (₹) | Low (₹) | Total no. of equity shares traded |
| Apr-23 | 540.05 | 335.75 | 1,21,060 | 542.00 | 336.50 | 69,378 |
| May-23 | 490 | 435 | 20,753 | 495.00 | 436.00 | 4,685 |
| Jun-23 | 454 | 403.95 | 33,719 | 451.60 | 410.80 | 11,277 |
| Jul-23 | 478 | 404.75 | 78,231 | 479.00 | 403.10 | 20,939 |
| Aug-23 | 474 | 382.55 | 57,319 | 475.00 | 384.00 | 29,864 |
| Sep-23 | 413.7 | 370.95 | 24,782 | 413.85 | 369.95 | 16,077 |
| Oct-23 | 400 | 344.95 | 26,600 | 404.95 | 348.05 | 13,118 |
| Nov-23 | 410.05 | 354.05 | 37,681 | 411.75 | 351.50 | 12,015 |
| Dec-23 | 399.9 | 351.05 | 52,631 | 400.00 | 355.55 | 19,209 |
| Jan-24 | 440.5 | 374.95 | 69,665 | 442.20 | 378.00 | 40,802 |
| Feb-24 | 404.5 | 339 | 39,605 | 403.95 | 339.00 | 17,082 |
| Mar-24 | 356.95 | 269 | 65,100 | 359.00 | 270.00 | 15,253 |

6. Performance of share price of the Company in comparison to S&P BSE Small Cap Sensex

| Month | MOL Share price BSE | BSE Small Cap |
|--------|---------------------|---------------|
| Apr-23 | 437.9 | 27993.435 |
| May-23 | 462.5 | 29769.805 |
| Jun-23 | 428.975 | 31665.43 |
| Jul-23 | 441.375 | 33866.705 |
| Aug-23 | 428.275 | 35828.7 |
| Sep-23 | 392.325 | 37659.35 |
| Oct-23 | 372.475 | 37012.465 |
| Nov-23 | 382.05 | 38632.195 |
| Dec-23 | 375.475 | 41501.06 |
| Jan-24 | 407.725 | 44119.975 |
| Feb-24 | 371.75 | 45010.705 |
| Mar-24 | 312.975 | 43048.72 |





7. Distribution of Shareholding as on March 31, 2024

| Description | No. of Shareholders | % to Total Shareholders | Shares | % of Total Share Capital |
|---------------------|---------------------|-------------------------|----------------|--------------------------|
| 1 to 500 | 21458 | 96.7972 | 1388565 | 16.2131 |
| 501 to 1000 | 394 | 1.7773 | 299302 | 3.4947 |
| 1001 to 2000 | 179 | 0.8075 | 259938 | 3.0351 |
| 2001 to 3000 | 37 | 0.1669 | 93213 | 1.0884 |
| 3001 to 4000 | 31 | 0.1398 | 111456 | 1.3014 |
| 4001 to 5000 | 18 | 0.0812 | 81699 | 0.9539 |
| 5001 to 10000 | 25 | 0.1128 | 188538 | 2.2014 |
| 10001 to 9999999999 | 26 | 0.1173 | 6141729 | 71.712 |
| Total | 22168 | 100 | 8564440 | 100 |

8. Shareholding pattern as on March 31, 2024

| Category code | Category of Shareholder | No. of shares held at the end of the year | | | |
|---------------|--|---|----------|----------------|-------------------|
| | | Demat | Physical | Total | % of Total Shares |
| (A) | Promoters | | | | |
| 1 | Indian | | | | |
| (a) | Individuals/ Hindu Undivided Family | 2700953 | - | 2700953 | 31.54 |
| (b) | Central Govt(s) | - | - | - | - |
| (c) | State Govt(s) | - | - | - | - |
| (d) | Bodies Corporate | - | - | - | - |
| (e) | Banks / FI | - | - | - | - |
| (f) | Any Others(Specify) | 2001849 | - | 2001849 | 23.37 |
| | Sub Total(A)(1) | 4702802 | - | 4702802 | 54.91 |
| 2 | Foreign | | | | |
| (a) | NRIs – Individuals | - | - | - | - |
| (b) | Other Individuals | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - |
| (d) | Banks / FI | - | - | - | - |
| (e) | Any Others(Specify) | - | - | - | - |
| | Sub Total(A)(2) | - | - | - | - |
| | Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 4702802 | - | 4702802 | 54.91 |
| (B) | Public shareholding | | | | |
| 1 | Institutions | | | | |
| (a) | Mutual Funds | - | - | - | - |
| (b) | Banks / FI | - | - | - | - |
| (c) | Central Govt(s) | - | - | - | - |
| (d) | State Govt(s) | - | - | - | - |
| (e) | Alternate Investment Funds | - | - | - | - |
| (f) | Insurance Companies | - | - | - | - |
| (g) | FIs | - | - | - | - |
| (h) | Foreign Portfolio Investors | 1421 | - | 1421 | 0.02 |
| (i) | Any Other (specify) | - | - | - | - |
| | Sub-Total (B)(1) | 1421 | - | 1421 | 0.02 |

| | | | | | |
|------------|---|----------------|---------------|----------------|---------------|
| B2 | Non-institutions | | | | |
| (a) | Bodies Corporate | - | - | - | - |
| (i) | Indian | - | - | - | - |
| (ii) | Overseas | - | - | - | - |
| (b) | Individuals | - | - | - | - |
| (i) | Resident Individuals holding nominal share capital up to Rs 2 lakh | 2065744 | 264898 | 2330642 | 27.21 |
| (ii) | Resident Individuals holding nominal share capital in excess of Rs. 2 lakh. | 770456 | - | 770456 | 9.00 |
| (iii) | KMP | - | 2 | 2 | 0.00 |
| (c) | Others (specify) | 96272 | - | 96272 | 1.12 |
| (i) | Clearing Members | - | - | - | - |
| (ii) | HUF | - | - | - | - |
| (iii) | NRI | 66880 | 56300 | 123180 | 1.44 |
| (iv) | Bodies Corporate | 77437 | 3700 | 81137 | 0.95 |
| (v) | IEPF | 458528 | - | 458528 | 5.35 |
| (vi) | LLP | - | - | - | - |
| (vii) | Foreign Portfolio Investors | - | - | - | - |
| | Sub-Total (B)(2) | 3514437 | 345900 | 3860337 | 45.07 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 3515738 | 345900 | 3861638 | 45.09 |
| | TOTAL (A)+(B) | 8218540 | 345900 | 8564440 | 100.00 |
| (C) | Shares held by Custodians for GDRs & ADRs | - | - | - | - |
| | GRAND TOTAL (A)+(B)+(C) | 8218540 | 345900 | 8564440 | 100.00 |

9. Status of dematerialisation of shares

As on March 31, 2024, all except 3,24,900 equity shares of the Company are held in dematerialised form. The breakup of the equity shares held in dematerialised and physical form as on March 31, 2024 is as follows:

| Particulars | No. of Shares | Percent of Equity (%) |
|--------------|------------------|-----------------------|
| NSDL | 69,12,056 | 80.71 |
| CDSL | 13,06,484 | 15.25 |
| Physical | 3,45,900 | 4.04 |
| Total | 85,64,440 | 100 |

10. Reconciliation of Share Capital Audit

As stipulated by SEBI under Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/Cir-16/2002, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the number of shares issued, listed on the Stock exchanges and that held in demat and physical mode are in agreement with each other.

11. Unclaimed Dividend

As on March 31, 2024 following amounts of dividends remained unclaimed and liable to transfer to Investor Education and Protection Fund (IEPF):

| Financial year | Amount (in ₹) | Transferred to IEPF | Date of Transfer to IEPF |
|----------------|---------------|---------------------|--------------------------|
| FY 2009-10 | 5,36,401.00 | Yes | October 24, 2017 |
| FY 2010-11 | 5,55,157.00 | Yes | November 02, 2018 |
| FY 2011-12 | - | - | - |
| FY 2012-13 | - | - | - |
| FY 2013-14 | - | - | - |
| FY 2014-15 | - | - | - |
| FY 2015-16 | - | - | - |
| FY 2016-17 | - | - | - |
| FY 2017-18 | Rs. 4,06,836 | No | - |
| FY 2018-19 | Rs. 4,10,274 | No | - |
| FY 2019-20 | Rs. 2,68,524 | No | - |
| FY 2020-21 | Rs. 2,63,486 | No | - |
| FY 2021-22 | Rs. 3,79,914 | No | - |



In accordance with Section 125 of the Companies Act, 2013, the amounts of dividend that remained unpaid or unclaimed for a period of seven years has been transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

In accordance with sub-section 6 of Section 124 of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years will be transferred to IEPF. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time.

Members can claim the unclaimed dividend from the Company before transfer to the IEPF by making their claim to the Company at its administrative office or by contacting the Registrar and Transfer Agents. It may be noted that no claim shall lie against the Company in respect of amounts of dividends remaining unpaid or unclaimed for a period of seven years after being transferred to the IEPF. After transfer of such amounts to the IEPF, the member can claim their amounts from IEPF.

In accordance with Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, the details of unclaimed/ unpaid amount of dividends as of the date of last Annual General Meeting have been uploaded on the website of the Company.

12. Address for correspondence

For query relating to financial statements / investor relations, please contact:

Mangalam Organics Limited

812, Tulsiani Chambers, 212 Nariman Point,
Mumbai- 400 021, Maharashtra.

Email: cs@mangalamorganics.com

Phone: (022) 22824089

For and on behalf of the Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN: 00546281

Place: Mumbai

Date: August 10, 2024

DECLARATION ON CODE OF CONDUCT

This is to certify that your Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2023-24.

Mumbai, August 10, 2024

Sd/-

Pannkaj Dujodwala
Managing Director

CERTIFICATE FROM CEO AND CFO

[Certificate under Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to certify that, we have reviewed audited financial statements and the cash flow statement for the quarter and year ended March 31, 2024 and that to the best of our knowledge and belief that:

1. the said financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. the said 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.
3. no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
4. the Company has established and is maintaining internal controls for financial reporting and on this basis we have evaluated the effectiveness of internal control systems pertaining to financial reporting and we 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 have been taken or propose to be taken to rectify these deficiencies.
5. we have indicated to the auditors and the Audit committee:
 - a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. 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. Shirang V. Rajule

Chief Financial Officer

Sd/-

Mr. Sanjay Bhardwaj

Chief Executive Officer

Date: August 10, 2024

Place: Mumbai



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 of

Mangalam Organics Limited

Kumbhivali Village, Savroli Kharpada Road,
Taluka Khalapur, Khopoli 410202

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mangalam Organics Limited** having **CIN L24110MH1981PLC024742** and having registered office at Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli 410202 (hereinafter referred to as 'the Company'), produced before me/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 my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below 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 by any other regulatory authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------------------|----------|--------------------------------|
| 1 | Mr. Kamalkumar Ramgopal Dujodwala | 00546281 | 03/07/1981 |
| 2 | Mr. Pannkaj Dujodwala | 00546353 | 03/06/1987 |
| 3 | Mr. Sharad Kumar Saraf | 00035843 | 29/01/2011 |
| 4 | Mrs. Manisha Agarwal | 00441841 | 20/03/2020 |
| 5 | Mr. Sanjay Bhiva Kadam | 09826377 | 30.12.2022 |
| 6 | Mr. Sidharath Sekhon | 01983046 | 30.12.2022 |

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. 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.

Date: August 10, 2024

Place: Mumbai

UDIN: F011305E000680261

Peer Review Certificate No.: 1583/2021

Yogesh M. Sharma

Proprietor

FCS No. 11305

COP No. 12366

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

Mangalam Organics Limited

We have examined all the relevant records of Mangalam Organics Limited (“the Company”) for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 (except Regulation 21), clauses (a) to (r) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) for the financial year ended on March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation process adopted by Company for ensuring the compliance of the conditions of Corporate Governance.

This certificate is neither an assurance as to the future viability of the Company nor the efficacy of effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid SEBI Listing Regulations.

For NGST & Associates

Chartered Accountants

(Registration No. 135159W)

(Bhupendra Gandhi)

Partner

Membership No. 122296

Place: Mumbai

Date: August 10, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of Mangalam Organics Limited Report on audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Mangalam Organics Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), 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 financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2024, and total comprehensive income (comprising of profit and comprehensive income), changes in equity and its 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's 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.

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 nothing to report in this regard.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Management Discussion and Analysis" and "Director's Report", but does not include the financial statements and our auditor's 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.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

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 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.
- 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 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 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 auditor's 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 (Auditor's 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.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity 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.
- 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 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:
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
4. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("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, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- i) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account 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, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For NGST & Associates
Chartered Accountants
Firm Regn. No 135159W

Sd/-
Bhupendra S Gandhi
Partner
M. No. 122296
UDIN - 24122296BKBLVV1907

Place: Mumbai

Date: May 30, 2024

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Mangalam Organics Limited ("the Company") on the Financial Statements for the year ended 31st March, 2024, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) According to the information and explanation given to us, all the property, plant and equipment have been physically verified by the management during the year and we are informed that the management on such verification has noticed no material discrepancies. In our opinion the frequency of verification is reasonable.
- (c) The title deeds of immovable properties are held in the name of the Company except that they are mortgaged to bank as per the report given by the external valuer during the year and as per the management and we have relied upon the same.
- (d) The Company has not revalued its property, plant and equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account
- iii) (a) During the year the Company has provided loans and stood guarantee to the companies as follows:

| Aggregate amount granted / provided during the year | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|----------|-----------------------------|
| - Wholly owned Subsidiaries | 3800.00 | Nil | - | Nil |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| - Wholly owned Subsidiaries | 3800.00 | Nil | 2,056.67 | Nil |

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies are not prejudicial to the Company's interest.
- iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us by the management, the Company has not accepted any deposit from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
- vi) The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect to the Company's products. We have broadly reviewed the books of accounts & records maintained by the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, custom duty and goods and service tax and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of these were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty and cess on account of any dispute.
- viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company or any fraud on the Company by its officers or employees, which has been noticed or reported during the current year, nor we have been informed of such case by the management.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) The Company has not entered into non-cash transactions with Directors or persons connected with its Directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.

- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have any CIC. Accordingly, clauses xvi(d) are not applicable to the Company.
- xvii) The Company has not incurred any cash losses in the current year but has incurred cash loss of Rs. 1,469.45 Lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix) According to the information and explanations given to us and 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 the 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 the 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.
- xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For NGST & Associates
Chartered Accountants
Registration No. 135159W

Sd/-
Bhupendra Gandhi
Partner
M. Ship No. 122296
UDIN - 24122296BKBLVV1907

Place: Mumbai

Date: May 30, 2024



ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (I) of Sub-Section 143 of The Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of **Mangalam Organics Limited ('the Company')**, as of 31 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 auditor's 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 authorisations of management and Directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 31 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 NGST & Associates

Chartered Accountants

Firm Reg No. 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

UDIN - 24122296BKBLVV1907

Place: Mumbai

Date: May 30, 2024



STANDALONE BALANCE SHEET

as at 31st March 2024

Amounts in (₹)

| Particulars | Note No | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| - Property, Plant and Equipment | 1 | 2,14,08,35,828 | 2,04,68,01,916 |
| - Right-of-use assets | | 39,39,675 | - |
| - Capital work-in-progress | 1 | - | - |
| - Financial Assets | | | |
| Investments | 2.1 | 54,24,800 | 54,24,800 |
| Loans | 2.2 | 20,56,57,625 | 18,76,66,937 |
| Other financial assets | 2.3 | 8,64,52,458 | 9,95,48,248 |
| Deferred tax assets (net) | 9 | 1,64,86,624 | 2,34,66,934 |
| (2) Current assets | | | |
| - Inventories | 3 | 1,19,67,21,658 | 1,71,68,44,691 |
| - Financial Assets | | | |
| Trade receivables | 4.1 | 74,24,54,980 | 57,59,60,618 |
| Cash and cash equivalents | 4.2 | 89,30,535 | 78,62,563 |
| Bank balances & other than cash and cash equivalents | 4.3 | 17,30,329 | 17,40,277 |
| Other financial assets | 4.4 | 17,96,22,849 | 6,34,16,869 |
| Current tax assets (net) | 4.5 | 34,61,165 | 3,29,83,763 |
| - Other current assets | 5 | 10,73,71,994 | 12,59,91,900 |
| Total Assets | | 4,69,90,90,520 | 4,88,77,09,516 |
| EQUITY AND LIABILITIES | | | |
| Equity | 6 | | |
| - Equity Share capital | A) | 8,56,44,400 | 8,56,44,400 |
| - Other Equity | B) | 2,73,66,30,133 | 2,69,58,72,649 |
| | | 2,82,22,74,533 | 2,78,15,17,049 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| - Financial Liabilities | | | |
| - Borrowings | 7 | 15,13,81,323 | 28,94,70,690 |
| - Provisions | 8 | 2,89,12,602 | 2,46,06,591 |
| | | 18,02,93,925 | 31,40,77,281 |
| (2) Current liabilities | | | |
| - Financial Liabilities | | | |
| Borrowings | 10 | 1,47,74,60,764 | 1,47,36,73,087 |
| Trade payables | 11 | - | - |
| - Total outstanding dues of MSME | | - | - |
| - Total outstanding dues of creditors other than MSME | | 17,40,45,828 | 28,29,66,168 |
| Lease obligation | | 40,23,499 | - |
| Other financial liabilities | 12 | 17,29,034 | 17,39,660 |
| Other current liabilities | 13 | 2,56,31,108 | 2,11,31,482 |
| Provisions | 14 | 1,36,31,829 | 1,26,04,789 |
| | | 1,69,65,22,062 | 1,79,21,15,186 |
| Total Equity and Liabilities | | 4,69,90,90,520 | 4,88,77,09,516 |

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates

Chartered Accountants

Firm Reg. No.: 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

Place: Mumbai

Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Shrirang V. Rajule

Chief Financial Officer

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Nitin Kore

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2024

Amounts in (₹)

| | Particulars | Note No. | Year ended 31st March, 2024 | Year ended 31st March, 2023 |
|------------|---|----------|--------------------------------|--------------------------------|
| I | Revenue from Operations | 15 | 4,05,43,35,256 | 4,66,97,38,811 |
| II | Other Income | 16 | 2,48,65,982 | 1,39,02,886 |
| III | TOTAL INCOME (I+II) | | 4,07,92,01,238 | 4,68,36,41,697 |
| IV | Expenses | | | |
| | Cost of materials consumed | 17 | 2,45,01,36,856 | 4,15,26,72,551 |
| | Purchases of Stock-in-trade | 18 | 5,67,73,473 | 5,82,01,673 |
| | Changes in inventories of finished goods and work-in-progress | 19 | 36,26,34,853 | (60,20,16,851) |
| | Employee benefits expenses | 20 | 26,71,67,175 | 22,70,16,903 |
| | Finance costs | 21 | 14,61,76,509 | 12,68,45,463 |
| | Depreciation and amortization expense | | 18,81,62,933 | 16,63,98,819 |
| | Other expenses | 22 | 57,34,23,100 | 86,78,66,518 |
| | TOTAL EXPENSES (IV) | | 4,04,44,74,899 | 4,99,69,85,076 |
| V | (Loss)/ Profit before exceptional items and tax (III - IV) | | 3,47,26,339 | (31,33,43,379) |
| VI | Exceptional Items | | - | - |
| VII | (Loss)/ Profit before tax (V-VI) | | 3,47,26,339 | (31,33,43,379) |
| VIII | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax (income/expense) | | 72,36,694 | (7,43,28,688) |
| | (3) Tax adjustment of earlier years | | (1,40,30,145) | 1,50,31,389 |
| IX | (Loss)/ Profit for the period (VII-VIII) | | 4,15,19,790 | (25,40,46,080) |
| X | Other Comprehensive Income | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurment of defined benefit plan | | (10,18,691) | 17,54,891 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 2,56,384 | (4,41,671) |
| | - Defined benefit plans | | - | - |
| | B (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI | Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period) | | 4,07,57,484 | (25,27,32,860) |
| XII | Earnings per equity share: | | | |
| | (1) Basic and Diluted | | 4.76 | (29.51) |

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates
Chartered Accountants
Firm Reg. No.: 135159W

Sd/-
Bhupendra Gandhi
Partner
Membership No. 122296

Place: Mumbai
Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-
Kamalkumar Dujodwala
Chairman
DIN- 00546281

Sd/-
Shrirang V. Rajule
Chief Financial Officer

Sd/-
Pannkaj Dujodwala
Managing Director
DIN- 00546353

Sd/-
Nitin Kore
Company Secretary



STANDALONE CASH FLOW STATEMENT

for the year ended 31st March 2024

Amounts in (₹)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|--|--|
| A. Cash flow from operating activities : | | |
| Net (Loss)/ profit before tax | 3,47,26,339 | (31,33,43,379) |
| Adjustment For : | | |
| Depreciation | 18,81,62,933 | 16,63,98,819 |
| Interest income | (2,05,38,948) | (1,08,24,089) |
| Dividend received | (3,750) | (5,000) |
| Interest paid | 14,61,76,509 | 12,68,45,463 |
| Loss on sale of fixed assets | - | 1,22,130 |
| Operating (Loss)/ profit before working capital changes | 34,85,23,083 | (3,08,06,056) |
| Adjustment For : | | |
| Trade & other receivables | (26,89,65,386) | 36,06,740 |
| Inventories | 52,01,23,033 | 71,17,30,071 |
| Trade and other payables | (9,50,74,790) | (3,21,67,589) |
| Cash generated from/ (used in) operations | 50,46,05,940 | 65,23,63,166 |
| Income tax paid | 4,26,09,307 | 44,04,529 |
| Net cash generated from/(used in) operating activities - I | 54,72,15,246 | 65,67,67,695 |
| B. Cash flow from investing activities : | | |
| Payments for property, plant and equipment | (28,62,11,774) | (32,40,71,813) |
| Interest income | 2,05,38,948 | 1,08,24,089 |
| Dividend received | 3,750 | 5,000 |
| Proceeds from property, plant and equipment | - | - |
| Purchase of non current investments | - | (34,00,000) |
| Net cash (used) in investing activities- II | (26,56,69,076) | (31,66,42,724) |
| C. Cash flow from financing activities | | |
| (Repayment)/ Proceeds of/from short term borrowings | 37,87,677 | (10,71,63,971) |
| Dividend and dividend distribution tax paid | - | (1,28,46,660) |
| (Repayment)/ proceed of/ from long term borrowings | (13,80,89,367) | (8,76,56,208) |
| Interest paid | (14,61,76,509) | (12,68,45,463) |
| Net cash (used) in/ generated from financing activities - III | (28,04,78,199) | (33,45,12,302) |
| Net increase/ (decrease) in cash and cash equivalents | 10,67,972 | 56,12,669 |
| Opening balance of cash & cash equivalents | 78,62,563 | 22,49,894 |
| Closing balance of cash & cash equivalents | 89,30,535 | 78,62,563 |

Notes:

- Cash & cash equivalents represents cash and bank balances.
- Figures in brackets represents cash outflow.

As per our report of even date

NGST & Associates

Chartered Accountants

Firm Reg. No.: 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

Place: Mumbai

Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Shrirang V. Rajule

Chief Financial Officer

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Nitin Kore

Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2024

Amounts in (₹)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31st March, 2024 | 31st March, 2023 |
| (a) Equity share capital | | |
| Balance at the beginning of the year | 8,56,44,400 | 8,56,44,400 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year | 8,56,44,400 | 8,56,44,400 |

Amounts in (₹)

| Particulars | Reserves and surplus | | | | | Total other equity |
|---|----------------------|----------------------------|--------------------|--------------------|-----------------------|-----------------------|
| | Capital reserve | Capital redemption reserve | Securities premium | General reserve | Retained earnings | |
| (b) Other equity (refer note 6B) | | | | | | |
| As at 1 April 2022 | - | - | - | 1,49,91,838 | 2,94,64,60,331 | 2,96,14,52,169 |
| Profit for the year | - | - | - | - | (25,40,46,080) | (25,40,46,080) |
| Other comprehensive income | - | - | - | - | 13,13,220 | 13,13,220 |
| Dividend paid during the year | - | - | - | - | (1,28,46,660) | (1,28,46,660) |
| Balance as at 31 March 2023 | - | - | - | 1,49,91,838 | 2,68,08,80,811 | 2,69,58,72,649 |
| Profit for the year | - | - | - | - | 4,15,19,790 | 4,15,19,790 |
| Other comprehensive income | - | - | - | - | (7,62,307) | (7,62,307) |
| Dividend paid during the year | - | - | - | - | - | - |
| Balance as at 31 March 2024 | - | - | - | 1,49,91,838 | 2,72,16,38,295 | 2,73,66,30,133 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date

NGST & Associates
Chartered Accountants
Firm Reg. No.: 135159W

Sd/-
Bhupendra Gandhi
Partner
Membership No. 122296

Place: Mumbai
Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-
Kamalkumar Dujodwala
Chairman
DIN- 00546281

Sd/-
Shrirang V. Rajule
Chief Financial Officer

Sd/-
Pannkaj Dujodwala
Managing Director
DIN- 00546353

Sd/-
Nitin Kore
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

Corporate Overview

Statutory Reports

Financial Statements



1. Property, Plant & Equipment and Intangible Assets

Amount in (₹)

| Particular | Freehold Land | Residential Colony | Office Premises | Building | Plant & Machinery | Computer | Furniture & Fixture | Vehicle | Office Equipment | Total |
|--|---------------------|--------------------|-----------------|---------------------|-----------------------|--------------------|---------------------|--------------------|--------------------|-----------------------|
| Gross Carrying value as on 01.04.2023 | 16,78,19,395 | 62,99,533 | 3,66,131 | 23,45,19,834 | 2,71,20,43,339 | 1,16,62,238 | 5,78,51,130 | 4,84,49,216 | 1,80,07,738 | 3,25,70,18,554 |
| Additions | - | - | - | 7,28,841 | 24,05,50,351 | 4,74,727 | 4,09,08,008 | - | 35,49,847 | 28,62,11,774 |
| Deletions/ adjustments | - | - | - | - | 43,03,379 | - | -2,04,627 | - | - | 40,98,752 |
| Gross Carrying value as on 31.03.2024 | 16,78,19,395 | 62,99,533 | 3,66,131 | 23,52,48,675 | 2,94,82,90,311 | 1,21,36,965 | 9,89,63,765 | 4,84,49,216 | 2,15,57,584 | 3,53,91,31,576 |
| Accumulated depreciation as on 01.04.2023 | - | 39,16,345 | 3,38,445 | 8,81,96,746 | 1,03,74,23,553 | 1,04,24,539 | 1,74,46,428 | 3,52,16,131 | 1,72,54,453 | 1,21,02,16,638 |
| Depreciation charge for the year | - | 1,99,485 | - | 70,09,124 | 16,35,22,028 | 13,71,547 | 70,75,465 | 68,10,700 | 20,90,761 | 18,80,79,110 |
| Depreciation adjustment | - | - | - | - | - | - | - | - | - | - |
| Depreciation on deletion | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation as on 31.03.2024 | - | 41,15,830 | 3,38,445 | 9,52,05,870 | 1,20,09,45,581 | 1,17,96,086 | 2,45,21,892 | 4,20,26,831 | 1,93,45,214 | 1,39,82,95,747 |
| Net Book Value:- | | | | | | | | | | - |
| At 31st March 2024 | 16,78,19,395 | 21,83,703 | 27,686 | 14,00,42,805 | 1,74,73,44,730 | 3,40,879 | 7,44,41,873 | 64,22,385 | 22,12,371 | 2,14,08,35,828 |
| At 31st March 2023 | 16,78,19,395 | 23,83,188 | 27,686 | 14,63,23,088 | 1,67,46,19,786 | 12,37,699 | 4,04,04,702 | 1,32,33,085 | 7,53,285 | 2,04,68,01,916 |

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

2.1 Non current investment

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Investment in Equity Shares | | |
| Unquoted - carried at FVTPL | | |
| a) Equity instrument of subsidiary companies: | | |
| - 10000 shares of Mangalam Brands Private Limited | 10,00,000 | 10,00,000 |
| - 89990(P.Y. 49990) shares of Mangalam Pooja Stores Private Limited | 8,99,900 | 4,99,900 |
| - 49990 shares of Mangalam Speciality Chemicals Private Limited | 4,99,900 | 4,99,900 |
| - Share application money paid to Mangalam Pooja Stores Private Limited | - | 4,00,000 |
| b) 2500 shares of Saraswat Co-Op Bank Ltd. | 25,000 | 25,000 |
| Investment in debentures: | | |
| a) Investment in debentures of Yeshoda Rose Bazaar Retail Private Limited | 30,00,000 | 30,00,000 |
| Total | 54,24,800 | 54,24,800 |
| Aggregate carrying value of unquoted investments | 54,24,800 | 54,24,800 |

Note:

The Company has invested in 30,000 (Thirty Thousand) compulsorily convertible debentures having face value of Rs. 100 each totalling to Rs. 30,00,000. The seed series CCD are issue at minimum non-cumulative preferential dividend rate of 0.01% per annum. The preferential dividend shall be due only when declared by the board. In addition each series 1 CCP's would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on as-if-converted basis.

2.2 Loans

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| (Carried at amortised cost, unless otherwise stated) | | |
| (Unsecured, considered good) | | |
| Loans to Related Parties (Refer note 27) | 20,56,57,625 | 18,76,66,937 |
| Total | 20,56,57,625 | 18,76,66,937 |

Disclosure under Regulation 53(f) and 34(3) read together with paragraph A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and advances in the nature of loans given to Subsidiaries

| Name of the Company | Relationship | Amount Outstanding as at the year end | |
|--|----------------------------|---------------------------------------|---------------------------|
| | | As at 31st March, 2024 | As at 31st March, 2023 |
| Mangalam Brands Private Limited | Wholly Owned Subsidiary | 15,00,00,000 | 15,00,00,000 |
| Mangalam Speciality Chemical Private Limited | Wholly Owned Subsidiary | 30,87,457 | 28,34,763 |
| Mangalam Pooja Stores Private Limited | Wholly Owned Subsidiary | 5,25,70,168 | 3,48,32,174 |
| Total | | 20,56,57,625 | 18,76,66,937 |



NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

2.3 Other non-current financial asset At Amortised Cost

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Security deposits | 8,51,56,598 | 9,82,52,387 |
| Fixed deposits with remaining maturity for more than 12 months | 12,95,861 | 12,95,861 |
| Total | 8,64,52,458 | 9,95,48,248 |

Fixed deposits held for margin against letter of credit and bank guarantees

3 Inventories

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-------------------|---------------------------|---------------------------|
| Raw materials | 16,42,97,854 | 31,95,36,330 |
| Work-in-progress | 80,58,81,762 | 74,60,29,149 |
| Finished goods | 17,04,08,278 | 59,28,95,744 |
| Stores and spares | 3,23,34,696 | 3,71,28,743 |
| Power & fuel | 54,06,797 | 83,71,288 |
| Packing materials | 1,83,92,271 | 1,28,83,437 |
| Total | 1,19,67,21,658 | 1,71,68,44,691 |

4.1 Trade receivables (Carried at amortised cost, except otherwise stated)

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Unsecured, considered good* | 74,24,54,980 | 57,59,60,618 |
| Unsecured, considered doubtful | - | - |
| Less : Allowance for expected credit loss | - | - |
| Total | 74,24,54,980 | 57,59,60,618 |
| Break up of security details | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 74,24,54,980 | 57,59,60,618 |
| Doubtful | - | - |
| Total | 74,24,54,980 | 57,59,60,618 |

Trade receivables with a carrying amount of Rs. 74,24,54,980 (March 31, 2023: Rs. 57,59,60,618) have been pledged as security against current bank borrowings.

*Includes amounts due from related parties (refer note 27)

- For ageing analysis of trade receivables, refer note 4.1.1

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

4.1.1 Trade receivables ageing schedule as at 31st March 2024

| Particulars | Unbilled | Not Due | 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 | |
| a) Undisputed trade receivables | | | | | | | | |
| - Considered good | - | - | 51,46,29,556 | 14,46,48,951 | 49,73,584 | 4,95,60,960 | 2,86,41,929 | 74,24,54,980 |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| b) Disputed trade receivables | | | | | | | | |
| - Considered good | - | - | - | - | - | - | - | - |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| Total | - | - | 51,46,29,556 | 14,46,48,951 | 49,73,584 | 4,95,60,960 | 2,86,41,929 | 74,24,54,980 |

Trade receivables ageing schedule as at 31st March 2023

| Particulars | Unbilled | Not Due | 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 | |
| a) Undisputed trade receivables | | | | | | | | |
| - Considered good | - | - | 38,99,18,159 | 15,42,62,946 | 1,97,84,218 | 33,25,196 | 86,70,099 | 57,59,60,618 |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| b) Disputed trade receivables | | | | | | | | |
| - Considered good | - | - | - | - | - | - | - | - |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| Total | - | - | 38,99,18,159 | 15,42,62,946 | 1,97,84,218 | 33,25,196 | 86,70,099 | 57,59,60,618 |

- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

- There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired.



NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

4.2 Cash & cash equivalents

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balances with banks | | |
| In Current account | 83,53,297 | 74,75,548 |
| Cash on hand | 5,77,237 | 3,87,015 |
| Total | 89,30,535 | 78,62,563 |

4.3 Bank balances & other than cash and cash equivalents (Carried at amortised cost, except otherwise stated)

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| In Earmarked Accounts- | | |
| Balance in unpaid dividend account | 17,30,329 | 17,40,277 |
| In Deposit Accounts - | | |
| Fixed deposits with remaining maturity for less than 12 months | - | - |
| Total | 17,30,329 | 17,40,277 |

*There are no amounts due or outstanding to transfer in Investor Education Fund Account.

4.4 Other Financial Assets (Carried at amortised cost, except otherwise stated)

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------|---------------------------|---------------------------|
| Insurance claim receivable | 17,96,22,849 | - |
| GST refund receivable | - | 6,34,16,869 |
| Total | 17,96,22,849 | 6,34,16,869 |

4.5 Current tax assets (net)

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Advance income tax & TDS (net of provision for tax) | 34,61,165 | 3,29,83,763 |
| Total | 34,61,165 | 3,29,83,763 |

5 Other Current Assets (Carried at amortised cost, except otherwise stated)

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------|---------------------------|---------------------------|
| Advance to suppliers | 6,12,53,666 | 6,81,83,011 |
| Balance with revenue authorities | 2,01,89,823 | 4,45,89,260 |
| Prepaid expenses | 2,54,94,930 | 18,83,160 |
| Other advance | 4,33,575 | 1,13,36,469 |
| Total | 10,73,71,994 | 12,59,91,900 |

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

6 Equity

(A) Equity Share Capital

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 12,000,000 (As at 31st March, 2023: 12,000,000) Equity Shares of Rs 10 each | 12,00,00,000 | 12,00,00,000 |
| Issued, Subscribed and Paid up | | |
| 85,64,440 (As at 31st March, 2023: 85,64,440) Equity Shares of Rs 10 each | 8,56,44,400 | 8,56,44,400 |
| Total | 8,56,44,400 | 8,56,44,400 |

6.1 Reconciliation of equity shares outstanding at the beginning and end of the year

(Amount in '₹')

| Issued, subscribed and paid up share capital | No of shares | No of shares |
|--|------------------|------------------|
| Balance as at 1st April | 85,64,440 | 85,64,440 |
| Add / (Less): Changes during the year | - | - |
| Balance as at 31st March | 85,64,440 | 85,64,440 |

6.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having par value of Re. 10/- each (P.Y. Rs. 10/- each). Holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will 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 the shareholders.

6.3 Shares held by shareholders each holding more than 5% of the shares

As at 31st March 2024

| Shareholders | No. of shares | % of holding |
|----------------------------|---------------|--------------|
| Tradechem Organics Limited | 18,29,417 | 21.36 |
| Manisha Dujodwala | 8,53,250 | 9.96 |
| Akshay Dujodwala | 8,07,965 | 9.43 |
| Alka Dujodwala | 5,78,790 | 6.76 |

As at 31st March 2023

| Shareholders | No. of shares | % of holding |
|----------------------------|---------------|--------------|
| Tradechem Organics Limited | 18,29,417 | 21.36 |
| Manisha Dujodwala | 8,53,250 | 9.96 |
| Akshay Dujodwala | 8,07,965 | 9.43 |
| Alka Dujodwala | 5,78,790 | 6.76 |



NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

Shares held by promoters at the end of the year

As at 31st March 2024

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

Shares held by promoters at the end of the year

As at 31st March 2023

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

Shares held by promoters at the end of the year

As at 31st March 2022

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

(B) Other Equity

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| General Reserve | 1,49,91,838 | 1,49,91,838 |
| Surplus/(Deficit) in the Statement of Profit and Loss | | |
| - Opening Balance | 2,68,08,80,811 | 2,94,64,60,331 |
| - Total Comprehensive Income for the Period | 4,07,57,484 | (25,27,32,860) |
| - Less : Dividend paid | - | 1,28,46,660 |
| | 2,72,16,38,295 | 2,68,08,80,811 |
| Total | 2,73,66,30,133 | 2,69,58,72,649 |

7 Non -Current borrowings

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| (Carried at amortised cost, unless otherwise stated) | | |
| Secured Loans - From Bank | | |
| Corporate Loan- HDFC Bank Limited | 15,05,37,619 | 28,66,70,810 |
| Vehicle Loan | 8,43,704 | 27,99,880 |
| [Vehicle loan is secured against vehicles financed] | | |
| Total | 15,13,81,323 | 28,94,70,690 |

Refer note 11 below for securities

8 Provisions

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Provision for Employee Benefits | | |
| Provision for gratuity | 2,65,43,641 | 2,40,91,293 |
| Provision for leave encashment | 23,68,961 | 5,15,298 |
| Total | 2,89,12,602 | 2,46,06,591 |

9 Deferred tax (assets)/ Liabilities

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Tax effect of items constituting deferred tax liability | | |
| Depreciation | 9,68,82,268 | 8,29,02,988 |
| Total DTL | 9,68,82,268 | 8,29,02,988 |
| Tax effect of items constituting deferred tax assets | | |
| Provision for doubtful debts and employee benefits | 1,07,07,582 | 93,65,360 |
| Carry forward losses as per Income Tax Act | 10,26,61,310 | 9,70,04,562 |
| Total DTA | 11,33,68,892 | 10,63,69,922 |
| Net (DTA) / DTL | (1,64,86,624) | (2,34,66,934) |
| Net deferred tax (assets)/ Liabilities | (1,64,86,624) | (2,34,66,934) |



NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

10 Short Term Borrowings

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Secured | | |
| Working capital loan from banks: | | |
| Buyers Credit, pre-shipment / post shipment credit | 53,43,73,000 | 72,17,49,550 |
| Cash Credit from banks | 7,18,99,499 | 11,52,65,317 |
| Current liabilities of long term borrowings | 12,01,40,319 | 13,66,58,220 |
| Working Capital Demand Loan | 75,10,47,945 | 50,00,00,000 |
| The rate of interest for term loans from banks ranges from 8.5% to 9.15% | | |
| [All the above working capital facilities are secured against all the current assets (present and future) of the Company]. | | |
| Term loan is secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery) | | |
| Secured against equitable mortgage of factory land & building at Kumbhivali village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410202, Dist: Raigad, and hypothecation of Plant and Machinery. | | |
| (These facilities are further secured by Personal guarantee of Mr. Kamalkumar Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company. | | |
| Total | 1,47,74,60,764 | 1,47,36,73,087 |

11 Trade payables

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17,40,45,828 | 28,29,66,168 |
| Total | 17,40,45,828 | 28,29,66,168 |

*- includes related party dues payable. Refer note 27

For ageing analysis of trade payable, Refer note 11.1.

11.1 Trade payables ageing schedule as at 31st March 2024

| Particulars | Unbilled | Not Due | 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 | |
| a) Undisputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | 14,61,95,132 | 84,28,018 | 1,37,99,583 | 1,91,068 | 54,32,027 | 17,40,45,828 |
| b) Disputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - | - |
| Total | - | - | 14,61,95,132 | 84,28,018 | 1,37,99,583 | 1,91,068 | 54,32,027 | 17,40,45,828 |

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

Trade payables ageing schedule as at 31st March 2023

| Particulars | Unbilled | Not Due | 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 | |
| a) Undisputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | 25,17,53,655 | 1,26,57,760 | 77,75,961 | 54,85,560 | 52,93,232 | 28,29,66,168 |
| b) Disputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - | - |
| Total | - | - | 25,17,53,655 | 1,26,57,760 | 77,75,961 | 54,85,560 | 52,93,232 | 28,29,66,168 |

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March, 2023, and no interest payment made during the year to any Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

12 Other financial liabilities

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------|---------------------------|---------------------------|
| Unpaid dividend | 17,29,034 | 17,39,660 |
| Total | 17,29,034 | 17,39,660 |

13 Other current liabilities

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|------------------------------|---------------------------|---------------------------|
| Advance from customers | 1,57,97,231 | 1,46,55,401 |
| Other liabilities | 28,73,427 | 11,75,300 |
| Statutory Payables | | |
| TDS payable | 58,63,480 | 41,45,365 |
| Other statutory dues payable | 10,96,969 | 11,55,416 |
| Total | 2,56,31,108 | 2,11,31,482 |

14 Provisions

(Amount in '₹')

| Particulars | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 1,35,09,622 | 1,24,81,247 |
| Leave Encashment | 1,22,207 | 1,23,542 |
| Total | 1,36,31,829 | 1,26,04,789 |



NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

15 Revenue From Operations

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|---------------------------------|--|--|
| (a) Sale of Products/ Services: | | |
| - Local Sales | 3,61,29,36,342 | 4,04,16,70,781 |
| - Export Sales | 36,98,24,334 | 55,89,97,029 |
| - Trading Sales | 7,15,74,580 | 6,90,71,001 |
| Total | 4,05,43,35,256 | 4,66,97,38,811 |
| Revenue from operations | 4,05,43,35,256 | 4,66,97,38,811 |

16 Other Income

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|--|--|--|
| - Dividend Income on Non-Current investments | 3,750 | 5,000 |
| - Miscellaneous Income | 29,97,280 | 30,73,797 |
| - Exchange rate difference (Net) | 8,83,067 | - |
| - Interest Income | | |
| - Others- carried at amortised cost | 2,05,38,948 | 1,08,24,089 |
| - Finance income on lease obligation | 4,42,937 | - |
| Total | 2,48,65,982 | 1,39,02,886 |

17 Cost of material consumed

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|--|--|--|
| Inventory at the beginning of the year | 31,95,36,330 | 1,55,69,73,778 |
| Add: Purchase | 2,47,68,98,380 | 2,91,52,35,103 |
| Less: Inventory at the end of the year | 16,42,97,854 | 31,95,36,330 |
| Less: Insurance claim received for loss of stock | 18,20,00,000 | - |
| Total Cost of materials consumed | 2,45,01,36,856 | 4,15,26,72,551 |

18 Purchase of stock-in-trade

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|------------------|--|--|
| Trading Purchase | 5,67,73,473 | 5,82,01,673 |
| Total | 5,67,73,473 | 5,82,01,673 |

19 Changes in inventories of finished goods and work in progress

(Amount in ₹)

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|----------------------|--|--|
| Closing stock | | |
| Work-in-progress | 80,58,81,762 | 74,60,29,149 |
| Finished goods | 17,04,08,278 | 59,28,95,744 |
| Opening stock | | |
| Work-in-progress | 74,60,29,149 | 40,89,77,201 |
| Finished goods | 59,28,95,744 | 32,79,30,841 |
| Total | 36,26,34,853 | (60,20,16,851) |

NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2024

20 Employee benefit expenses

(Amount in '₹')

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|---|--|--|
| Salaries, wages and bonus | 24,38,55,630 | 21,03,27,620 |
| Contribution to provident and other funds | 60,77,117 | 65,86,014 |
| Gratuity & leave expenses | 1,02,57,700 | 21,57,186 |
| Staff welfare expenses | 69,76,728 | 79,46,083 |
| Total | 26,71,67,175 | 22,70,16,903 |

21 Finance cost

(Amount in '₹')

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|---------------------------------------|--|--|
| Interest expenses | 14,17,39,489 | 11,88,82,694 |
| Bank charges | 39,17,031 | 79,62,769 |
| Unwinding of finance lease obligation | 5,19,989 | - |
| Total | 14,61,76,509 | 12,68,45,463 |

22 Other expenses

(Amount in '₹')

| Particulars | For the Year ended 31st March, 2024 | For the Year ended 31st March, 2023 |
|---|--|--|
| Manufacturing expenses: | | |
| Consumption of stores and spare parts | 2,26,22,823 | 2,93,66,244 |
| Power and fuel | 31,71,79,162 | 42,26,50,618 |
| Consumption of packing materials | 5,28,09,528 | 6,52,21,603 |
| Advertisement expenses | 70,09,742 | 3,12,68,284 |
| Boiler and plant expenses | 39,46,358 | 63,15,678 |
| Repairs and Maintenance: | | |
| - Building & others | 59,37,379 | 1,55,58,467 |
| - Machinery | 64,77,552 | 76,83,169 |
| Administrative and selling expenses: | | |
| Insurance | 93,03,912 | 1,49,77,841 |
| Rates and taxes | 2,70,60,211 | 68,99,105 |
| Director sitting fees | 1,40,000 | 87,000 |
| Legal and professional fees | 1,05,44,075 | 1,83,59,484 |
| Miscellaneous expenses | 1,56,14,945 | 7,18,96,661 |
| Payment to auditor: | | |
| As auditors: | | |
| - Audit fee | 5,50,000 | 5,50,000 |
| - Tax audit fees | 1,00,000 | - |
| In other capacity: | | |
| - Other services (certification fees) | - | - |
| Freight and forwarding charges | 7,57,04,442 | 13,29,63,902 |
| Loss on sales of fixed assets | - | 1,22,130 |
| Corporate Social Responsibility Exp | - | 1,67,44,000 |
| Security Charges | 80,40,980 | 64,34,439 |
| Travelling & Conveyance Expenses | 1,03,81,991 | 1,24,51,757 |
| Exchange rate difference (Net) | - | 83,16,136 |
| Total | 57,34,23,100 | 86,78,66,518 |



NOTE TO ACCOUNTS

23. Corporate Information

Mangalam Organics Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L24110MH1981PLC024742. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the business of manufacturing of Camphor, Resin and Sodium Acetate. The Company has a strong foothold in the pine chemicals Industry. The principal place of business of the Company is at Kumbhivali, Maharashtra. The Company caters to both domestic and international markets.

Note – 1

1. Significant Accounting Policies:-

Basis of Preparation of Financial Statements:-

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company’s presentation and functional currency is Indian Rupees (Rs.). All figures appearing the financial statements are rounded off to the Rupee, except where otherwise indicated.

Authorization of Financial Statements:-

The preparation of Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2 Property, Plant and Equipment

1.2.1 Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

1.2.2 The initial costs of an asset comprises its purchase price or construction costs (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

1.2.3 Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

1.2.4 Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

1.2.5 An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is de-recognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is de-recognized.

1.2.6 The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any are accounted in line with revisions to accounting estimates.

1.2.7 Cost of assets not ready for use at the balance sheet date is disclosed under Capital Work-in-Progress. Expenditure during Construction period is included under Capital Work-in-Progress & the same is allocated to the respective Property, Plant and equipment on the completion of its Construction.

1.3 Depreciation

Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

1.3.1 Components of the main asset that are significant in value and have different useful lives as compared to the main

asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

- 1.3.2 Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.
- 1.3.3 Depreciation is charged on additions/deletions on pro-rata daily basis of addition/deletion.

1.4 Intangible Assets

- 1.4.1 Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

1.5 Investment Property

- 1.5.1 Investment property is property (land or a building – or part of building – or both) held either to earn rental income or a capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.
- 1.5.2 Any gain or loss on disposal of investment property calculated as the difference between the net proceeds and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

1.6 Borrowing Costs

- 1.6.1 Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
- 1.6.2 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.7 Impairment of Non-financial Assets

- 1.7.1 Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.
- 1.7.2 When 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.

1.8 Inventories

- 1.8.1 The cost for the purpose of valuation of goods is arrived at on FIFO basis and includes estimated Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

The mode of valuing closing stock is as under:

- Raw Materials, Packing goods and General Stores are valued at cost or net realizable value, whichever is less, excluding CENVAT, and VAT/GST credit, by FIFO method.
- Work-in-Process is valued at raw material cost plus estimated overheads or net realizable value; whichever is less but excluding CENVAT, VAT/GST credit.
- Finished Goods valued at cost including estimated overheads or net realizable value whichever is less.

- 1.8.2 Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.9 Revenue Recognition

1.9.1 Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of the ownership of the goods have passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Company.

Revenue from sale of goods excludes GST and is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, and net of returns, taxes or duties collected on behalf of the government.

Export Sales are accounted for on the basis of the date of Bill of Lading.

- 1.9.2 Interest income is recognized using Effective Interest Rate (EIR) method.

1.10 Classification of Income/ Expenses

- 1.10.1 Incomes and expenditures are recognized on accrual basis except in case of significant uncertainty like claims payable & receivable, which have been accounted on acceptance basis. Purchases are reported of net of trade discounts, returns and GST (to the extent refundable/ adjustable)



1.11 Employee benefits

1.11.1 Short term employment benefits

Short term employee benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.11.2 Defined Contribution Plans

→ Employee's Family Pension:

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

→ Provident Fund:

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

1.11.3 Defined Benefit Plans

→ Gratuity:

The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

→ Compensated Absences :

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the increment, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

1.11.4 Termination Benefits:

→ Termination benefits are recognised as an expense as and when incurred.

1.11.5 The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

1.11.6 The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

1.11.7 Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

1.11.8 Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

1.12 Foreign Currency Transactions

1.12.1 Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

1.12.2 Non – Monetary items:

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 initial transactions.

1.13 Provisions, Contingent Liabilities and Capital Commitments

1.13.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.13.2 The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.13.3 Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of

resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.13.4 Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.14 Fair Value measurement

1.14.1 The Company measures certain financial instruments at fair value at each reporting date.

1.14.2 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.14.3 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.14.4 The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.15 Financial Assets

1.15.1 Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.15.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value

through other comprehensive income or fair value through profit and loss.

1.15.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (“ECL”) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the ‘simplified approach’ at an amount equal to the lifetime ECL at each reporting date. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the Company has assessed the risk of default by the customer and expects the credit loss to be insignificant. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.16 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, or to realise the assets and settle the liabilities simultaneously.

1.17 Taxes on Income

1.17.1 Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.17.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable



profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.18 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.19 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.20 Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax 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 are segregated.

NOTES TO ACCOUNTS

24. Contingent liabilities - Not provided for in respect of

| | 31st March 2024 (₹) | 31st March 2023 (₹) |
|----------------|------------------------|------------------------|
| Bank Guarantee | 2,17,26,860 | 4,13,55,160 |

Bank guarantees issued by banks on behalf of the Company Rs. 217.26 Lacs (Previous Year Rs. 413.55 Lacs). These are secured by the charge created in favour of the Company's bankers by way of pledge of Fixed Deposit Receipts.

- II. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. NIL (P.Y. Rs. NIL)
- III. Letter of credit issued by the bankers of the Company Rs. 60,78,64,440/- (P.Y. Rs. 98,60,29,659/-)
- IV. The Company has cleared 19 MT of Pentaerythritol against Bill of Entry No. 616414 dated 20.10.2005. The custom department had asked the Company to pay Rs. 2,16,772/- on account of Anti Dumping Duty for clearance of the said goods as per Notification No. 93/2005 of customs issued on 20.10.2005 wherein the said goods were covered for levy of anti dumping duty imported from certain countries. The Company has deposited the said amount on 25.11.2008 as per CESTAT order no. S/603/WAB/MUM/2008/CSTB/CII dated 20.10.2008, but no provision has been made in books of accounts as the management is of the view that the consignment will not be covered under the notification, as on date of clearance of the goods the notification was not published in Gazette of India. Further, the said appeal has been upheld in CESTAT & remanded back to the learned adjudicating authority.

25. Segment reporting

The Company is mainly engaged in the business of Manufacturing of Chemicals. Considering the nature of business and financial reporting of Company, the Company has only one segment viz "Chemicals" product as reportable segment. The Company operates in Local/Export segment geographically of which the exports have amounted to Rs. 3,698.24 Lacs (P.Y.Rs. 5,589.97 Lacs) out of Total Turnover of Rs. 40,543.35 Lacs (P.Y.Rs. 46,697.38 Lacs). But due to the nature of business, the assets/ liabilities and expenses for these activities cannot be bifurcated separately

26. Earnings per share (EPS)

| Sl. No. | Description | 31st March 2024 | 31st March 2023 |
|---------|--|-----------------|-----------------|
| a) | Weighted average number of equity Shares of Rs.10/- each | | |
| | a) Number of shares at the Beginning of the year | 85,64,440 | 85,64,440 |
| | ii) Number of shares at the End of the year | 85,64,440 | 85,64,440 |
| | Weighted average number of Equity Shares – Basic | 85,64,440 | 85,64,440 |
| | Weighted average number of Equity Shares – Diluted | 85,64,440 | 85,64,440 |
| b) | Net Profit after tax available for Equity share-holders | 4,07,57,484 | (25,27,32,860) |
| c) | - Basic Earnings per Equity Share (in Rupees) | 4.76 | (29.51) |
| | - Diluted Earning per Equity Share (in Rupees) | 4.76 | (29.51) |

27. Related parties' disclosure as per Ind AS-24- Related Party Disclosures "(Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2015.):

[A] Key Management Personal (KMP) and their Relatives

| | |
|---------------------------|-----------------------------|
| Kamalkumar R. Dujodwala | Chairman |
| Pannkaj R. Dujodwala | Managing Director |
| Akshay Dujodwala | Son of Chairman |
| Mrs. Manisha P. Dujodwala | Spouse of Managing Director |
| Mrs. Alka K Dujodwala | Spouse of Chairman |

[B] Companies /Firm controlled by Directors/Relatives who have the authority and controlling their activities.

- Balaji Pine Chemicals Ltd
 - Speciality Chemicals,
 - Chemexcil Corporation
 - Dujodwala Resin & Terpenes Ltd.
 - Tradechem Organics Limited
 - Dujodwala Exports Pvt. Ltd.
 - Mangalam Brands Private Limited – Wholly Owned Subsidiary Company
 - Pine Forest Products & Investment Pvt. Ltd.
 - Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company
 - Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company
 - Infinity Enterprises
- The Directors are the Key Management Personal (KMP) who has the authority and controlling the activities of the Company.

[C] Information on related party transactions as required by Ind AS-24 for the year ended 31st March 2024

| Nature of transactions | Relationship | Total ₹ In Lakhs | |
|------------------------|--------------------------|------------------|---------------|
| | | 2023-2024 | 2022-2023 |
| Kamalkumar Dujodwala | Key management personnel | 300.00 | 300.00 |
| Pannkaj Dujodwala | Key management personnel | 300.00 | 300.00 |
| Akshay Dujodwala | Key management personnel | 360.00 | 360.00 |
| TOTAL | | 960.00 | 960.00 |

| Name of party | Nature of transaction | Amount in Lakhs | |
|--------------------------|---|-----------------|-----------|
| Details of transactions: | | 2023-2024 | 2022-2023 |
| Mrs. Alka K Dujodwala | Rent for office premises | 0.60 | 0.60 |
| Akshay Dujodwala | Land purchase | - | 213.68 |
| Akshay Dujodwala | Professional fees | - | 1.50 |
| Mrs. Alka K Dujodwala | Rent for house accommodation for Director | 276.00 | 285.02 |



| Name of party | Nature of transaction | Amount in Lakhs | |
|---|--------------------------------------|-----------------|-----------|
| | | 2023-2024 | 2022-2023 |
| Details of transactions: | | | |
| Dujodwala Resin & Terpenes Ltd. | Purchase of goods and services | - | 26.78 |
| Infinity Enterprises | Purchase of goods and services | 252.86 | - |
| Dujodwala Resin & Terpenes Ltd. | Rent paid for office premises | 1.20 | 0.60 |
| Tradechem Organics Limited | Purchase of goods and services | 18.76 | 213.32 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Sale of goods | 7154.18 | 6700.36 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Unsecured loan given during the year | - | 997.24 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 129.72 | 91.55 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Purchase of goods and services | 177.44 | 792.76 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Unsecured loan given during the year | 47.66 | 347.10 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 40.05 | 13.78 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 2.53 | - |

| Closing balances: | | 2023-2024 | 2022-2023 |
|---|---|-----------|-----------|
| | | | |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Equity investments | 10.00 | 10.00 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Equity investments | 5.00 | 5.00 |
| Mrs. Alka K Dujodwala | Security deposit | 150.00 | 150.00 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 30.87 | 28.35 |
| Tradechem Organics Limited | Receivable | - | 3.08 |
| Dujodwala Resin & Terpenes Ltd. | Deposit/advance given against commercial property | 914.10 | 879.44 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Corporate guarantee | 3800.00 | 3800.00 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 1500.00 | 1500.00 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Trade Receivable | 3077.07 | 1598.17 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Equity investments | 9.00 | 9.00 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 525.70 | 348.32 |

Note:- Related party relationship is as identified by the Company and relied upon by the Auditors.

28. Disclosure in accordance with Ind AS - 19 on “Employee Benefits”

The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

| | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Employers Contribution to Provident Fund | 60,77,117 | 65,86,014 |

(ii) Defined Benefit Plan

Gratuity Fund:

| a. Major Assumptions | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|------------------------|--|--|
| | (% p.a.) | (% p.a.) |
| Discount Rate | 7.20 | 7.35 |
| Salary Escalation Rate | 5.00 | 5.00 |
| Attrition Rate | 2.00 | 2.00 |

@ The estimates for the future salary increase considered takes into account the Inflation, seniority, promotion and other relevant factors.

| b. Change in the Present Value of Obligation | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Opening Present Value of Obligation | 3,65,72,540 | 3,50,61,121 |
| Current Service Cost | 26,98,916 | 26,18,562 |
| Interest Cost | 22,29,396 | 20,06,537 |
| Benefit Paid | (34,28,556) | (13,58,789) |
| Past Service Cost | - | - |
| Actuarial Loss on Obligations | 10,18,691 | (17,54,891) |
| Closing Present Value of Obligation | 3,90,90,987 | 3,65,72,540 |

| c. Change in Fair Value of Plan Assets | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Opening Present Value of Plan Assets | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial (Loss) on Plan Assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Closing Present Value of Plan Assets | - | - |

| d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Present value of Funded Obligation as at March 31, 2024 | - | - |
| Fair Value of Plan Assets as at March 31, 2024 | - | - |
| Funded Status | - | - |
| Present Value of Unfunded Obligation as at March 31, 2024 | 3,90,90,987 | 3,65,72,540 |
| Unfunded Net Liability Recognized in the Balance Sheet Disclosed in provisions | 3,90,90,987 | 3,65,72,540 |

| e. Amount Recognized in the Balance Sheet | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Present Value of Obligation as at March 31, 2024 | 3,65,72,540 | 3,50,61,121 |
| Fair Value of Plan Assets as at March 31, 2024 | - | - |
| Liability Recognized in the Balance Sheet and disclosed under provisions | 3,65,72,540 | 3,50,61,121 |



| f. Expenses Recognized in the Statement of Profit and Loss | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Current Service Cost | 26,98,916 | 26,18,562 |
| Interest Cost | 22,29,396 | 20,06,537 |
| Expected Return on Plan Assets | - | - |
| Past Service Cost | - | - |
| Total expenses Recognized in the Statement of Profit and Loss | 49,28,312 | 46,25,099 |
| Actual Return on Plan Assets | Nil | Nil |

| g. Other Comprehensive Income for the year | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Components of actuarial gain/losses on obligations: | | |
| - Due to Change in financial assumptions | 3,16,238 | (13,34,882) |
| - Due to experience adjustments | 7,02,453 | (4,20,009) |
| - Due to change in demographic assumptions | - | - |
| - Return on plan assets excluding amounts included in interest income | - | - |
| Amounts recognized in Other Comprehensive Income | 10,18,691 | (17,54,891) |

Sensitivity Analysis

| Particulars | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Projected Benefit Obligation on Current Assumptions | 3,90,90,987 | 3,65,72,540 |
| Delta Effect of +0.5% Change in Rate of Discounting | - 10,31,227 | - 9,53,833 |
| Delta Effect of -0.5% Change in Rate of Discounting | 10,99,244 | 10,16,742 |
| Delta Effect of +0.5% Change in Rate of Salary Increase | 10,32,590 | 9,48,358 |
| Delta Effect of -0.5% Change in Rate of Salary Increase | - 9,66,494 | - 8,96,130 |
| Delta Effect of +0.5% Change in Rate of Employee Turnover | 1,04,314 | 1,03,516 |
| Delta Effect of -0.5% Change in Rate of Employee Turnover | - 1,06,905 | - 1,06,087 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

iii) Defined Benefit Plan for Leave Encashment Benefits

Valuation Method

The method of Valuation adopted was the Projected Unit Credit Method as specified in Ind AS-19.

Valuation Results

Actuarial Value of Leave Encashment Benefits as on 31st March, 2024 ₹ 24,91,168 /-

| | | |
|--------------------|-----------------------|---------------|
| Break-up of above: | Current Liability | ₹ 1,22,207/- |
| | Non-Current Liability | ₹ 23,68,961/- |

29. Expenditure in Foreign Currency on account of

| | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|-----------------------------------|---------------------------|----------------------------|
| - Raw Material (CIF) | 20,225.60 | 23323.03 |
| - Traveling Expenses | 11.81 | 34.11 |
| - Brokerage and Commission | 5.53 | 7.09 |
| - Membership and Consultancy Fees | 8.82 | 21.87 |
| - Stores and Spares | - | 4.29 |

30. Earning in Foreign Currency on account of

| | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|---------------------------|---------------------------|----------------------------|
| Exports made on FOB Basis | 3,448.99 | 5056.01 |

31. The balance of Sundry Debtors, Sundry Creditors, Loans & Advances and others are shown net of advances from/to Customers/ Suppliers of the same party and are as per books and subject to confirmations and reconciliation if any.
32. In the opinion of the Board and to the best of their knowledge the value of realization of current assets, loans & advances in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet.
33. Payments to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information, there is no overdue payable

34. Corporate Social Responsibility

Expenditure related to Corporate Social Responsibility is Rs. Nil (Previous Year ₹ 167.44 Lakhs).

Details of Amount spent towards CSR given below:

| Particulars | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|---|---------------------------|----------------------------|
| Setting of homes for women and orphans, for education and healthcare, etc. | - | 107.00 |
| Education, Health & Nutrition for Girl Child | - | 0.25 |
| Education, Medical Relief and Advancement of any other objects of general public utility | - | 28.00 |
| Education & Literacy, Environment & Forests, Health & Family Welfare, Human Rights, Legal Awareness & Aid, Panchayati Raj | - | 32.00 |
| Promoting education by providing general construction work at a School | - | 0.19 |
| Total:- | - | 167.44 |

35. Income Tax Expense

- a) This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by nonassessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.
- i) Income tax related to items recognised directly in profit or loss of the Statement of Profit and Loss:

| Particulars | Year Ended March 31, 2024 (₹) | Year Ended March 31, 2023 (₹) |
|--|-------------------------------|-------------------------------|
| Current tax | | |
| Current tax on profits for the year* | - | - |
| Adjustments for current tax of prior periods | (1,40,30,145) | 1,50,31,389 |
| Current tax (A) | - | - |
| Deferred tax | 72,36,694 | (7,43,28,688) |
| Increase/(Decrease) in deferred tax assets# | 67,42,586 | 9,67,01,177 |
| (Decrease)/increase in deferred tax liabilities | 1,39,79,280 | 2,23,72,489 |
| Deferred tax (B) | 72,36,694 | (7,43,28,688) |
| Income tax (Income)/expense (recognised)/charged to profit or loss (C) = (A) + (B) | (67,93,451) | (5,92,97,299) |

- ii) Deferred tax related to items recognized in other comprehensive income (OCI):

| Current tax (A) | Year Ended March 31, 2024 (₹) | Year Ended March 31, 2023 (₹) |
|--|-------------------------------|-------------------------------|
| Current tax | | |
| Deferred tax on remeasurement gains/(losses) on defined benefit plan | 2,56,384 | (4,41,671) |
| Adjustments for current tax of prior periods | - | - |
| Current tax (A) | - | - |
| Deferred tax | 2,56,384 | (4,41,671) |



36. Financial Ratios

| Sl. No. | Ratios | Numerator | Year ended 31st March 2024 | Year ended 31st March 2023 | Denominator | Year ended 31st March 2024 | Year ended 31st March 2023 | Year ended 31st March 2024 | Year ended 31st March 2023 | % Variance |
|---------|--|---|----------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|------------|
| A | Current ratio (in times) | Current Assets | 2,24,02,93,510 | 2,52,48,00,681 | Current Liabilities | 1,69,65,22,062 | 1,79,21,15,186 | 1.32 | 1.41 | -6.27% |
| B | Debt equity ratio (in times) | Total Debt | 1,87,68,15,987 | 2,10,61,92,467 | Total Equity | 2,82,22,74,533 | 2,78,15,17,049 | 0.67 | 0.76 | -12.18% |
| C | Debt service coverage ratio (in times) | "Profit before exceptional items & tax (+) interest expenses (+) depreciation & amortisation (-) current tax expense" | 36,90,65,781 | (2,00,99,097) | "Interest expense (+) scheduled principal repayment of longterm debt and lease liabilities during the period" | 26,63,16,828 | 26,35,03,683 | 1.39 | (0.08) | -1916.83% |
| D | Return on equity ratio (%) (ROE) | "Net Profits after taxes (including continuing and discontinuing operations) (-) Interest on Perpetual securities" | 4,07,57,484 | (25,27,32,860) | Average Shareholder's Equity | 2,91,43,06,809 | 2,91,43,06,809 | 1.40 | (8.67) | -116.13% |
| E | "Inventory turnover ratio (in number of days)" | Average Inventories (x) number of days | 1,45,67,83,175 | 2,07,27,09,727 | Cost of material consumed | 2,45,01,36,856 | 4,15,26,72,551 | 217.02 | 182.18 | 19.12% |
| F | "Trade receivables turnover ratio (in number of days)" | "Average receivable (x) number of days" | 65,92,07,799 | 50,77,53,661 | Gross Sales | 4,05,43,35,256 | 4,66,97,38,811 | 59.35 | 39.69 | 49.53% |

Amount in (₹)

| Sl. No. | Ratios | Numarator | Year ended 31st March 2024 | Year ended 31st March 2023 | Denominator | Year ended 31st March 2024 | Year ended 31st March 2023 | Year ended 31st March 2024 | Year ended 31st March 2023 | % Variance |
|---------|---|---|----------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|------------|
| G | "Trade payables turnover ratio (in number of days)" | Average trade payable (x) number of days | 22,85,05,998 | 29,62,27,740 | Net credit purchases | 2,29,48,98,380 | 2,91,52,35,103 | 36.34 | 37.09 | -2.01% |
| H | Net capital turnover ratio (in times) | Revenue from operation | 4,05,43,35,256 | 4,66,97,38,811 | Working capital = Current assets (-) Current liabilities | 54,37,71,448 | 73,26,85,495 | 7.46 | 6.37 | 16.98% |
| I | Net profit ratio | Net Profit after Tax (excluding exceptional item) | 4,07,57,484 | (25,27,32,860) | Revenue | 4,05,43,35,256 | 4,66,97,38,811 | 1.01% | -5.41% | -118.57% |
| J | "Return on capital employed (% (ROCE))" | | | | | | | | | |
| (i) | Pre Tax | "Profit before tax and exceptional item (+) interest expense" | 18,09,02,848 | (18,64,97,916) | "Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)" | 4,45,11,16,620 | 4,54,46,60,826 | 4.06% | -4.10% | -199.04% |
| (ii) | Post Tax | "Profit after tax and exceptional item + interest expense" | 18,69,33,993 | (12,58,87,397) | "Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)" | 4,45,11,16,620 | 4,54,46,60,826 | 4.20% | -2.77% | -251.61% |
| K | Return on investment (%) (ROI) | Interest income (+) Dividend income | 2,05,42,698 | 1,08,29,089 | Average (Investment + Fixed deposit+ Loans Given) | 21,23,78,286 | 19,43,87,598 | 9.67% | 5.57% | 73.63% |



37. Fair Value Measurements

Financial instruments by category:

| Financial assets | Note | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------|-----------------------|-----------------------|---------------------|---------------------|
| | | Amortised cost | FVTPL | Amortised cost | FVTPL |
| Trade receivables | | 74,24,54,980 | 74,24,54,980 | 57,59,60,618 | 57,59,60,618 |
| Margin money deposits with banks | | 12,95,861 | 12,95,861 | 12,95,861 | 12,95,861 |
| Cash and cash equivalents | | 89,30,535 | 89,30,535 | 78,62,563 | 78,62,563 |
| Bank balances other than cash and cash equivalents above | | 17,30,329 | 17,30,329 | 17,40,277 | 17,40,277 |
| Security deposits | | 8,51,56,598 | 8,51,56,598 | 9,82,52,387 | 9,82,52,387 |
| Non-current investment | | 54,24,800 | 54,24,800 | 54,24,800 | 54,24,800 |
| Loans | | 20,56,57,625 | 20,56,57,625 | 18,76,66,937 | 18,76,66,937 |
| Total financial assets | | 1,05,06,50,727 | 1,05,06,50,727 | 87,82,03,443 | 87,82,03,443 |

| Financial assets | Note | As at 31 March 2024 | | As at 31 March 2023 | |
|------------------------------------|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Amortised cost | FVTPL | Amortised cost | FVTPL |
| Borrowings | | 1,62,88,42,087 | 1,62,88,42,087 | 1,76,31,43,777 | 1,76,31,43,777 |
| Trade payables | | 17,40,45,828 | 17,40,45,828 | 28,29,66,168 | 28,29,66,168 |
| Unclaimed dividend | | 17,29,034 | 17,29,034 | 17,39,660 | 17,39,660 |
| Total financial liabilities | | 1,80,46,16,949 | 1,80,46,16,949 | 2,04,78,49,604 | 2,04,78,49,604 |

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV), NAV represents the price at which, the issuer will issue further units and will redeem such units of mutual funds to and from the investors.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2, Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed | As at 31 March 2024 | | | As at 31 March 2023 | | |
|---|---------------------|---------|----------------|---------------------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Margin money deposits with banks | | | 12,95,861 | | | 12,95,861 |
| Security deposits | | | 8,51,56,598 | | | 9,82,52,387 |
| Loans | | | 20,56,57,625 | | | 18,76,66,937 |
| Non-current investment | | | 54,24,800 | | | 54,24,800 |
| Financial liabilities | | | | | | |
| Borrowings | | | 1,62,88,42,087 | | | 1,76,31,43,777 |

The carrying amounts of trade receivables, cash and cash equivalents, fixed deposit having maturity period upto 12 months and its interest accrued, export benefits receivable, current loans, current borrowings, trade payables and other financial liabilities are considered to be approximately same as their value, due to the short-term maturities of these financial assets/liabilities.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

38. Capital Management

Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company determines the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long-term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Company's capital management, equity includes paid up capital, securities premium and other reserves. Net debt are long term and short term liabilities. The Company's strategy is to maintain a gearing ratio within 2:1.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Gross debt (inclusive of long term and short-term liabilities) | 1,87,68,15,987 | 2,10,61,92,467 |
| Total equity | 2,82,22,74,533 | 2,78,15,17,049 |
| Net debt to equity ratio | 0.67 | 0.76 |

39. Financial Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

| Risk | Exposure arising from | Measurement | Management |
|------------------------------|--|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, Financial assets measured at amortised cost. | Ageing analysis | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk-foreign exchange | Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee | Cash flow forecasting Sensitivity analysis | Forward Foreign Exchange Contracts |

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and nonderivative financial instruments, and investment of excess liquidity.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign exchange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, analyzing the risk profile of the counter party and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been



a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represent the maximum credit risk. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Credit risk is managed through credit approvals, establishing credit limits, payment track record, monitoring financial position of the customer and other relevant factors. Outstanding customer receivables are regularly monitored and reviewed.

The Company evaluates the concentration of risk with respect to trade receivables as limited, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The exposure to customers is diversified and no substantial concentration of risk as no single customer contributes more than 10% of revenue and of the outstanding receivables. Sales made in domestic market predominantly are through agents appointed by the Company, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Company's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Company has a policy of dealing only with credit worthy counter parties. The credit risk related to such sales are mitigated by taking advance, security deposit, letter of credit, setting and monitoring internal limits on exposure to individual customers as and where considered necessary.

An impairment analysis which includes assessment for indicators of impairment is performed at each reporting date on an individual basis for all major customers and provision for impairment taken. The allowance reduces the net carrying amount.

ii) Financial Instruments and Cash Deposits

The Company maintains exposure in Cash and Cash equivalents, term deposits with banks and investments in mutual funds, the same is done after considering factors such as track record, size of the institution, market reputation and service standards. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit risk and concentration of exposure are actively monitored by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

- iii) The ageing analysis of the trade receivables (other than due from related parties) has been considered from the date the Invoice falls due.

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations, by delivering cash or other financial assets, on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade and other payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash and drawable reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. The Company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Floating rate | | |
| - Expiring within one year (Packing credit, cash credit, post shipment credit and term loans) | 63,81,86,711 | 28,29,85,135 |
| - Expiring beyond one year (Term Loans) | Nil | Nil |

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

ii) Maturities of Financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2024

| | Less than 1 year | Between 1 and 5 years | Beyond 5 years | Total |
|--|-----------------------|-----------------------|----------------|-----------------------|
| Maturities of non – derivative financial liabilities | | | | |
| Long term borrowings | 12,01,40,319 | 15,13,81,323 | | 27,15,21,642 |
| Short term borrowings | 1,35,73,20,444 | - | | 1,35,73,20,444 |
| Interest accrued and not due | - | - | | - |
| Lease liabilities | 40,23,499 | - | | 40,23,499 |
| Trade payables | 17,40,45,828 | - | | 17,40,45,828 |
| Other financial liabilities | 17,29,034 | - | | 17,29,034 |
| Total | 1,65,72,59,124 | 15,13,81,323 | | 1,80,86,40,447 |

As at March 31, 2023

| | Less than 1 year | Between 1 and 5 years | Beyond 5 years | Total |
|--|-----------------------|-----------------------|----------------|-----------------------|
| Maturities of non – derivative financial liabilities | | | | |
| Long term borrowings | 13,66,58,220 | 28,94,70,690 | | 42,61,28,910 |
| Short term borrowings | 1,33,70,14,867 | - | | 1,33,70,14,867 |
| Interest accrued and not due | - | - | | - |
| Lease liabilities | - | - | | - |
| Trade payables | 28,29,66,168 | - | | 28,29,66,168 |
| Other financial liabilities | 17,39,660 | - | | 17,39,660 |
| Total | 1,75,83,78,915 | 28,94,70,690 | | 2,04,78,49,605 |

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity or commodity prices will affect the Company's income/cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations provisions and on the non-financial assets and liabilities. Financial instruments affected by market risk include receivables, loans and borrowings, advances, deposits, investments and derivative financial instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates.



The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign currency risk

Currency risk is the risk that the fair value of a financial instrument or future cash flows fluctuate because of changes in market price of the functional currency. The Company is exposed to foreign exchange risk on their receivables and payables which are mainly held in the United State Dollar ("USD"), the Euro ("EUR") and British Pound ("GBP"). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees ("Rs.") relative to the USD, the EUR, and the GBP may change in a manner that has a material effect on the reported values of the Company's assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policy wherein exposure is identified, a benchmark is set and monitored closely for suitable hedges, including minimizing cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

40. Relationship with Struck off Companies

| Sr. No. | Name of struck off Company | Nature of transactions with struck off Company | Transaction during the year ended March 31, 2024 | Balance outstanding as on March 31, 2024 | Balance outstanding as on March 31, 2023 | Relationship with the Struck off Company |
|---------|--|--|--|--|--|--|
| 1 | Shree Vansh Marine & Logistics Pvt. Ltd. | Purchase of services | - | - | 1,416 | Creditor |

41. The Code on Social Security, 2020

The Code on Social Security 2020 ('Code') has been notified in the Official Gazette on September 29, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

42. Other Statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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 to or on behalf of the Ultimate Beneficiaries.
- (v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (vi) The Company does not have 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).

43. Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

44. Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on May 30, 2024.

As per Annexed Report of Even Date

NGST & Associates

Chartered Accountants
Firm Reg. No. 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

Place: Mumbai

Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Shrirang V. Rajule

Chief Financial Officer

Sd/-

Nitin Kore

Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of Mangalam Organics Limited Report on audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Mangalam Organics Limited** ("**the Company**") and its subsidiary (refer Note (1)) to the attached consolidated financial statements which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), 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 (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 ("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 Company and its subsidiary as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and comprehensive income), consolidated changes in equity and its 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 Companies Act, 2013. Our responsibilities under those Standards 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 Company and its subsidiary 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.

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 nothing to report in this regard.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Management Discussion and Analysis" and "Director's Report", but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 implementation and maintenance of 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 statement 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.

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

Auditor's Responsibility 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 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 financial statements.

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 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.
- 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 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 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 auditor's 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 accompanying statement includes the audited financial results and the other financial information, in respect of 3 (three) wholly owned subsidiary companies, whose financial statements reflect total assets of Rs. 46,77,26,003/- as at March 31, 2024, total revenues of Rs. 1,61,65,93,595/-, Net Profit of Rs. 51,34,418/- and net cashflow of Rs. 55,50,006/- for the year ended on that date.



Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- 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 A"
- g) 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:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
- h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- i) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account 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, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For NGST & Associates

Chartered Accountants
Firm Regn. No 135159W

Sd/-

Bhupendra Gandhi

Partner
Membership No. 122296
UDIN- 24122296BKBLVW6441

Place: Mumbai

Date: May 30, 2024

ANNEXURE - A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (l) of Sub-Section 143 of The Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of **Mangalam Organics Limited ('the Company')**, as of 31 March 2024, in conjunction with our audit of the consolidated 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 auditor's 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 authorisations of management and Directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 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 31 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 NGST & Associates

Chartered Accountants

Firm Reg. No. 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

UDIN-24122296BKBLVW6441

Place: Mumbai

Date: May 30, 2024

CONSOLIDATED BALANCE SHEET

as at 31st March 2024

Amounts in (₹)

| Particulars | Note No | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| - Property, Plant and Equipment | 1 | 2,43,85,23,104 | 2,27,43,71,724 |
| - Right-of-use assets | | 39,39,675 | - |
| - Capital work-in-progress | 1 | 4,74,44,944 | 1,41,49,703 |
| - Financial Assets | | | |
| Investments | 2.1 | 30,25,000 | 30,25,000 |
| Other financial assets | 2.2 | 8,67,33,458 | 10,17,59,248 |
| Deferred tax assets (net) | 9 | 2,35,86,264 | 3,03,89,450 |
| (2) Current assets | | | |
| - Inventories | 3 | 1,35,66,29,064 | 1,89,46,21,927 |
| - Financial Assets | | | |
| Trade receivables | 4.1 | 56,01,51,689 | 47,48,98,558 |
| Cash and cash equivalents | 4.2 | 1,74,10,277 | 1,07,92,299 |
| Bank balances & other than cash and cash equivalents | 4.3 | 45,08,770 | 37,40,277 |
| Other financial assets | 4.4 | 17,96,22,849 | 6,34,16,869 |
| Current tax assets (net) | 4.5 | 55,63,402 | 3,43,69,020 |
| - Other current assets | 5 | 12,70,88,295 | 15,44,32,371 |
| Total Assets | | 4,85,42,26,791 | 5,05,99,66,446 |
| EQUITY AND LIABILITIES | | | |
| Equity | 6 | | |
| - Equity Share capital | A) | 8,56,44,400 | 8,56,44,400 |
| - Other Equity | B) | 2,72,14,17,944 | 2,67,18,79,043 |
| - Non-controlling interests | | (11,02,723) | - |
| | | 2,80,59,59,621 | 2,75,75,23,443 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| - Financial Liabilities | | | |
| - Borrowings | 7 | 20,80,18,769 | 41,47,33,263 |
| - Provisions | 8 | 3,14,69,862 | 2,54,25,818 |
| | | 23,94,88,631 | 44,01,59,081 |
| (2) Current liabilities | | | |
| - Financial Liabilities | | | |
| Borrowings | 10 | 1,52,28,54,466 | 1,49,00,14,832 |
| Trade payables | 11 | | |
| - Total outstanding dues of MSME | | - | - |
| - Total outstanding dues of creditors other than MSME | | 23,63,34,789 | 33,08,33,056 |
| Lease obligation | | 40,23,499 | - |
| Other financial liabilities | 12 | 17,29,034 | 17,39,660 |
| - Other current liabilities | 13 | 3,01,63,451 | 2,70,88,289 |
| Provisions | 14 | 1,36,73,300 | 1,26,08,085 |
| | | 1,80,87,78,539 | 1,86,22,83,922 |
| Total Equity and Liabilities | | 4,85,42,26,791 | 5,05,99,66,446 |

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates

Chartered Accountants

Firm Reg. No.: 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

Place: Mumbai

Dated: May 30, 2024

134 | Mangalam Organics Limited

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Shrirang V. Rajule

Chief Financial Officer

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Nitin Kore

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2024

Amounts in (₹)

| | Particulars | Note No. | Year ended 31st March, 2024 | Year ended 31st March, 2023 |
|-------------|---|----------|--------------------------------|--------------------------------|
| I | Revenue from Operations | 15 | 4,93,51,96,033 | 4,92,52,61,555 |
| II | Other Income | 16 | 77,60,936 | 33,69,416 |
| III | TOTAL INCOME (I+II) | | 4,94,29,56,969 | 4,92,86,30,971 |
| IV | Expenses | | | |
| | Cost of materials consumed | 17 | 2,58,93,46,934 | 4,09,40,99,005 |
| | Purchases of Stock-in-trade | 18 | 6,37,45,261 | 6,46,06,959 |
| | Changes in inventories of finished goods and work-in-progress | 19 | 37,37,15,635 | (72,64,83,155) |
| | Employee benefits expenses | 20 | 39,06,88,589 | 34,69,58,561 |
| | Finance costs | 21 | 15,61,95,568 | 13,78,76,620 |
| | Depreciation and amortization expense | | 19,83,58,106 | 17,54,46,429 |
| | Other expenses | 22 | 1,13,10,46,118 | 1,17,37,22,292 |
| | TOTAL EXPENSES (IV) | | 4,90,30,96,211 | 5,26,62,26,711 |
| V | (Loss)/ Profit before exceptional items and tax (III - IV) | | 3,98,60,758 | (33,75,95,740) |
| VI | Exceptional Items | | - | - |
| VII | (Loss)/ Profit before tax (V-VI) | | 3,98,60,758 | (33,75,95,740) |
| VIII | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) Deferred tax expense/(income) | | 1,10,29,409 | (8,03,78,115) |
| | (3) Tax adjustment of earlier years | | (1,40,30,145) | 1,50,31,389 |
| IX | (Loss)/ Profit for the period (VII-VIII) | | 4,28,61,494 | (27,22,49,014) |
| X | Other Comprehensive Income | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurment of defined benefit plan | | (9,29,591) | 17,54,891 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 2,33,959 | (4,41,671) |
| | - Defined benefit plans | | - | - |
| | B (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| XI | Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period) | | 4,21,65,862 | (27,09,35,794) |
| XII | Profit for the period attributable to: | | | |
| | Shareholders of the Company | | 4,40,64,416 | - |
| | Non-controlling interests | | (12,02,922) | - |
| | | | 4,28,61,494 | - |
| XIII | Other Comprehensive Income for the period attributable to: | | | |
| | Shareholders of the Company | | (6,95,632) | - |
| | Non-controlling interests | | - | - |
| | | | (6,95,632) | - |
| IVX | Total Comprehensive Income for the period attributable to: | | | |
| | Shareholders of the Company | | 4,33,68,784 | - |
| | Non-controlling interests | | (12,02,922) | - |
| | | | 4,21,65,862 | - |
| XV | Earnings per equity share: | | | |
| | (1) Basic and Diluted | | 4.92 | (31.63) |

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates

Chartered Accountants

Firm Reg. No.: 135159W

Sd/-

Bhupendra Gandhi

Partner

Membership No. 122296

Place: Mumbai

Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Shrirang V. Rajule

Chief Financial Officer

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Nitin Kore

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2024

Amounts in (₹)

| Particulars | For the year ended 31st March, 2024 | For the year ended 31st March, 2023 |
|--|--|--|
| A. Cash flow from operating activities : | | |
| Net (Loss)/ profit before tax | 3,98,60,758 | (33,75,95,740) |
| Adjustment For : | | |
| Depreciation | 19,83,58,106 | 17,54,46,429 |
| Interest income | (34,33,902) | (2,90,619) |
| Dividend received | (3,750) | (5,000) |
| Interest paid | 15,16,45,379 | 12,96,75,170 |
| Loss on sale of fixed assets | 1,29,081 | 1,22,130 |
| Operating (Loss)/ profit before working capital changes | 38,65,55,672 | (3,26,47,630) |
| Adjustment For : | | |
| Trade & other receivables | (15,98,57,738) | 24,85,31,544 |
| Inventories | 53,79,92,863 | 54,37,40,736 |
| Trade and other payables | (8,03,00,973) | 65,53,548 |
| Cash generated from/ (used in) operations | 68,43,89,824 | 76,61,78,198 |
| Income tax paid (net of refunds) | 4,28,35,763 | 30,56,366 |
| Net cash generated from/(used in) operating activities - I | 72,72,25,587 | 76,92,34,564 |
| B. Cash flow from investing activities : | | |
| Payments for property, plant and equipment | (39,97,44,394) | (40,76,60,299) |
| Interest income | 34,33,902 | 2,90,619 |
| Dividend received | 3,750 | 5,000 |
| Proceeds from property, plant and equipment | 12,19,380 | 25,59,948 |
| Purchase of non current investments | - | (30,00,000) |
| Net cash (used) in investing activities- II | (39,50,87,362) | (40,78,04,732) |
| C. Cash flow from financing activities | | |
| (Repayment)/ Proceeds of/from short term borrowings | 3,28,39,634 | (10,75,71,144) |
| Proceeds from issue of shares/warrants | - | 4,95,000 |
| Share application money received | - | 1,00,000 |
| Dividend and dividend distribution tax paid | - | (1,28,46,660) |
| (Repayment)/ proceed of/ from long term borrowings | (20,67,14,494) | (10,62,74,247) |
| Interest paid | (15,16,45,379) | (12,96,75,170) |
| Net cash (used) in/ generated from financing activities - III | (32,55,20,239) | (35,57,72,221) |
| Net increase/ (decrease) in cash and cash equivalents | 66,17,986 | 56,57,611 |
| Opening balance of cash & cash equivalents | 1,07,92,299 | 51,34,686 |
| Closing balance of cash & cash equivalents | 1,74,10,277 | 1,07,92,299 |

Notes:

- Cash & cash equivalents represents cash and bank balances.
- Figures in brackets represents cash outflow.

As per our report of even date

NGST & Associates
Chartered Accountants
Firm Reg. No.: 135159W

Sd/-
Bhupendra Gandhi
Partner
Membership No. 122296

Place: Mumbai
Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-
Kamalkumar Dujodwala
Chairman
DIN- 00546281

Sd/-
Shrirang V. Rajule
Chief Financial Officer

Sd/-
Pannkaj Dujodwala
Managing Director
DIN- 00546353

Sd/-
Nitin Kore
Company Secretary



STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2024

Amounts in (₹)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31st March, 2024 | 31st March, 2023 |
| (a) Equity share capital | | |
| Balance at the beginning of the year | 8,56,44,400 | 8,56,44,400 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the year | 8,56,44,400 | 8,56,44,400 |

Amounts in (₹)

| Particulars | Share Warrants | Share application money pending allotment | Reserves and surplus | | | | | Total other equity |
|--|-----------------|---|----------------------|----------------------------|--------------------|--------------------|-----------------------|-----------------------|
| | | | Capital reserve | Capital redemption reserve | Securities premium | General reserve | Retained earnings | |
| (b) Other equity (refer note 6B) | | | | | | | | |
| As at 1 April 2022 | - | - | - | - | - | 1,49,91,838 | 2,94,00,74,659 | 2,95,50,66,497 |
| Profit for the year | - | - | - | - | - | - | (27,22,49,014) | (27,22,49,014) |
| Other comprehensive income | - | - | - | - | - | - | 13,13,220 | 13,13,220 |
| Dividend paid during the year | - | - | - | - | - | - | (1,28,46,660) | (1,28,46,660) |
| Addition during the year | 4,95,000 | 1,00,000 | - | - | - | - | - | 5,95,000 |
| Balance as at 31 March 2023 | 4,95,000 | 1,00,000 | - | - | - | 1,49,91,838 | 2,65,62,92,205 | 2,67,18,79,043 |
| Profit for the year | - | - | - | - | - | - | 5,03,34,533 | 5,03,34,533 |
| Other comprehensive income | - | - | - | - | - | - | (6,95,632) | (6,95,632) |
| Dividend paid during the year | - | - | - | - | - | - | - | - |
| Deletion during the year - Shares allotted | - | 1,00,000 | - | - | - | - | - | 1,00,000 |
| Balance as at 31 March 2024 | 4,95,000 | - | - | - | - | 1,49,91,838 | 2,70,59,31,106 | 2,72,14,17,944 |

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

NGST & Associates
Chartered Accountants
Firm Reg. No.: 135159W

Sd/-
Bhupendra Gandhi
Partner
Membership No. 122296

Place: Mumbai
Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-
Kamalkumar Dujodwala
Chairman
DIN- 00546281

Sd/-
Shrirang V. Rajule
Chief Financial Officer

Sd/-
Pannkaj Dujodwala
Managing Director
DIN- 00546353

Sd/-
Shachi Sanghavi
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

1. Property, Plant & Equipment and Intangible Assets

Amount in (₹)

| Particular | Freehold Land | Residential Colony | Office Premises | Building | Plant & Machinery | Computer | Furniture & Fixture | Vehicle | Office Equipment | Total |
|--|---------------------|--------------------|-----------------|--------------------|-----------------------|--------------------|---------------------|--------------------|--------------------|----------------------|
| Gross Carrying value as on 01.04.2023 | 22,46,20,500 | 62,99,533 | 3,66,131 | 26,43,52,262 | 2,85,51,16,385 | 1,22,66,560 | 6,35,47,760 | 4,92,14,513 | 1,87,11,352 | 3,49,44,94,996 |
| Additions | - | - | - | 2,83,70,656 | 29,22,74,181 | 7,03,129 | 4,29,84,055 | 1,45,224 | 35,80,247 | 36,80,57,492 |
| Deletions/ adjustments | - | - | - | 83,823 | 43,03,379 | - | 11,29,904 | - | 6,44,965 | 6,162,071 |
| Gross Carrying value as on 31.03.2024 | 22,46,20,500 | 62,99,533 | 3,66,131 | 292,639,094 | 3,14,30,87,186 | 1,29,69,689 | 10,54,01,912 | 4,93,59,737 | 2,16,46,633 | 3,856,390,418 |
| Accumulated depreciation as on 01.04.2023 | - | 39,16,345 | 3,38,445 | 8,89,40,454 | 1,045,197,890 | 1,06,02,316 | 1,84,40,629 | 35,330,505 | 1,73,56,681 | 1,220,123,264 |
| Depreciation charge for the year | - | 1,99,485 | - | 80,37,640 | 17,16,02,286 | 15,95,656 | 79,28,168 | 69,01,247 | 20,93,624 | 198,358,106 |
| Depreciation adjustment | - | - | - | - | - | - | - | - | - | - |
| Depreciation on deletion | - | - | - | - | - | - | 511,895 | - | 1,02,162 | 614,058 |
| Accumulated depreciation as on 31.03.2024 | - | 41,15,830 | 3,38,445 | 96,978,094 | 1,216,800,176 | 1,21,97,971 | 25,856,902 | 4,231,752 | 1,93,48,142 | 1,417,867,313 |
| Net Book Value:- | | | | | | | | | | |
| At 31st March 2024 | 22,46,20,500 | 21,83,703 | 27,686 | 195,661,000 | 1,9126,287,010 | 7,71,718 | 79,545,010 | 7,127,986 | 22,98,491 | 2,438,523,104 |
| At 31st March 2023 | 22,46,20,500 | 23,83,188 | 27,686 | 17,54,11,808 | 1,809,918,495 | 16,64,244 | 4,51,07,132 | 13,884,008 | 13,54,671 | 2,274,371,732 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

2.1 Non current investment

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Investment in Equity Shares | | |
| Unquoted - carried at FVTPL | | |
| a) 2500 shares of Saraswat Co-Op Bank Ltd. | 25,000 | 25,000 |
| Investment in debentures: | | |
| a) Investment in debentures of Yeshoda Rose Bazaar Retail Private Limited | 30,00,000 | 30,00,000 |
| Total | 30,25,000 | 30,25,000 |
| Aggregate carrying value of unquoted investments | 30,25,000 | 30,25,000 |

Note:

The Company has invested in 30,000 (Thirty Thousand) compulsorily convertible debentures having face value of Rs. 100 each totalling to Rs. 30,00,000. The seed series CCD are issue at minimum non-cumulative preferential dividend rate of 0.01% per annum. The preferential dividend shall be due only when declared by the board. In addition each series 1 CCP's would be entitled to participate pari passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on as-if-converted basis.

2.2 Other non-current financial asset

Amount in (₹)

At Amortised Cost

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Security deposits | 8,54,37,598 | 10,04,63,387 |
| Fixed deposits with remaining maturity for more than 12 months | 12,95,861 | 12,95,861 |
| Total | 8,67,33,458 | 10,17,59,248 |
| Fixed deposits held for margin against letter of credit and bank guarantees | | |

3 Inventories

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|-------------------|---------------------------|---------------------------|
| Raw materials | 17,23,09,465 | 33,98,21,544 |
| Work-in-progress | 80,58,81,762 | 74,60,29,149 |
| Finished goods | 28,85,57,518 | 72,15,29,440 |
| Stores and spares | 3,27,85,021 | 3,71,28,743 |
| Power & fuel | 54,06,797 | 83,71,288 |
| Packing materials | 4,66,64,318 | 3,61,21,254 |
| Stock in trade | 50,24,183 | 56,20,509 |
| Total | 1,35,66,29,064 | 1,89,46,21,927 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

4.1 Trade receivables (Carried at amortised cost, except otherwise stated)

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Unsecured, considered good* | 56,01,51,689 | 47,48,98,558 |
| Unsecured, considered doubtful | - | - |
| Less : Allowance for expected credit loss | - | - |
| Total | 56,01,51,689 | 47,48,98,558 |
| Break up of security details | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 87,03,41,621 | 47,48,98,558 |
| Doubtful | - | - |
| Total | 87,03,41,621 | 47,48,98,558 |

Trade receivables with a carrying amount of Rs. 87,03,41,621 (March 31, 2023: Rs. 47,48,98,558) have been pledged as security against current bank borrowings.

*Includes amounts due from related parties (refer note 27)

- For ageing analysis of trade receivables, refer note 4.1.1

4.1.1 Trade receivables ageing schedule as at 31st March 2024

| Particular | Unbilled | Not Due | 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 | |
| a) Undisputed trade receivables | | | | | | | | |
| - Considered good | - | - | 32,40,65,455 | 14,98,07,480 | 80,75,866 | 4,95,60,960 | 2,86,41,929 | 56,01,51,689 |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| b) Disputed trade receivables | | | | | | | | |
| - Considered good | - | - | - | - | - | - | - | - |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| Total | - | - | 32,40,65,455 | 14,98,07,480 | 80,75,866 | 4,95,60,960 | 2,86,41,929 | 56,01,51,689 |

Trade receivables ageing schedule as at 31st March 2023

| Particular | Unbilled | Not Due | 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 | |
| a) Undisputed trade receivables | | | | | | | | |
| - Considered good | - | - | 33,63,95,721 | 12,07,40,084 | 57,67,458 | 33,25,196 | 86,70,099 | 47,48,98,558 |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| b) Disputed trade receivables | | | | | | | | |
| - Considered good | - | - | - | - | - | - | - | - |
| - Considered doubtful | - | - | - | - | - | - | - | - |
| Total | - | - | 33,63,95,721 | 12,07,40,084 | 57,67,458 | 33,25,196 | 86,70,099 | 47,48,98,558 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

-Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowances

-There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired.

4.2 Cash & cash equivalents

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Cash and cash equivalents | | |
| Balances with banks | | |
| In Current account | 1,64,98,823 | 1,01,91,134 |
| Cash on hand | 9,11,454 | 6,01,165 |
| Fixed deposits with remaining maturity for less than 3 months | | - |
| Total | 1,74,10,277 | 1,07,92,299 |

4.3 Bank balances & other than cash and cash equivalents (Carried at amortised cost, except otherwise stated)

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| In Earmarked Accounts- | | |
| Balance in unpaid dividend account | 17,30,329 | 17,40,277 |
| In Deposit Accounts - | | |
| Fixed deposits with remaining maturity for less than 12 months | 27,78,441 | 20,00,000 |
| Total | 45,08,770 | 37,40,277 |

-There are no amounts due or outstanding to transfer in Investor Education Fund Account

4.4 Other Financial Assets (Carried at amortised cost, except otherwise stated)

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------|---------------------------|---------------------------|
| Insurance claim receivable | 17,96,22,849 | - |
| GST refund receivable | - | 6,34,16,869 |
| Total | 17,96,22,849 | 6,34,16,869 |

4.5 Current tax assets (net)

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Advance income tax & TDS (net of provision for tax) | 55,63,402 | 3,43,69,020 |
| Total | 55,63,402 | 3,43,69,020 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

5 Other Current Assets (Carried at amortised cost, except otherwise stated)

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|----------------------------------|---------------------------|---------------------------|
| Advance to suppliers | 7,53,99,094 | 7,97,36,711 |
| Balance with revenue authorities | 2,56,19,801 | 6,14,55,622 |
| Prepaid expenses | 2,54,94,930 | 18,83,160 |
| Other advance | 5,74,469 | 1,13,56,878 |
| Total | 12,70,88,295 | 15,44,32,371 |

6 Equity

A) Equity Share Capital

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 12,000,000 (As at 31st March, 2023: 12,000,000) Equity Shares of Rs 10 each | 12,00,00,000 | 12,00,00,000 |
| Issued, Subscribed and Paid up | | |
| 85,64,440 (As at 31st March, 2023: 85,64,440) Equity Shares of Rs 10 each | 8,56,44,400 | 8,56,44,400 |
| Total | 8,56,44,400 | 8,56,44,400 |

6.1 Reconciliation of equity shares outstanding at the beginning and end of the year

Amount in (₹)

| Issued, subscribed and paid up share capital | No of shares | Amount of shares |
|--|------------------|------------------|
| Balance as at 1st April | 85,64,440 | 85,64,440 |
| Add / (Less): Changes during the year | - | - |
| Balance as at 31st March | 85,64,440 | 85,64,440 |

6.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having par value of Re. 10/- each (P.Y. Rs. 10/- each). Holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will 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 the shareholders.

6.3 Shares held by shareholders each holding more than 5% of the shares

As at 31st March 2024

Amount in (₹)

| Shareholders | No. of shares | % of holding |
|----------------------------|---------------|--------------|
| Tradechem Organics Limited | 18,29,417 | 21.36 |
| Manisha Dujodwala | 8,53,250 | 9.96 |
| Akshay Dujodwala | 8,07,965 | 9.43 |
| Alka Dujodwala | 5,78,790 | 6.76 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

As at 31st March 2023

Amount in (₹)

| Shareholders | No. of shares | % of holding |
|----------------------------|---------------|--------------|
| Tradechem Organics Limited | 18,29,417 | 21.36 |
| Manisha Dujodwala | 8,53,250 | 9.96 |
| Akshay Dujodwala | 8,07,965 | 9.43 |
| Alka Dujodwala | 5,78,790 | 6.76 |

Shares held by promoters at the end of the year

As at 31st March 2024

Amount in (₹)

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

Shares held by promoters at the end of the year

As at 31st March 2023

Amount in (₹)

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

Shares held by promoters at the end of the year

As at 31st March 2022

Amount in (₹)

| Promoter's Name | No. of shares | % of holding | % Change during the year |
|-----------------------------|---------------|--------------|--------------------------|
| Manisha Dujodwala | 8,53,250 | 9.96 | Nil |
| Akshay Kamalkumar Dujodwala | 8,07,965 | 9.43 | Nil |
| Alka Dujodwala | 5,78,790 | 6.76 | Nil |
| Pankaj Dujodwala HUF | 1,72,432 | 2.01 | Nil |
| Kamalkumar Dujodwala | 1,57,216 | 1.84 | Nil |
| Pannkaj Dujodwala | 1,31,300 | 1.53 | Nil |
| Tradechem Organics Limited | 18,29,417 | 21.36 | Nil |
| Dujodwala Exports Pvt Ltd | 1,72,432 | 2.01 | Nil |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

B) Other Equity

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---|---------------------------|---------------------------|
| General reserve | 1,49,91,838 | 1,49,91,838 |
| | 1,49,91,838 | 1,49,91,838 |
| Surplus/(Deficit) in the Statement of Profit and Loss | | |
| - Opening Balance | 2,65,62,92,205 | 2,94,00,74,659 |
| - Total Comprehensive Income for the Period | 4,96,38,901 | (27,09,35,794) |
| - Less : Dividend paid | - | 1,28,46,660 |
| | 2,70,59,31,106 | 2,65,62,92,205 |
| Share application money pending allotment | - | 1,00,000 |
| Share Warrants | 4,95,000 | 4,95,000 |
| Total | 2,72,14,17,944 | 2,67,18,79,043 |

7 Non -Current borrowings

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| (Carried at amortised cost, unless otherwise stated) | | |
| Secured Loans - From Bank | | |
| Corporate Loan- HDFC Bank Limited | 20,71,16,565 | 41,18,19,385 |
| Vehicle Loan | 8,43,704 | 28,61,378 |
| Unsecured Loans | 58,500 | 52,500 |
| Unsecured Loans from Directors | | |
| [Vehicle loan is secured against vehicles financed] | | |
| Total | 20,80,18,769 | 41,47,33,263 |

Refer note 11 below for securities

8 Provisions

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|---------------------------------|---------------------------|---------------------------|
| Provision for Employee Benefits | | |
| Provision for gratuity | 2,91,00,901 | 2,49,10,520 |
| Provision for leave encashment | 23,68,961 | 5,15,298 |
| Total | 3,14,69,862 | 2,54,25,818 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

9 Deferred tax (assets)/ Liabilities

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Tax effect of items constituting deferred tax liability | | |
| Depreciation | 10,37,22,562 | 8,65,26,289 |
| Total DTL | 10,37,22,562 | 8,65,26,289 |
| Tax effect of items constituting deferred tax assets | | |
| Provision for doubtful debts and employee benefits | 1,11,53,524 | 95,06,505 |
| Carry forward losses as per Income Tax Act | 11,61,55,302 | 10,74,09,234 |
| Total DTA | 12,73,08,826 | 11,69,15,739 |
| Net (DTA) / DTL | (2,35,86,264) | (3,03,89,450) |
| Net deferred tax (assets)/ liabilities | (2,35,86,264) | (3,03,89,450) |

10 Short Term Borrowings

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Secured | | |
| Working capital loan from banks: | | |
| Buyers Credit, pre-shipment / post shipment credit | 53,43,73,000 | 72,17,49,550 |
| Cash Credit from banks | 7,18,99,499 | 11,52,65,317 |
| Current liabilities of long term borrowings | 16,55,34,022 | 15,29,99,965 |
| Working Capital Demand Loan | 75,10,47,945 | 50,00,00,000 |
| The rate of interest for term loans from banks ranges from 8.5% to 9.15% | | |
| [All the above working capital facilities are secured against all the current assets (present and future) of the Company]. | | |
| Term loan is secured against first charge on the present and future fixed assets of the Company (Land & Building, Plant & Machinery) | | |
| Secured against equitable mortgage of factory land & building at Kumbhivali village, Savroli Kharpada Road, Taluka Khalapur, Khopoli-410202, Dist: Raigad, and hypothecation of Plant and Machinery. | | |
| (These facilities are further secured by Personal guarantee of Mr. Kamalkumar Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company. | | |
| Total | 1,52,28,54,466 | 1,49,00,14,832 |

11 Trade payables

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 23,63,34,789 | 33,08,33,056 |
| Total | 23,63,34,789 | 33,08,33,056 |

*- includes related party dues payable. Refer note 27

For ageing analysis of trade payable, Refer note 11.1.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

11.1 Trade payables ageing schedule as at 31st March 2024

| Particular | Unbilled | Not Due | 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 | |
| a) Undisputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | 19,92,17,654 | 1,04,65,541 | 1,90,72,856 | 21,46,712 | 54,32,027 | 23,63,34,789 |
| b) Disputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - | - |
| Total | - | - | 19,92,17,654 | 1,04,65,541 | 1,90,72,856 | 21,46,712 | 54,32,027 | 23,63,34,789 |

Trade payables ageing schedule as at 31st March 2023

| Particular | Unbilled | Not Due | 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 | |
| a) Undisputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | 30,00,16,847 | 1,32,51,451 | 67,85,966 | 54,85,560 | 52,93,232 | 33,08,33,056 |
| b) Disputed trade payable | | | | | | | | |
| - MSME | - | - | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - | - | - |
| Total | - | - | 30,00,16,847 | 1,32,51,451 | 67,85,966 | 54,85,560 | 52,93,232 | 33,08,33,056 |

- There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March, 2023, and no interest payment made during the year to any Micro and Small Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

12 Other financial liabilities

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|-----------------|------------------------|------------------------|
| Unpaid dividend | 17,29,034 | 17,39,660 |
| Total | 17,29,034 | 17,39,660 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

13 Other current liabilities

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|------------------------------|---------------------------|---------------------------|
| Advance from customers | 1,57,97,231 | 1,46,55,401 |
| Other liabilities | 48,97,210 | 51,75,806 |
| Statutory Payables | | |
| TDS payable | 71,23,380 | 48,21,914 |
| Other statutory dues payable | 23,45,630 | 24,35,168 |
| Total | 3,01,63,451 | 2,70,88,289 |

14 Provisions

Amount in (₹)

| Particular | As at 31st March, 2024 | As at 31st March, 2023 |
|--|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 1,35,51,093 | 1,24,84,543 |
| Leave Encashment | 1,22,207 | 1,23,542 |
| Total | 1,36,73,300 | 1,26,08,085 |

15 Revenue From Operations

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|---------------------------------|----------------------------------|----------------------------------|
| (a) Sale of Products/ Services: | | |
| - Local Sales | 4,48,06,90,064 | 4,29,36,01,889 |
| - Export Sales | 36,98,24,334 | 55,89,97,029 |
| - Trading Sales | 8,46,81,635 | 7,26,62,638 |
| Revenue from operations | 4,93,51,96,033 | 4,92,52,61,555 |

16 Other Income

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|---|----------------------------------|----------------------------------|
| - Dividend Income on Non-Current investments | 3,750 | 5,000 |
| - Miscellaneous Income | 29,97,280 | 30,73,797 |
| - Exchange rate difference (Net) | 8,83,067 | - |
| - Interest Income | | |
| - Others- carried at amortised cost | 34,33,902 | 2,90,619 |
| - Finance income on unwinding of finance lease obligation | 4,42,937 | - |
| Total | 77,60,936 | 33,69,416 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

17 Cost of material consumed

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|--|----------------------------------|----------------------------------|
| Inventory at the beginning of the year | 33,98,21,544 | 1,55,69,73,778 |
| Add: Purchase | 2,60,38,34,855 | 2,87,69,46,771 |
| Less: Inventory at the end of the year | 17,23,09,465 | 33,98,21,544 |
| Less: Insurance claim received for loss of stock | 18,20,00,000 | - |
| Total Cost of materials consumed | 2,58,93,46,934 | 4,09,40,99,005 |

18 Purchase of stock-in-trade

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|------------------|----------------------------------|----------------------------------|
| Trading Purchase | 6,37,45,261 | 6,46,06,959 |
| Total | 6,37,45,261 | 6,46,06,959 |

19 Changes in inventories of finished goods and work in progress

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|----------------------|----------------------------------|----------------------------------|
| Closing stock | | |
| Work-in-progress | 80,58,81,762 | 74,60,29,149 |
| Finished goods | 28,85,57,518 | 72,15,29,440 |
| Stock in trade | 50,24,183 | 56,20,509 |
| Opening stock | | |
| Work-in-progress | 74,60,29,149 | 40,89,77,201 |
| Finished goods | 72,15,29,440 | 33,77,18,742 |
| Stock in trade | 56,20,509 | - |
| Total | 37,37,15,635 | (72,64,83,155) |

20 Employee benefit expenses

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|---|----------------------------------|----------------------------------|
| Salaries, wages and bonus | 35,56,22,292 | 32,40,95,085 |
| Contribution to provident and other funds | 1,33,13,184 | 1,12,80,907 |
| Gratuity & leave expenses | 1,15,85,830 | 29,79,709 |
| Staff welfare expenses | 1,01,67,283 | 86,02,860 |
| Total | 39,06,88,589 | 34,69,58,561 |

21 Finance cost

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|---------------------------------------|----------------------------------|----------------------------------|
| Interest expenses | 15,16,45,379 | 12,96,75,170 |
| Bank charges | 40,30,200 | 82,01,451 |
| Unwinding of finance lease obligation | 5,19,989 | - |
| Total | 15,61,95,568 | 13,78,76,620 |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

22 Other expenses

Amount in (₹)

| Particular | For the year 31st March, 2024 | For the year 31st March, 2023 |
|---|----------------------------------|----------------------------------|
| Manufacturing expenses: | | |
| Consumption of stores and spare parts | 2,20,10,734 | 3,53,21,616 |
| Power and fuel | 35,25,45,647 | 45,82,70,276 |
| Consumption of packing materials | 26,93,30,206 | 22,64,44,701 |
| Advertisement expenses | 8,44,06,106 | 3,45,67,382 |
| Boiler and plant expenses | 39,46,358 | 63,15,678 |
| Warehouse Charges | 2,31,07,228 | - |
| Repairs and Maintenance: | - | |
| - Building & others | 80,48,786 | 2,29,79,943 |
| - Machinery | 1,55,80,646 | 79,35,086 |
| Administrative and selling expenses: | | |
| Insurance | 1,05,19,655 | 1,62,19,863 |
| Rates and taxes | 3,21,92,611 | 1,28,01,352 |
| Director sitting fees | 1,40,000 | 87,000 |
| Legal and professional fees | 1,28,50,857 | 2,20,18,865 |
| Miscellaneous expenses | 12,72,27,244 | 10,42,21,593 |
| Payment to auditor: | | |
| <u>As auditors:</u> | | |
| - Audit fee | 5,90,000 | 5,90,000 |
| - Tax audit fees | 1,00,000 | - |
| <u>In other capacity:</u> | | |
| - Other services (certification fees) | - | - |
| Freight and forwarding charges | 12,21,41,788 | 16,51,20,761 |
| Loss on sales of fixed assets | 1,29,081 | 1,22,130 |
| Corporate Social Responsibility Exp | - | 1,67,44,000 |
| Security Charges | 80,40,980 | 64,34,439 |
| Travelling & Conveyance Expenses | 3,81,38,190 | 2,92,11,471 |
| Exchange rate difference (Net) | - | 83,16,136 |
| Total | 1,13,10,46,118 | 1,17,37,22,292 |

NOTE TO ACCOUNTS

23. Corporate Information

The Consolidated Financial Statements comprise financial statements of **“Mangalam Organics Limited” (“the Holding Company” or “The Company”)** and its subsidiaries (collectively referred to as “the Group”) for the year ended 31st March, 2024.

Mangalam Organics Limited is Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L24110MH1981PLC024742. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the business of manufacturing of Camphor, Resin and Sodium Acetate. The Company has a strong foothold in the pine chemicals Industry. The principal place of business of the Company is at Kumbhivali, Maharashtra. The Company caters to both domestic and international markets.

Note – 1

1. Significant Accounting Policies:-

Basis of Preparation of Financial Statements:-

The consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The consolidated Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The Company’s presentation and functional currency is Indian Rupees (Rs.). All figures appearing the financial statements are rounded off to the Rupee, except where otherwise indicated.

Principles of Consolidation

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent’s investment in subsidiary companies are offset (eliminated) against the parent’s portion of equity in the subsidiaries.

1.1 Authorization of Financial Statements:-

The preparation of Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue,

expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amounts of the assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

- Assessment of functional currency;
- Financial instruments;
- Estimates of useful lives and residual value of Property, Plant and Equipment and Intangible assets;
- Valuation of Inventories
- Measurement of Defined Benefit Obligations and actuarial assumptions;
- Provisions;
- Evaluation of recoverability deferred tax assets; and
- Contingencies.

Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

1.2 Property, Plant and Equipment

- 1.2.1 Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- 1.2.2 The initial costs of an asset comprises its purchase price or construction costs (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- 1.2.3 Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- 1.2.4 Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventoried on procurement and charged to Statement of Profit and Loss on consumption.
- 1.2.5 An item of Property, Plant and Equipment and any significant part initially recognized separately as part of Property, Plant and Equipment is de-recognized upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is de-recognized.



1.2.6 The residual values and useful lives of Property, Plant and Equipment are reviewed at each financial year end and changes, if any are accounted in line with revisions to accounting estimates.

1.2.7 Cost of assets not ready for use at the balance sheet date is disclosed under Capital Work-in-Progress. Expenditure during Construction period is included under Capital Work-in-Progress & the same is allocated to the respective Property, Plant and equipment on the completion of its Construction.

1.3. Depreciation

Depreciation on Property, Plant and Equipment are provided on straight line basis, over the estimated useful lives of assets (after retaining the estimated residual value of 5%). These useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

1.3.1 Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment.

1.3.2 Depreciation on spare parts specific to an item of Property, Plant and Equipment is based on life of the related Property, Plant and Equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment.

1.3.3 Depreciation is charged on additions/deletions on pro-rata daily basis of addition/deletion.

1.4 Intangible Assets

1.4.1 Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any.

1.5 Investment Property

1.5.1 Investment property is property (land or a building – or part of building – or both) held either to earn rental income or a capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

1.5.2 Any gain or loss on disposal of investment property calculated as the difference between the net proceeds and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

1.6 Borrowing Costs

1.6.1 Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.6.2 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of

such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.7 Impairment of Non-financial Assets

1.7.1 Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the assets or Cash-Generating Units (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

1.7.2 When 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.

1.8 Inventories

1.8.1 The cost for the purpose of valuation of goods is arrived at on FIFO basis and includes estimated Cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

The mode of valuing closing stock is as under:

→ Raw Materials, Packing goods and General Stores are valued at cost or net realizable value, whichever is less, excluding CENVAT, and VAT/GST credit, by FIFO method.

→ Work-in-Process is valued at raw material cost plus estimated overheads or net realizable value; whichever is less but excluding CENVAT, VAT/GST credit.

→ Finished Goods valued at cost including estimated overheads or net realizable value whichever is less.

1.8.2 Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.9 Revenue Recognition

1.9.1 Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of the ownership of the goods have passed to the buyer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Company.

Revenue from sale of goods excludes GST and is measured

at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, net of returns, taxes or duties collected on behalf of the government.

Export Sales are accounted for on the basis of the date of Bill of Lading.

1.9.2 Interest income is recognized using Effective Interest Rate (EIR) method.

1.10 Classification of Income/ Expenses

1.10.1 Incomes and expenditures are recognized on accrual basis except in case of significant uncertainty like claims payable & receivable, which have been accounted on acceptance basis. Purchases are reported of net of trade discounts, returns and GST (to the extent refundable/ adjustable)

1.11 Employee benefits

1.11.1 Short term employment benefits

Short term employee benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

1.11.2 Defined Contribution Plans

→ **Employee's Family Pension:**

The Company has Defined Contribution Plan for Post-employment benefits in the form of family pension for all eligible employees, which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligation beyond its monthly contributions.

→ **Provident Fund:**

The Company has Defined Contribution Plan for Post-employment benefits in the form of Provident Fund for all eligible employees; which is administered by the Regional Provident Fund Commissioner and is charged to revenue every year. Company has no further obligations beyond its monthly contributions.

1.11.3 Defined Benefit Plans

→ **Gratuity:**

The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees. Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

→ **Compensated Absences :**

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the Defined Benefit obligation is calculated taking into account all types of the increment, salary growth, attrition rate and qualifying salary projected up to the assumed date of encashment.

1.11.4 Termination Benefits:

→ Termination benefits are recognised as an expense as and when incurred.

1.11.5 The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

1.11.6 The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

1.11.7 Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

1.11.8 Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

1.12 Foreign Currency Transactions

1.12.1 Monetary Items

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.



1.12.2 Non – Monetary items:

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 initial transactions.

1.13 Provisions, Contingent Liabilities and Capital Commitments

1.13.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.13.2 The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

1.13.3 Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

1.13.4 Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.14 Fair Value measurement

1.14.1 The Company measures certain financial instruments at fair value at each reporting date.

1.14.2 Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

1.14.3 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

1.14.4 The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

1.15 Financial Assets

1.15.1 Initial recognition and measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

1.15.2 Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss.

1.15.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (“ECL”) model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI.

Loss allowances on trade receivables are measured following the ‘simplified approach’ at an amount equal to the lifetime ECL at each reporting date. The application of simplified approach does not require the Company to track changes in credit risk. Based on the past history and track records the Company has assessed the risk of default by the customer and expects the credit loss to be insignificant. In respect of other financial assets such as debt securities and bank balances, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

1.16 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, or to realise the assets and settle the liabilities simultaneously.

1.17 Taxes on Income

1.17.1 Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.17.2 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.18 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.19 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-

current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.20 Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax 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 are segregated.

NOTES TO ACCOUNTS

24. Contingent liabilities - Not provided for in respect of

| | 31st March 2024 (₹) | 31st March 2023 (₹) |
|----------------|------------------------|------------------------|
| Bank Guarantee | 2,17,26,860 | 4,13,55,160 |

Bank guarantees issued by banks on behalf of the Company ₹ 217.26 Lacs (Previous Year ₹ 413.55 Lacs). These are secured by the charge created in favour of the Company's bankers by way of pledge of Fixed Deposit Receipts.

- II. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹ NIL (P.Y. ₹ NIL)
- III. Letter of credit issued by the bankers of the Company ₹ 60,78,64,440/- (P.Y. ₹ 98,60,29,659/-)
- IV. The Company has cleared 19 MT of Pentaerythritol against Bill of Entry No. 616414 dated 20.10.2005. The custom department had asked the Company to pay ₹ 2,16,772/- on account of Anti Dumping Duty for clearance of the said goods as per Notification No. 93/2005 of customs issued on 20.10.2005 wherein the said goods were covered for levy of anti dumping duty imported from certain countries. The Company has deposited the said amount on 25.11.2008 as per CESTAT order no. S/603/WAB/MUM/2008/CSTB/CII dated 20.10.2008, but no provision has been made in books of accounts as the management is of the view that the consignment will not be covered under the notification, as on date of clearance of the goods the notification was not published in Gazette of India. Further, the said appeal has been upheld in CESTAT & remanded back to the learned adjudicating authority.



25. Segment reporting

The Company is mainly engaged in the business of Manufacturing of Chemicals. Considering the nature of business and financial reporting of Company, the Company has only one segment viz “Chemicals” product as reportable segment. The Company operates in Local/Export segment geographically of which the exports have amounted to ₹ 3,698.24 Lakhs (P.Y. ₹ 5,589.97 Lakhs) out of Total Turnover of ₹ 49,351.96 Lakhs (P.Y. ₹ 49,252.62 Lakhs). But due to the nature of business, the assets/ liabilities and expenses for these activities cannot be bifurcated separately.

26. Earnings per share (EPS)

| Sl. No. | Description | 31st March 2024 | 31st March 2023 |
|---------|--|-----------------|-----------------|
| a) | Weighted average number of equity Shares of Rs.10/- each | | |
| | i) Number of shares at the Beginning of the year | 85,64,440 | 85,64,440 |
| | ii) Number of shares at the End of the year | 85,64,440 | 85,64,440 |
| | Weighted average number of Equity Shares – Basic | 85,64,440 | 85,64,440 |
| | Weighted average number of Equity Shares – Diluted | 85,64,440 | 85,64,440 |
| b) | Net Profit after tax available for Equity share-holders | 4,21,65,862 | (27,09,35,794) |
| c) | - Basic Earnings per Equity Share (in Rupees) | 4.92 | (31.63) |
| | - Diluted Earning per Equity Share (in Rupees) | 4.92 | (31.63) |

27. Related parties' disclosure as per Ind AS-24- Related Party Disclosures “(Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2015.):

[A] Key Management Personal (KMP) and their Relatives

| | |
|---------------------------|-----------------------------|
| Kamalkumar R. Dujodwala | Chairman |
| Pannkaj R. Dujodwala | Managing Director |
| Akshay Dujodwala | Son of Chairman |
| Mrs. Manisha P. Dujodwala | Spouse of Managing Director |
| Mrs. Alka K Dujodwala | Spouse of Chairman |

[B] Companies /Firm controlled by Directors/Relatives who have the authority and controlling their activities.

- Balaji Pine Chemicals Ltd
- Speciality Chemicals,
- Chemexcil Corporation
- Dujodwala Resin & Terpenes Ltd.
- Tradechem Organics Limited
- Dujodwala Exports Pvt. Ltd.
- Mangalam Brands Private Limited – Wholly Owned Subsidiary Company
- Pine Forest Products & Investment Pvt. Ltd.
- Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company
- Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company
- Infinity Enterprises
- The Directors are the Key Management Personal (KMP) who has the authority and controlling the activities of the Company.

[C] Information on related party transactions as required by Ind AS-24 for the year ended 31st March 2024

| Nature of transactions | Relationship | Total ₹ In Lakhs | |
|-------------------------|--------------------------|------------------|---------------|
| | | 2023-2024 | 2022-2023 |
| Remuneration | | | |
| Kamalkumar R. Dujodwala | Key management personnel | 300.00 | 300.00 |
| Pannkaj Dujodwala | Key management personnel | 300.00 | 300.00 |
| Akshay Dujodwala | Key management personnel | 360.00 | 360.00 |
| TOTAL | | 960.00 | 960.00 |

| Name of party | Nature of transaction | Amount in Lakhs | |
|---|---|-----------------|-----------|
| | | 2023-2024 | 2022-2023 |
| Details of transactions: | | | |
| Mrs. Alka K Dujodwala | Rent for office premises | 0.60 | 0.60 |
| Akshay Dujodwala | Land purchase | - | 213.68 |
| Akshay Dujodwala | Professional fees | - | 1.50 |
| Mrs. Alka K Dujodwala | Rent for house accommodation for Director | 276.00 | 285.02 |
| Dujodwala Resin & Terpenes Ltd. | Purchase of goods and services | - | 26.78 |
| Infinity Enterprises | Purchase of goods and services | 252.86 | - |
| Dujodwala Resin & Terpenes Ltd. | Rent paid for office premises | 1.20 | 0.60 |
| Tradechem Organics Limited | Purchase of goods and services | 18.76 | 213.32 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Sale of goods | 7154.18 | 6700.36 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Unsecured loan given during the year | - | 997.24 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 129.72 | 91.55 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Purchase of goods and services | 177.44 | 792.76 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Unsecured loan given during the year | 47.66 | 347.10 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 40.05 | 13.78 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Interest recovered on unsecured loan | 2.53 | - |

| Closing balances: | | 2023-2024 | 2022-2023 |
|---|---|-----------|-----------|
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Equity investments | 10.00 | 10.00 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Equity investments | 5.00 | 5.00 |
| Mrs. Alka K Dujodwala | Security deposit | 150.00 | 150.00 |
| Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 30.87 | 28.35 |
| Tradechem Organics Limited | Receivable | - | 3.08 |
| Dujodwala Resin & Terpenes Ltd. | Deposit/advance given against commercial property | 914.10 | 879.44 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Corporate guarantee | 3800.00 | 3800.00 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 1500.00 | 1500.00 |
| Mangalam Brands Private Limited – Wholly Owned Subsidiary Company | Trade Receivable | 3077.07 | 1598.17 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Equity investments | 9.00 | 9.00 |
| Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company | Unsecured loans | 525.70 | 348.32 |

Note:- Related party relationship is as identified by the Company and relied upon by the Auditors.



28. Disclosure in accordance with Ind AS - 19 on “Employee Benefits”

The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

| | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Employers Contribution to Provident Fund | 1,33,13,184 | 1,12,80,907 |

(ii) Defined Benefit Plan

Gratuity Fund:

| a. Major Assumptions | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|------------------------|--------------------------------------|--------------------------------------|
| | (% p.a.) | (% p.a.) |
| Discount Rate | 7.20 | 7.35 |
| Salary Escalation Rate | 5.00 | 5.00 |
| Attrition Rate | 2.00 | 2.00 |

@ The estimates for the future salary increase considered takes into account the Inflation, seniority, promotion and other relevant factors.

| b. Change in the Present Value of Obligation | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Opening Present Value of Obligation | 3,65,72,540 | 3,50,61,121 |
| Current Service Cost | 26,98,916 | 26,18,562 |
| Interest Cost | 22,29,396 | 20,06,537 |
| Benefit Paid | (34,28,556) | (13,58,789) |
| Past Service Cost | - | - |
| Actuarial Loss on Obligations | 10,18,691 | (17,54,891) |
| Closing Present Value of Obligation | 3,90,90,987 | 3,65,72,540 |

| c. Change in Fair Value of Plan Assets | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Opening Present Value of Plan Assets | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial (Loss) on Plan Assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Closing Present Value of Plan Assets | - | - |

| d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Present value of Funded Obligation as at March 31, 2024 | - | - |
| Fair Value of Plan Assets as at March 31, 2024 | - | - |
| Funded Status | - | - |
| Present Value of Unfunded Obligation as at March 31, 2024 | 3,90,90,987 | 3,65,72,540 |
| Unfunded Net Liability Recognized in the Balance Sheet Disclosed in provisions | 3,90,90,987 | 3,65,72,540 |

| e. Amount Recognized in the Balance Sheet | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|--|--|--|
| Present Value of Obligation as at March 31, 2024 | 3,90,90,987 | 3,65,72,540 |
| Fair Value of Plan Assets as at March 31, 2024 | - | - |
| Liability Recognized in the Balance Sheet and disclosed under provisions | 3,90,90,987 | 3,65,72,540 |

| f. Expenses Recognized in the Statement of Profit and Loss | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Current Service Cost | 26,98,916 | 26,18,562 |
| Interest Cost | 22,29,396 | 20,06,537 |
| Expected Return on Plan Assets | - | - |
| Past Service Cost | - | - |
| Total expenses Recognized in the Statement of Profit and Loss | 49,28,312 | 46,25,099 |
| Actual Return on Plan Assets | Nil | Nil |

| g. Other Comprehensive Income for the year | For the year ended March 31, 2024 (₹) | For the year ended March 31, 2023 (₹) |
|---|--|--|
| Components of actuarial gain/losses on obligations: | | |
| - Due to Change in financial assumptions | 3,16,238 | (13,34,882) |
| - Due to experience adjustments | 7,02,453 | (4,20,009) |
| - Due to change in demographic assumptions | - | - |
| - Return on plan assets excluding amounts included in interest income | - | - |
| Amounts recognized in Other Comprehensive Income | 10,18,691 | (17,54,891) |

Sensitivity Analysis

| Particulars | year ended March 31, 2024 (₹) | year ended March 31, 2023 (₹) |
|---|--------------------------------------|--------------------------------------|
| Projected Benefit Obligation on Current Assumptions | 3,90,90,987 | 3,65,72,540 |
| Delta Effect of +0.5% Change in Rate of Discounting | - 10,31,227 | - 9,53,833 |
| Delta Effect of -0.5% Change in Rate of Discounting | 10,99,244 | 10,16,742 |
| Delta Effect of +0.5% Change in Rate of Salary Increase | 10,32,590 | 9,48,358 |
| Delta Effect of -0.5% Change in Rate of Salary Increase | - 9,66,494 | - 8,96,130 |
| Delta Effect of +0.5% Change in Rate of Employee Turnover | 1,04,314 | 1,03,516 |
| Delta Effect of -0.5% Change in Rate of Employee Turnover | - 1,06,905 | - 1,06,087 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

iii) Defined Benefit Plan for Leave Encashment Benefits

Valuation Method

The method of Valuation adopted was the Projected Unit Credit Method as specified in Ind AS-19.

Valuation Results

Actuarial Value of Leave Encashment Benefits as on 31st March, 2024 ₹ 24,91,168/-

| | | |
|--------------------|-----------------------|---------------|
| Break-up of above: | Current Liability | ₹ 1,22,207/- |
| | Non-Current Liability | ₹ 23,68,961/- |

29. Expenditure in Foreign Currency on account of

| | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|-----------------------------------|----------------------------------|-----------------------------------|
| - Raw Material (CIF) | 20,225.60 | 23323.03 |
| - Traveling Expenses | 11.81 | 34.11 |
| - Brokerage and Commission | 5.53 | 7.09 |
| - Membership and Consultancy Fees | 8.82 | 21.87 |
| - Stores and Spares | - | 4.29 |



30. Earning in Foreign Currency on account of

| | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|---------------------------|---------------------------|----------------------------|
| Exports made on FOB Basis | 3,448.99 | 5056.01 |

31. The balance of Sundry Debtors, Sundry Creditors, Loans & Advances and others are shown net of advances from/to Customers/Suppliers of the same party and are as per books and subject to confirmations and reconciliation if any.
32. In the opinion of the Board and to the best of their knowledge the value of realization of current assets, loans & advances in the ordinary course of business, would not be less than the amount at which they are stated in the Balance Sheet.
33. Payments to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information, there is no overdue payable to MSME units beyond the period specified in Micro, Small and Medium Enterprises Development Act, 2006

34. Corporate Social Responsibility

Expenditure related to Corporate Social Responsibility is ₹ Nil (Previous Year ₹ 167.44 Lakhs).

Details of Amount spent towards CSR given below:

| Particulars | Current Year (₹ In Lakhs) | Previous Year (₹ In Lakhs) |
|---|---------------------------|----------------------------|
| Setting of homes for women and orphans, for education and healthcare, etc. | - | 107.00 |
| Education, Health & Nutrition for Girl Child | - | 0.25 |
| Education, Medical Relief and Advancement of any other objects of general public utility | - | 28.00 |
| Education & Literacy, Environment & Forests, Health & Family Welfare, Human Rights, Legal Awareness & Aid, Panchayati Raj | - | 32.00 |
| Promoting education by providing general construction work at a School | - | 0.19 |
| Total:- | - | 167.44 |

35. Income Tax Expense

- a) This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by nonassessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.
- i) Income tax related to items recognised directly in profit or loss of the Statement of Profit and Loss:

| Particulars | Year Ended March 31, 2024 (₹) | Year Ended March 31, 2023 (₹) |
|---|-------------------------------|-------------------------------|
| Current tax | | |
| Current tax on profits for the year* | - | - |
| Adjustments for current tax of prior periods | (1,40,30,145) | 1,50,31,389 |
| Current tax (A) | - | - |
| Deferred tax | 1,10,29,409 | (8,03,78,115) |
| (Increase)/Decrease in deferred tax assets# | 61,66,864 | 10,63,73,905 |
| (Decrease)/increase in deferred tax liabilities | 1,71,96,273 | 2,59,95,790 |
| Deferred tax (B) | 1,10,29,409 | (8,03,78,115) |
| Income tax expense charged to profit or loss | - | - |
| (C) = (A) + (B) | (30,00,736) | (6,53,46,726) |

- ii) Deferred tax related to items recognized in other comprehensive income (OCI):

| Particulars | Year Ended March 31, 2024 (₹) | Year Ended March 31, 2023 (₹) |
|--|-------------------------------|-------------------------------|
| Current tax | | |
| Deferred tax on remeasurement gains/(losses) on defined benefit plan | 2,33,959 | (4,41,671) |
| Adjustments for current tax of prior periods | - | - |
| Current tax (A) | - | - |
| Deferred tax | 2,33,959 | (4,41,671) |

Amount in (₹)

36. Financial Ratios

| Sl. No. | Ratios | Numarator | Year ended 31st March 2024 | Year ended 31st March 2023 | Denominator | Year ended 31st March 2024 | Year ended 31st March 2023 | Year ended 31st March 2024 | Year ended 31st March 2023 | % Variance |
|---------|--|---|----------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|------------|
| A | Current ratio (in times) | Current Assets | 2,25,09,74,346 | 2,63,62,71,321 | Current Liabilities | 1,80,87,78,539 | 1,86,22,83,922 | 1.24 | 1.42 | -12.09% |
| B | Debt equity ratio (in times) | Total Debt | 2,04,82,67,170 | 2,30,24,43,003 | Total Equity | 2,80,59,59,621 | 2,75,75,23,443 | 0.73 | 0.83 | -12.58% |
| C | Debt service coverage ratio (in times) | "Profit before exceptional items & tax (+) interest expenses (+) depreciation & amortisation (-) current tax expense" | 39,44,14,432 | (2,42,72,691) | "Interest expense (+) scheduled principal repayment of longterm debt and lease liabilities during the period" | 32,17,29,590 | 29,08,76,585 | 1.23 | (0.08) | -1569.10% |
| D | Return on equity ratio (%) (ROE) | "Net Profits after taxes (including continuing and discontinuing operations) (-) Interest on Perpetual securities" | 4,21,65,862 | (27,09,35,794) | Average Shareholder's Equity | 2,78,17,41,532 | 2,89,91,17,170 | 1.52 | (9.35) | -116.22% |
| E | "Inventory turnover ratio (in number of days)" | Average inventories (x) number of days | 1,62,56,25,496 | 2,16,64,92,295 | Cost of material consumed | 2,58,93,46,934 | 4,09,40,99,005 | 229.15 | 193.15 | 18.64% |
| F | "Trade receivables turnover ratio (in number of days)" | "Average receivable (x) number of days" | 51,75,25,124 | 45,78,59,871 | Gross Sales | 4,93,51,96,033 | 4,92,52,61,555 | 38.28 | 33.93 | 12.80% |



Amount in (₹)

| Sl. No. | Ratios | Numerator | Year ended 31st March 2024 | Year ended 31st March 2023 | Denominator | Year ended 31st March 2024 | Year ended 31st March 2023 | Year ended 31st March 2024 | Year ended 31st March 2023 | % Variance |
|---------|---|---|----------------------------|----------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|------------|
| G | "Trade payables turnover ratio (in number of days)" | Average trade payable (x) number of days | 28,35,83,923 | 32,78,34,993 | Net credit purchases | 2,42,18,34,855 | 2,87,69,46,771 | 42.74 | 41.59 | 2.76% |
| H | Net capital turnover ratio (in times) | Revenue from operation | 4,93,51,96,033 | 4,92,52,61,555 | Working capital = Current assets (-) Current liabilities | 44,21,95,807 | 77,39,87,399 | 11.16 | 6.36 | 75.39% |
| I | Net profit ratio | Net Profit after Tax (excluding exceptional item) | 4,21,65,862 | (27,09,35,794) | Revenue | 4,93,51,96,033 | 4,92,52,61,555 | 0.85% | -5.50% | -115.53% |
| J | "Return on capital employed (%) (ROCE)" | | | | | | | | | |
| (i) | Pre Tax | "Profit before tax and exceptional item (+) interest expense" | 19,60,56,326 | (19,97,19,120) | "Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)" | 4,53,68,32,856 | 4,66,22,71,538 | 4.32% | -4.28% | -200.88% |
| (ii) | Post Tax | "Profit after tax and exceptional item + interest expense" | 19,83,61,430 | (13,30,59,174) | "Average Capital employed (Shareholder's equity + Total Debt + Deferred tax liability)" | 4,53,68,32,856 | 4,66,22,71,538 | 4.37% | -2.85% | -253.20% |
| K | Return on investment (%) (ROI) | Interest income (+) Dividend income | 34,37,652 | 2,95,619 | Average (Investment + Fixed deposit+ Loans Given) | 70,99,302 | 63,20,861 | 48.42% | 4.68% | 935.36% |

37. Fair Value Measurements

Financial instruments by category:

| Financial assets | Note | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------|---------------------|---------------------|---------------------|---------------------|
| | | Amortised cost | FVTPL | Amortised cost | FVTPL |
| Trade receivables | | 56,01,51,689 | 56,01,51,689 | 47,48,98,558 | 47,48,98,558 |
| Margin money deposits with banks | | 12,95,861 | 12,95,861 | 12,95,861 | 12,95,861 |
| Cash and cash equivalents | | 1,74,10,277 | 1,74,10,277 | 1,07,92,299 | 1,07,92,299 |
| Bank balances other than cash and cash equivalents above | | 45,08,770 | 45,08,770 | 37,40,277 | 37,40,277 |
| Security deposits | | 8,54,37,598 | 8,54,37,598 | 10,04,63,387 | 10,04,63,387 |
| Non-current investment | | 30,25,000 | 30,25,000 | 30,25,000 | 30,25,000 |
| Total financial assets | | 67,18,29,195 | 67,18,29,195 | 59,42,15,382 | 59,42,15,382 |

| Financial Liabilities | Note | As at 31 March 2024 | | As at 31 March 2023 | |
|------------------------------------|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Amortised cost | FVTPL | Amortised cost | FVTPL |
| Borrowings | | 1,73,08,73,235 | 1,73,08,73,235 | 1,90,47,48,095 | 1,90,47,48,095 |
| Trade payables | | 23,63,34,789 | 23,63,34,789 | 33,08,33,056 | 33,08,33,056 |
| Unclaimed dividend | | 17,29,034 | 17,29,034 | 17,39,660 | 17,39,660 |
| Total financial liabilities | | 1,96,89,37,058 | 1,96,89,37,058 | 2,23,73,20,811 | 2,23,73,20,811 |

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV), NAV represents the price at which, the issuer will issue further units and will redeem such units of mutual funds to and from the investors.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

There are no internal transfers of financial assets and financial liabilities between Level 1, Level 2, and Level 3 during the period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed | As at 31 March 2024 | | | As at 31 March 2023 | | |
|---|---------------------|---------|----------------|---------------------|---------|----------------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Margin money deposits with banks | | | 12,95,861 | | | 12,95,861 |
| Security deposits | | | 8,54,37,598 | | | 10,04,63,387 |
| Non-current investment | | | 30,25,000 | | | 30,25,000 |
| Financial liabilities | | | | | | |
| Borrowings | | | 1,73,08,73,235 | | | 1,90,47,48,095 |



The carrying amounts of trade receivables, cash and cash equivalents, fixed deposit having maturity period upto 12 months and its interest accrued, export benefits receivable, current loans, current borrowings, trade payables and other financial liabilities are considered to be approximately same as their value, due to the short-term maturities of these financial assets/liabilities.

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

38. Capital Management

Risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company determines the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other long-term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

For the purpose of the Company's capital management, equity includes paid up capital, securities premium and other reserves. Net debt are long term and short term liabilities. The Company's strategy is to maintain a gearing ratio within 2:1.

The capital composition is as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Gross debt (inclusive of long term and short-term liabilities) | 2,04,82,67,170 | 2,30,24,43,003 |
| Total equity | 2,80,59,59,621 | 2,75,75,23,443 |
| Net debt to equity ratio | 0.73 | 0.83 |

39. Financial Risk Management

The Company's activities are exposed to market risk, liquidity risk and credit risk which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

| Risk | Exposure arising from | Measurement | Management |
|------------------------------|--|--|---|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Ageing analysis | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk-foreign exchange | Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee | Cash flow forecasting Sensitivity analysis | Forward Foreign Exchange Contracts |

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. Company's treasury team identifies, evaluates and hedges financial risks in close cooperation with the Company's respective department heads. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and nonderivative financial instruments, and investment of excess liquidity.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, investments in mutual funds, foreign exchange transactions and other financial instruments. The credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. To manage this, the Company periodically assesses the financial reliability of counter party, taking into account the financial condition, current economic trends, analysing the risk profile of the counter party and the analysis of historical bad debts and ageing of accounts receivable etc. Individual risk limits are set accordingly.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant

increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees

None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represent the maximum credit risk. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

i) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. Credit risk is managed through credit approvals, establishing credit limits, payment track record, monitoring financial position of the customer and other relevant factors. Outstanding customer receivables are regularly monitored and reviewed.

The Company evaluates the concentration of risk with respect to trade receivables as limited, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The exposure to customers is diversified and no substantial concentration of risk as no single customer contributes more than 10% of revenue and of the outstanding receivables. Sales made in domestic market predominantly are through agents appointed by the Company, the agents being del credere agents most of the credit risk emanating thereto is borne by agents and the Company's exposure to risk is limited to sales made to customers directly. In case of direct sale, the Company has a policy of dealing only with credit worthy counter parties. The credit risk related to such sales are mitigated by taking advance, security deposit, letter of credit, setting and monitoring internal limits on exposure to individual customers as and where considered necessary.

An impairment analysis which includes assessment for indicators of impairment is performed at each reporting date on an individual basis for all major customers and provision for impairment taken. The allowance reduces the net carrying amount.

ii) Financial Instruments and Cash Deposits

The Company maintains exposure in Cash and Cash equivalents, term deposits with banks and investments in mutual funds, the same is done after considering factors such as track record, size of the institution, market reputation and service standards. Generally, the balances are maintained with the institutions from whom the Company has also availed borrowings. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit risk and concentration of exposure are actively monitored by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

iii) The ageing analysis of the trade receivables (other than due from related parties) has been considered from the date the Invoice falls due.

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations, by delivering cash or other financial assets, on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade and other payables, derivative instruments and other financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash and drawable reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The Company regularly monitors liquidity position through rolling forecast based on estimated free cash flow generated from business. The Company invests its surplus funds in bank fixed deposits and liquid schemes of mutual funds, which carry no/negligible mark to market risks.



i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Floating rate | | |
| - Expiring within one year (Packing credit, cash credit, post shipment credit and term loans) | 63,8186,711 | 28,29,85,135 |
| - Expiring beyond one year (Term Loans) | Nil | Nil |

The working capital facilities may be drawn at any time and may be terminated by the bank without notice.

ii) Maturities of Financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows:

As at March 31, 2024

| | Less than 1 year | Between 1 and 5 years | Beyond 5 years | Total |
|--|-----------------------|-----------------------|----------------|-----------------------|
| Maturities of non – derivative financial liabilities | | | | |
| Long term borrowings | 16,55,34,022 | 20,80,18,769 | | 37,35,52,791 |
| Short term borrowings | 1,35,73,20,444 | - | | 1,35,73,20,444 |
| Interest accrued and not due | - | - | | - |
| Lease liabilities | - | - | | - |
| Trade payables | 23,63,34,789 | - | | 23,63,34,789 |
| Other financial liabilities | 17,29,034 | - | | 17,29,034 |
| Total | 1,76,09,18,289 | 20,80,18,769 | | 1,96,89,37,058 |

As at March 31, 2023

| | Less than 1 year | Between 1 and 5 years | Beyond 5 years | Total |
|--|-----------------------|-----------------------|----------------|-----------------------|
| Maturities of non – derivative financial liabilities | | | | |
| Long term borrowings | 15,29,99,965 | 41,47,33,263 | | 56,77,33,228 |
| Short term borrowings | 1,33,70,14,867 | - | | 1,33,70,14,867 |
| Interest accrued and not due | - | - | | - |
| Lease liabilities | - | - | | - |
| Trade payables | 33,08,33,056 | - | | 33,08,33,056 |
| Other financial liabilities | 17,39,660 | - | | 17,39,660 |
| Total | 1,82,25,87,548 | 41,47,33,263 | | 2,23,73,20,811 |

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity or commodity prices will affect the Company's income/cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of postemployment benefit obligations provisions and on the non-financial assets and liabilities. Financial instruments affected by market risk include receivables, loans and borrowings, advances, deposits, investments and derivative financial instruments. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

The Company's activities expose it to risks on account of changes in foreign currency exchange rates and interest rates.

The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract as a risk management strategy to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign currency risk

Currency risk is the risk that the fair value of a financial instrument or future cash flows fluctuate because of changes in market price of the functional currency. The Company is exposed to foreign exchange risk on their receivables and payables which are mainly held in the United State Dollar (“USD”), the Euro (“EUR”) and British Pound (“GBP”). Consequently, the Company is exposed primarily to the risk that the exchange rate of the Indian Rupees (“Rs.”) relative to the USD, the EUR, and the GBP may change in a manner that has a material effect on the reported values of the Company’s assets and liabilities that are denominated in these foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policy wherein exposure is identified, a benchmark is set and monitored closely for suitable hedges, including minimizing cross currency transactions, using natural hedge and the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

40. Relationship with Struck off Companies

| Sr. No. | Name of struck off Company | Nature of transactions with struck off Company | Transaction during the year ended March 31, 2024 | Balance outstanding as on March 31, 2024 | Balance outstanding as on March 31, 2023 | Relationship with the Struck off Company |
|---------|--|--|--|--|--|--|
| 1 | Shree Vansh Marine & Logistics Pvt. Ltd. | Purchase of services | - | - | 1,416 | Creditor |

41. The Code on Social Security, 2020

The Code on Social Security 2020 (‘Code’) has been notified in the Official Gazette on September 29, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

42. Other Statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) 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 to or on behalf of the Ultimate Beneficiaries.
- (v) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (vi) The Company does not have 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).

43. Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.



44. Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on May 30, 2024.

As per Annexed Report of Even Date

NGST & Associates

Chartered Accountants
Firm Reg. No. 135159W

Sd/-

Bhupendra Gandhi

Partner

Mem. No. 122296

Place: Mumbai

Dated: May 30, 2024

For and on behalf of Board of Directors

Sd/-

Kamalkumar Dujodwala

Chairman

DIN- 00546281

Sd/-

Pannkaj Dujodwala

Managing Director

DIN- 00546353

Sd/-

Shrirang V. Rajule

Chief Financial Officer

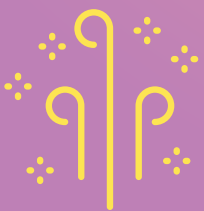
Sd/-

Nitin Kore

Company Secretary



Bring home peace,
purity and prosperity



Refreshing
Fragrance



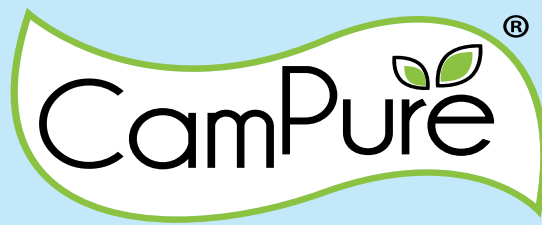
Mosquito
Repellent



Dispels
Negativity



Enhances
Concentration



— Goodness of Camphor —
Fragrance in your car

SANDALWOOD

ROSE

LAVENDER

ORIGINAL

MOGRA

JASMINE

BHIMSENI



100%
Organic



Elevates
Mood



Repels
Mosquitoes



Refreshing
Fragrance

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