

**WORLDS LARGEST  
MANUFACTURER**



**CAMPHOR**



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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.

**WORLDS LARGEST  
MANUFACTURER**



**CAMPHOR**



***Evolution is a process  
of constant branching  
and expansion***

**Stephen Jay Gould**

We are a product of the choices we make,  
not of the circumstances that we face.

Only in new production can the standard  
of living be increased and the economy  
be sound. The best hope of raising our  
own standards lies in the progressive  
expansion of production.

Our capacity for production & utilization  
is a function of our character and integrity.

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

# About Mangalam Organics Limited



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



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



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.



### Terpene Chemistry

Camphor, Dipentene, Sodium Acetate, Isobornyl Acetate, Isborneol

### Synthetic Resins

Terpene Phenolic, Alkyl Phenolic, Rosin-based Resins

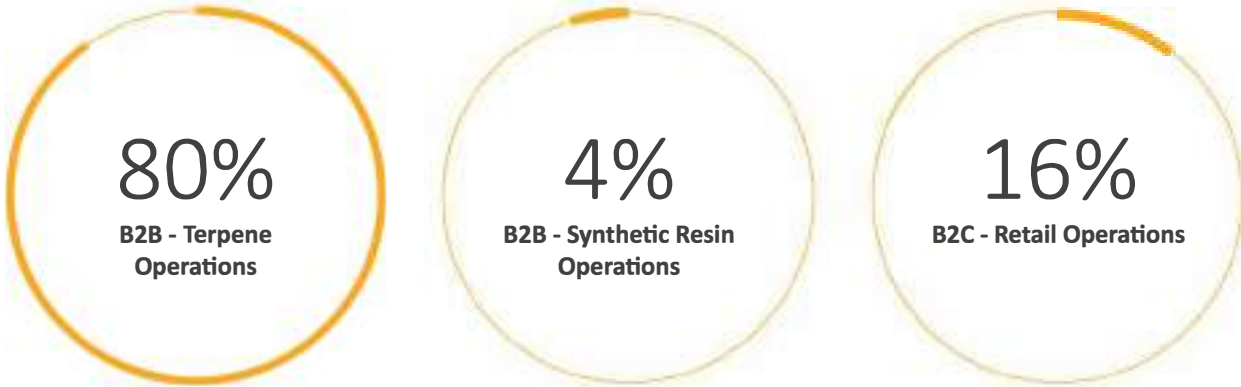


To continue to strive and innovate to meet the growing requirements of our valued customers.

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 Eastern and South East Asian countries.

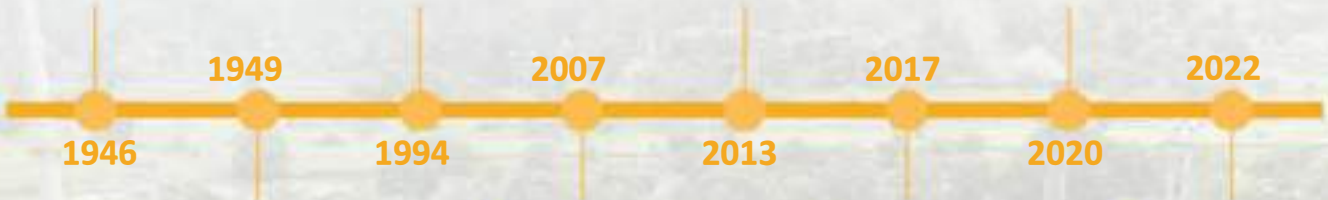


## Our revenue break-up



## Our Journey of Evolution

- Late Ramgopal Dujodwala (founder of Mangalam Organics Ltd.) commenced trading in Rosin
- Facility built for manufacture of Camphor and MOL listed on BSE Limited
- Commenced manufacturing and retailing of Mangalam Camphor Tablets
- Established Mangalam Brands Private Limited to focus on Brands 'Mangalam' and 'Campure'



- 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

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

- Commenced manufacturing and retailing of Mangalam Camphor Tablets
- Commenced manufacturing and retailing of Mangalam Camphor Tablets

- Established Mangalam Brands Private Limited to focus on Brands 'Mangalam' and 'Campure'
- Successfully completed the expansion to manufacture ~10,000 MT of camphor

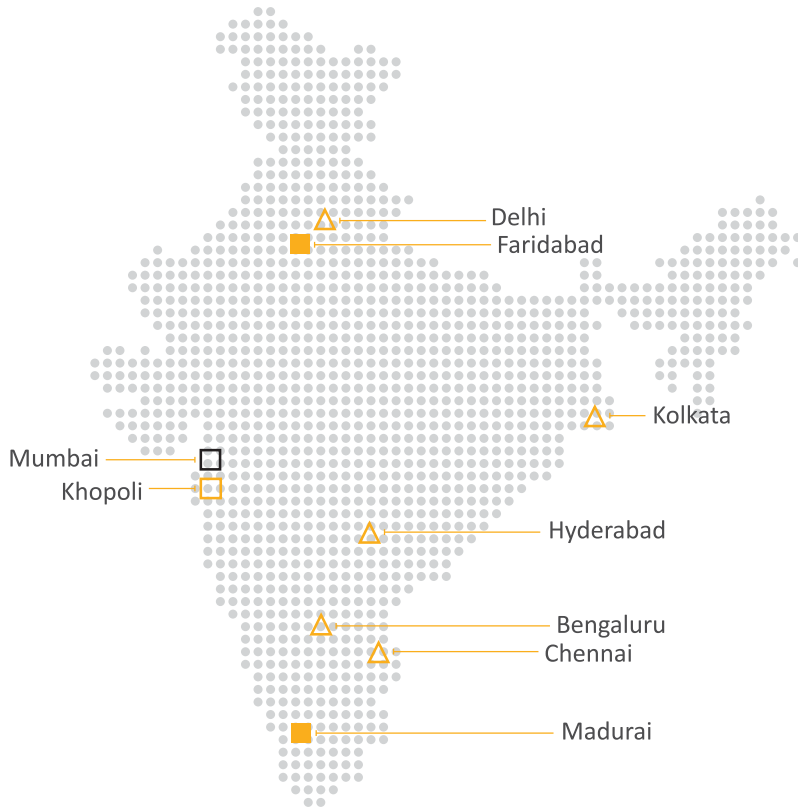
# Our Products and Application Areas

Business Segments	Products	Applications
<b>B2B - Terpene</b>	<ul style="list-style-type: none"> <li>• Camphor</li> <li>• Dipentene</li> <li>• Sodium Acetate</li> <li>• Isobornyl Acetate,</li> <li>• Isoborneol</li> </ul>	<p><b>Camphor:</b> Religious use, healthcare products, hygiene products</p> <p><b>Dipentene:</b> Paints, cleaning and degreasing agents</p> <p><b>Sodium Acetate:</b> Textile and dyes industry, Leather tanning</p>
<b>B2B - Synthetic Resin</b>	<ul style="list-style-type: none"> <li>• Terpene Phenolic Resin</li> <li>• Alkyl Phenolic Resin</li> <li>• Rosin Esters</li> </ul>	Adhesives, Tyres, Rubbers, Chewing Gum, Printing Ink
<b>B2C - Retail Operations</b>	<ul style="list-style-type: none"> <li>• CamPure - Homecare and personal care products based on Camphor</li> <li>• Mangalam – Camphor tablets for pious uses and Bhimseni Camphor for Aroma therapy</li> <li>• Private Labelling Initiatives</li> </ul>	





# Our Sales Network



Pin Codes serviced from e-Commerce orders

**FY2020**  
**3,700**

**FY2021**  
**9,000**

**FY2022**  
**12,000**

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

*Map not to scale. For illustrative purpose only.*



*Newly commissioned facilities amidst breath taking landscapes*

# Our Business Model



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

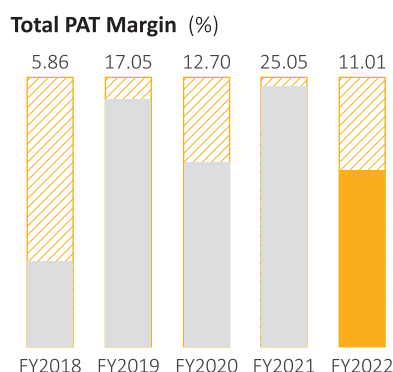
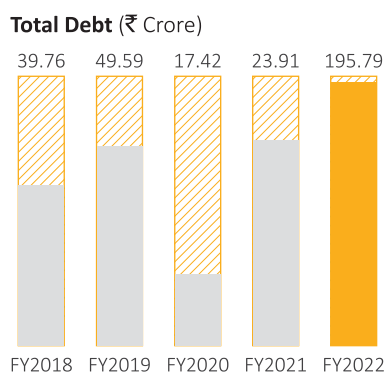
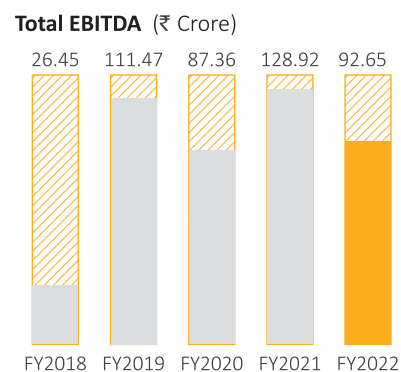
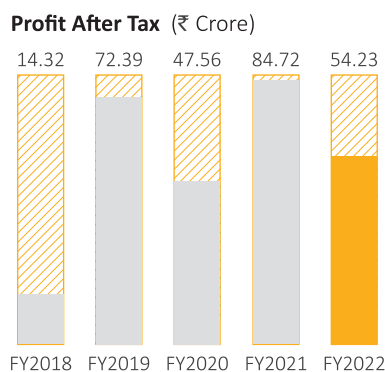
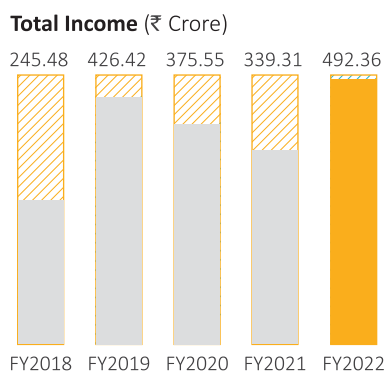
Through our Resin operations, we continue to offer closely formulated and niche solutions to our customers, enabling regular business and healthy margins.

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**  
₹492.36 Crore

**PAT**  
₹54.23 Crore

**Total EBITDA**  
₹92.65 Crore







# Our Key Clientele

## Terpene Operations



## Synthetic Resin Operations



## Retail Operations





# Mangalam Organics Limited



Our Net Sales stood at Rs. 491 Cr during FY 2021-22 while our Profit After Tax (PAT) stood at Rs. 54 Cr. We are delighted to report our highest ever revenue despite an uncertain and challenging business environment through the Delta and Omicron waves of COVID-19





## From The Chairman's Desk

**Dear Shareholders,**

**We are happy to share a strong set of results for FY 2021-22 and also inform you that our expansion to manufacture ~10,000 MT of camphor is now complete. We achieved above despite an uncertain and challenging business environment through the Delta and Omicron waves of COVID-19.**

Our net sales stood at Rs 491 Cr during the financial year, which incidentally is also our highest ever revenue, compared to Rs 338.26 Cr recorded in the previous year of FY 20-21, which is a growth of roughly ~45%, largely on account of the increased sales price of camphor and more manufacturing days as compared to the previous period. Our Profit After Tax (PAT) stood at Rs 54 Cr, which was ~36% lower during the year, vis-à-vis Rs 84.72Cr in the previous year. The reduction is largely on account of increased cost of raw materials & escalating fuel and power expenses.

A major development has been the successful completion of our delayed (COVID-19) expansion project to be able to manufacture ~10,000 MT of camphor. This new facility now enables us the flexibility to manufacture a number of intermediate products and take advantage of the demand-supply-pricing situations and maximise our utilisations and margins. Through all our efforts, particularly the burgeoning retail foray, we will try our best to utilise these enhanced capacities in the shortest time possible.

### Our Segmental Performance

Camphor is the primary product in our "Terpene Operations" segment. The product continues to have strong demand from pious uses; although states announced lockdowns and temples were closed, people at large continued to pray at home and used Camphor for aarti through the Delta and Omicron waves of COVID-19. In fact, such strong is peoples belief in camphor that people diffused Bhimseni Camphor to help keep them calm and relaxed through such difficult times of COVID-19. Other products in "Terpene Operations" such as Dipentene and Sodium Acetate also fetch us good value, now, with the expansion completed, we look forward to other terpene intermediates also contributing to our growth.

On the "Synthetic Resins" front, a slight recovery was visible as other manufacturing units were able to work on an uninterrupted basis. Our Synthetic Resin strategy is in place, there is stable demand and healthy margins in the products we manufacture. With increasing prices of petrochemical-based resins and a general move towards greener materials, we are noticing favourable scenarios ahead in the domestic and international market for our range of resins.

Our "Retail Operations" consist of three elements, sales from "Mangalam", "CamPure" and private label initiatives. We have seen robust growth in all three elements. Our brands are experiencing volume growth from our expansions in General Trade across India, Increasing number of Modern Trade stores, increasing penetration of E-commerce and exploring new channels such as institutional and corporate gifting avenues. To support the growing demand we have also augmented our retail products manufacturing facilities by

investing in state of the art machines and are now well positioned to cater to increased requirements with less chance of stock out situations at peak times. On the branding front we continue to invest money astutely through innovative campaigns across TV Digital and exhibitions accompanied with lots of sampling to drive product awareness and trials.

Once again, on behalf of the Management and Board of Directors, we would like to take this opportunity to thank all our stakeholders, our shareholders, employees, suppliers, and various government departments, for their unwavering support and trust. We are glad to have your continued support and we will endeavour to meet your expectations.

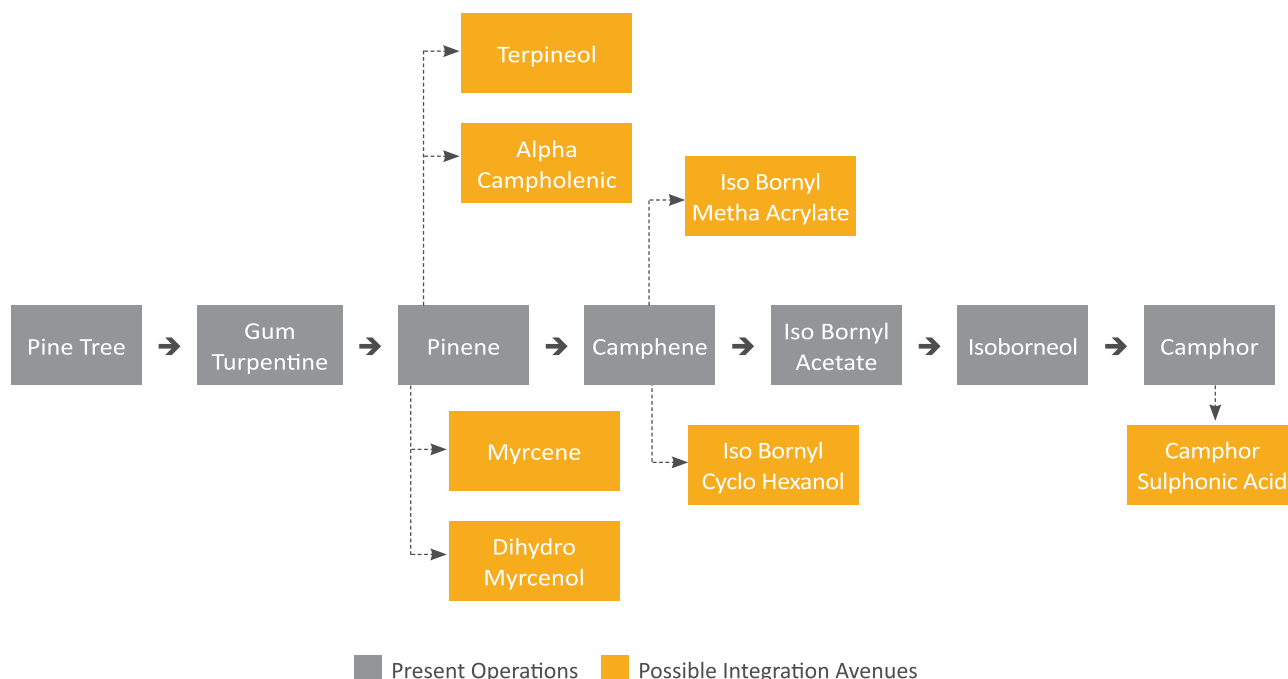
**Kamalkumar Dujodwala**

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



# Bhagwan Ke Liye, Sirf Mangalam Mangalam



## Why Camphor?

As written in our Holy books, Pure Camphor symbolises union with God as it burns completely, leaving behind no trace. Pure Camphor dispels negativity, keeps one healthy and attracts prosperity.

## 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".

## How to check the purity of Camphor?

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

## TV commercial



Praying holds a strong significance in the Indian culture, where purity is touted as an important element in our devotion. Since ancient times, Camphor has been an essential part of the act, often used as a pure offering along with extending to spiritual benefits such as purification of thoughts or energy in the house.

Currently due to the commoditised nature of this category, there are a lot of local brands that sell adulterated Camphor at a cheaper price. Consumers don't even know they are buying adulterated Camphor. Hence, the adulteration goes unseen as the consumer is not equipped with parameters of evaluation for pure Camphor.

To combat this, the strategic approach was to strengthen the consumer pull by equipping consumers with the criterion to evaluate Camphor's purity by building a strong preference for pure Camphor from Mangalam.

The TVC, in a tongue-in-cheek manner, urges consumers to buy nothing but pure Camphor for their prayers and strengthens the association of Mangalam with purity.

## Choose calmness with Bhimseni Camphor



### Why Bhimseni Camphor?

It contains 100% Organic ingredients that have a calming effect on the mind, repels mosquitos and provides a refreshing fragrance which fills your life with positivity and happiness.

### Significance of Bhimseni Camphor?

The fragrance of the Bhimseni Camphor possesses the power to redefine your surroundings by releasing healing energies that uproot any negative energies present and magnify positive energies. It enlightens your atmosphere with grace, calm and serenity.

### How to check the purity of Bhimseni Camphor?

Pure Bhimseni Camphor evaporates completely and does not leave behind any residue or ash when completely diffused.

### TV commercial



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.



# CamPure



**Air Purifier**



**CamPure Cone**



**CamPure Sticks**



**CamPure Camphor Power Mosquito Liquid Vaporiser**



**CamPure Handwash and Hand sanitiser**



Camphor – A creation with a rich history and vibrant future is a natural product made from the extract of the pine tree. While in the Indian domestic market, Camphor is widely used for religious purposes, it has usage far and wide across countries globally.

Camphor also plays a vital role as the active ingredient in several orthopaedic, skin and congestion-related pharmaceuticals and leading pharmaceutical companies are increasingly purchasing Camphor with more R&D being done on Camphor-based formulations.

On the hygiene side, Camphor is replacing naphthalene and PDCB in the West and is gaining increasing share of the homecare market.

The Camphor manufactured in China is used for hygiene and pharmaceutical uses while that manufactured in India is largely used for pious purposes. Going forward, it is estimated that India too will start using camphor for innovative hygiene products as in the pictures above.



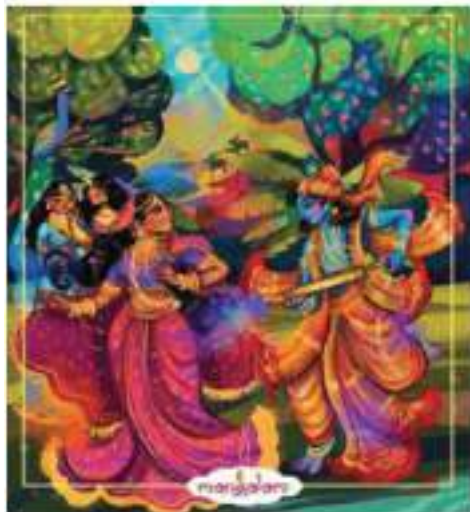
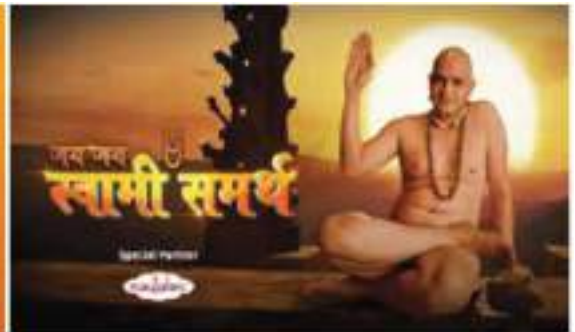
# CamPure over the last year







# Mangalam over the last year



# Corporate Information

## Board of Directors

### Mr. Kamalkumar Dujodwala

Executive Director and Chairman

### Mr. Pannkaj Dujodwala

Executive Director and Managing Director

### Mr. Rajkumar S Jatia

Non-Executive - Independent Director

### Mr. Sharad Kumar Saraf

Non-Executive - Independent Director

### Mr. Shree Narayan Baheti

Non-Executive - Independent Director

### Mrs. Manisha Agarwal

Non-Executive - Independent Director

## Chief Executive Officer

### Mr. Sanjay Bhardwaj

## Chief Financial Officer

### Mr. Shrirang V. Rajule

## Company Secretary & Compliance Officer

### Ms. Shachi Sanghavi

(Appointed w.e.f. June 29, 2022)

### Ms. Heena Tank

(Resigned w.e.f. June 01, 2022)

## Registrar & Share Transfer Agent

### Link Intime (India) Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400 083

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Tel: (022) 4918 6270 /4918 6000

Fax: (022) 4918 6060

## Statutory Auditors

### M/s. NGST & Associates,

#### Chartered Accountants

B-203, Borivali Paras CHS, Rokadia Lane,

Borivali (West), Mumbai - 400 092.

## Secretarial Auditor

### M/s. Yogesh Sharma & Co.,

#### Company Secretaries

B-1, Neha Apts,

Opp. Badwaik Hospital, Off LBS Marg,

Bhandup (West), Mumbai - 400 078.

## Cost Auditor

### M/s. NKJ & Associates, Cost Accountants

Level 13, Platinum Techno Park,

Plot No. 17/18, Sector-30A, Vashi,

Navi Mumbai - 400 705.

## Bankers

### The Saraswat Co-operative Bank Ltd.

(Scheduled Bank)

Corporate Banking Branch, Unit B/G01,

Ground Floor, Marathon, Innova Nextgen

Complex, Ganpatrao Kadam Marg,

Lower Parel, Mumbai - 400013

### Axis Bank Ltd.

G1, Ground Floor, Maker Chamber 4,

Jamnalal Bajaj Road,

Nariman Point, Mumbai - 400 021.

### HDFC Bank Ltd.

101-104 Tulsiani Chambers

Nariman Point, Mumbai - 400 021.

## Registered Office and Factory Address:

Kumbhivali Village, Savroli Kharpada Road,

Taluka - Khalapur, Khopoli - 410 202.

Dist. Raigad, Maharashtra.

Tel: 02192-276140

Email: [info@mangalamorganics.com](mailto:info@mangalamorganics.com)

CIN: L24110MH1981PLC024742

Website: [www.mangalamorganics.com](http://www.mangalamorganics.com)

## Administrative Office

812/813, Tulsiani Chambers,

212, Free Press Journal Marg,

Nariman Point, Mumbai - 400 021.

Tel: 022 - 49204089

Email: [cs@mangalamorganics.com](mailto:cs@mangalamorganics.com)



## 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](mailto:info@mangalamorganics.com), Website - [www.mangalamorganics.com](http://www.mangalamorganics.com)

## NOTICE

**NOTICE** is hereby given that the Fortieth (40th) Annual General Meeting of the Members of **MANGALAM ORGANICS LIMITED** will be held on Wednesday, September 28, 2022, at 3.00 p.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Kamalkumar Dujodwala (DIN: 00546281), who retires by rotation and being eligible, seeks re-appointment.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an 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 ending March 31, 2023 be and is hereby ratified."

5. 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 for the re-appointment of Mr. Kamalkumar Dujodwala (DIN:00546281) as Whole-time Director designated as Executive Chairman of the Company for a period of three years with effect from November 1, 2022 upon the terms and conditions including remuneration set out in the Statement annexed to the Notice convening the 40th Annual General Meeting;

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as 'the Board' which includes any Committee thereof) be and is hereby authorised to vary terms of his appointment including the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Central Government from time to time;

**RESOLVED FURTHER THAT** the Board be and is hereby 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."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provision of section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meeting of Board and its Powers) Rules, 2014, (including any Statutory modification or re-enactment thereof, for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors of the company and/or Committee thereof (hereinafter referred to as 'the Board') which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the power conferred on the Board by this resolution) to make loans or investments, in one or more tranches by subscription, purchase or otherwise in subsidiary(ies)/ anybody/ bodies Corporate in India or abroad (existing or which may be promoted/ incorporated), in any kind of securities, or by providing of guarantee or security in connection with a loan made by any other person to any subsidiary(ies)/ anybody/ Body corporate in India or abroad (existing or which may be promoted or incorporated) in excess

of limit prescribed in section 186 of Companies Act, 2013 but subject to a maximum limit of Rs. 1000 Crore (Rupees One Thousand Crore Only);

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution”

By Order of the Board of Directors

Sd/-

**Shachi Sanghavi**

**Company Secretary & Compliance Officer**

Place: Mumbai

Date: August 13, 2022

### NOTES:

1. 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 and 2/2022 dated May 5, 2022 (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/ CIRP/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 40th AGM of the Company is being conducted through VC/OAVM on Wednesday, September 28, 2022 at 3.00 P.M. (IST).
2. PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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 ANNUAL GENERAL MEETING ('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 PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE 40th AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP ARE NOT ANNEXED TO THE NOTICE.
3. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business

under Item Nos. 4 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 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.

4. 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.
5. 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](mailto:rnt.helpdesk@linkintime.co.in) in case the shares are held in physical form.
6. The Share Transfer Books and Register of Members of the Company will remain closed from September 22, 2022 to September 28, 2022 (both days inclusive) for the purpose of determining the members who shall be entitled to dividend, if any declared at the AGM.
7. The dividend, as recommended by the Board, if declared and approved at the Annual General Meeting will be paid to those members whose names appear in the Register of Members at the end of business hours on September 21, 2022. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership, as per the details to be furnished for the purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on September 21, 2022.
8. 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, and debenture interest 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](http://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.

9. 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.

Kindly note that as per Regulation 12 read with Schedule I of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for distribution of dividends or other cash benefits to the investors, electronic mode of payments like National Electronic Clearing Service (NECS), National Automated Clearing House (NACH), Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) shall be used. In cases where the details like MICR no., IFSC no. etc. required for effecting electronic payments are not available, physical payment instrument like dividend warrants, will be used. Accordingly, we recommend you to avail the facility of direct electronic credit of your dividend and other cash benefits through electronic mode and in all cases keep your bank account details updated in your demat account / physical folio.

10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report for the Financial Year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report will also be available on the Company's website at [www.mangalamorganics.com](http://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](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) and on the website of Link Intime India Private Limited viz., [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments

thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H. The aforementioned forms for tax exemption can be downloaded from Link Intime's website. The URL for the same is as under:

<https://www.linkintime.co.in/client-downloads.html>- On this page select the General tab. All the forms are available in under the head 'Form 15G/15H/10F'.

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL mentioned below:

<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> On this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd should be done on or before September 21, 2022, 6.00 PM in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after September 21, 2022, 6:00 PM. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address [taxexemption@linkintime.co.in](mailto:taxexemption@linkintime.co.in)

12. 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.

13. Pursuant to Section 72 of the Companies Act, 2013 members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrars & Share Transfer Agents. In respect of shares held in electronic / demat form, the members may please contact their respective depository participant.
14. 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.
15. 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.
16. Members are further requested to send all communications relating to shares and unclaimed dividends to the Registrar & Share Transfer Agent at the following address:

**Link Intime (India) Private Limited**

C 101, 0247 Park, L.B.S Marg,  
Vikhroli West, Mumbai- 400083,  
Maharashtra.  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Tel: (022) 4918 6270 Fax: (022) 4918 6060

17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at [cs@mangalamorganics.com](mailto:cs@mangalamorganics.com).
18. 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.

19. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
20. 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 Annual General Meeting 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](mailto:csymsharma@gmail.com) with copies marked to the Company at [cs@mangalamorganics.com](mailto:cs@mangalamorganics.com) and to its RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
21. Instructions for e-voting and joining the Annual General Meeting are provided in section 'Request to Members'.

## 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 (LIPL). 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 Wednesday, September 21, 2022 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 Sunday, September 25, 2022 at 9.00 a.m. (IST) and ends on Tuesday, September 27, 2022 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 Wednesday, September 21, 2022.
- C. Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, the Login mechanism for Individual shareholders holding securities in demat mode has been amended. Individual shareholders holding securities in demat mode can vote through their demat account



maintained with Depositories and Depository Participants only post 9th June, 2021.

- D. Login instructions for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Instructions
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>After successful authentication, you will be able to see e-Voting services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select 'Register Online for IDeAS' Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ul>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service (Provider is LINKINTIME).</b>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on 'Sign Up' under 'SHARE HOLDER' tab and register with your following details:-           <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> 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.</li> <li><b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> </li> </ul> </li> </ol>

- E. **Shareholders/** members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
  - ▶ 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).
2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
5. E-voting page will appear.
6. 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).
7. 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.

### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

#### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- 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.

#### 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 abovementioned 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
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.

#### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting 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](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.





- E. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 21, 2022. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- F. Any person who becomes a member of the Company after dispatch of the Notice of 40th 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](mailto:cs@mangalamorganics.com) or to Link Intime Private Limited at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
- G. 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.
- H. 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.
- I. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make not later than three 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.
- J. 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.
- K. The members who have casted their votes by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
- L. 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 [www.mangalamorganics.com](http://www.mangalamorganics.com) within 3 (three) days of conclusion of the annual general meeting and will be communicated to National Stock Exchange of India Limited and BSE Limited, who are required to place them on their website. 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 Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- A. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled

for the Annual General Meeting 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 Annual General Meeting. 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 Annual General Meeting 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](mailto:instameet@linkintime.co.in) or Call us:- Tel : (022-49186175)

### Instructions for Shareholders/Members to register themselves

### as Speakers during Annual General Meeting:

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](mailto:cs@mangalamorganics.com) on September 26, 2022 from 9.00 A.M. (IST) to 5.00 P.M. (IST)

The first 20 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

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](mailto: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 Annual General Meeting.

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 Annual General Meeting 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 Annual General Meeting 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 who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting 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 e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call on:- Tel : (022-49186270)

## 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 numbers 4 to 6.

#### Item No. 4

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 May 27, 2022 the Board has 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 2022-23 at a remuneration of ₹50,000/- (Rupees Fifty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses, if any.

The Board recommends the resolution at Item No. 4 of the Notice for approval by the members.

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. 5

Mr. Kamalkumar Dujodwala was appointed as the Whole Time Director of your Company for a period of three years with effect from November 1, 2019 till October 31, 2022 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 18, 2019. Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board'), on August 12, 2019, re-appointed Mr. Kamalkumar Dujodwala as a Whole Time Director, designated as Executive Chairman (EC) for a further period of three years with effect from November 1, 2022 to



October 31, 2025, subject to approval of the Shareholders on the following terms and conditions including remuneration:

1. **Term:** For a period of 3 years, i.e. from November 1, 2022 to October 31, 2025.
2. **Nature of Duties:** The EC shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board of Directors of Mangalam Organics Limited from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Gross Salary:** ₹ 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.
4. **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.
5. **Minimum Remuneration:** Notwithstanding anything to the contrary contained in the Agreement, if during the tenure of Mr. Kamalkumar Dujodwala as Executive Chairman, the Company has no profits, or its profits are inadequate, the remuneration mentioned hereinabove shall be paid by the Company to Mr. Kamalkumar Dujodwala as minimum remuneration and the same shall be subject to the applicable provisions of the Act and Schedule V thereto, as may be amended from time to time or any equivalent statutory re-enactment thereof for the time being in force.
6. **Other terms of Appointment:**
  - a. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.
  - b. In the event the EC is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.
  - c. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the EC unless specifically provided otherwise.
  - d. If at any time, the EC ceases to be a Director of the Company for any reason whatsoever, he shall cease

to be the EC. If at any time, the EC ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and EC of the Company.

- e. The employment of the EC may be terminated by the Company without notice or payment in lieu of notice:
  - if the EC is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the EC of any of the stipulations contained in the Agreement; or
  - in the event the Board expresses its loss of confidence in the EC.
- f. Mr. Kamalkumar Dujodwala shall be liable to retire by rotation in accordance with the provisions of Section 152 of the Act.

The profile and specific areas of expertise of Mr. Kamalkumar Dujodwala are provided as annexure to this Notice.

The Board recommends the resolution at Item No. 5 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. Pannkaj Dujodwala and Mr. Kamalkumar Dujodwala, to whom the resolution relates and their respective relatives are concerned or interested in the said resolution.

#### **Item No. 6**

In terms of section 186 of the Companies Act, 2013, approval of the members of the Company is required to give any loan to any person or body corporate, give any security or provide a guarantee in connection with a loan to any other person or body corporate, and acquire by way of purchase, subscription or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100 % of its free reserves and securities premium account, whichever is more.

Members are requested to take note that as per provisions of section 186 of the Companies Act, 2013, the Board of directors of a Company could give any loan, guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities by way of subscription, purchase or otherwise to any person or body corporate to the extent of sixty percent paid up share capital, free reserves and securities premium or one hundred per cent of its free reserves and securities premium account whichever is more and for giving any loan or providing guarantee and security in excess of limit specified above, the approval of the members of the company in Annual General Meeting by way of Special resolution has to be obtained.

Members are further requested to take note that company is engaged in the business of Chemical manufacturing and The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the 'Entities'), from time to time. Therefore for business and investment purpose of company, Company has to give loans and guarantee to the person(s) and make investments by acquiring securities by way of purchase or subscription or otherwise from time to time. So in this regard authority is proposed to be given to the Board of directors to give any loan or guarantee or providing security to body corporate or any other person and to invest funds to the limit of Rs. 1000 Crore (Rupees One Thousand Crore only) and approval of the members of the company is sought in this general meeting.

The Board recommends the resolution at Item No. 6 of the Notice for approval by the members.

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.

By Order of the Board of Directors

**Sd/-**

**Shachi Sanghavi**

**Company Secretary & Compliance Officer**

Place: Mumbai

Date: August 13, 2022



## ANNEXURE TO THE NOTICE DATED AUGUST 13, 2022

### DETAILS OF DIRECTORS RETIRING BY ROTATION / 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
<b>DIN</b>	00546281
<b>Designation</b>	Executive Director and Chairman
<b>Date of Birth</b>	April 01, 1951
<b>Age</b>	71 Years
<b>Qualifications</b>	B.Sc Graduate and extensive training at National Chemical Laboratory.
<b>Experience (including expertise in specific functional area)/ Brief Resume</b>	Mr. Kamal 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.
<b>Terms and Conditions of Appointment / Re-appointment</b>	As per the resolution passed by the shareholders at the Annual General Meeting held on September 18, 2019, Mr. Kamalkumar Dujodwala was re-appointed as a Chairman designated as Executive Director, liable to retire by rotation
<b>Date of first appointment on the Board</b>	July 03, 1981
<b>Shareholding in the Company as on March 31, 2022</b>	157216 (1.83%)
<b>Relationship with other Directors/ Key Managerial Personnel</b>	Brother of Managing Director, Mr. Pannkaj Dujodwala
<b>Directorship held in other Listed Public Companies (excluding foreign Companies and Private Companies)</b>	-
<b>Membership/Chairmanship of Committees of other public companies</b>	-
<b>No. of Board meetings attended during the year</b>	6
<b>Details of remuneration last drawn (FY 2021-22)</b>	Rs. 3.00 Crores

# BOARD'S REPORT

## TO THE MEMBERS OF MANGALAM ORGANICS LIMITED

Your Directors have pleasure in presenting the Fortieth Annual Report on the performance of the Company together with the audited financial statements for the Financial Year ("FY") ended March 31, 2022.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2022 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	49091.50	33,826.46	49064.87	33,823.67
Other Income	144.18	104.90	144.18	104.90
<b>Total Revenue</b>	<b>49235.69</b>	<b>33,931.36</b>	<b>49209.05</b>	<b>33,928.57</b>
Profit before Depreciation and Finance cost	9264.48	12,892.48	9242.55	12,883.58
Depreciation and Amortization expense	1491.29	1,353.43	1501.92	1,353.43
Finance Cost	388.61	100.18	419.73	100.18
Profit after Depreciation, Finance costs and Exceptional items and before Tax	7384.58	11,438.87	7320.89	11,429.97
Tax expense	1955.30	2,952.08	1946.57	2,952.08
<b>Profit After Tax</b>	<b>5429.28</b>	<b>8,486.79</b>	<b>5374.32</b>	<b>8,477.89</b>
Other comprehensive income	(6.18)	(14.71)	(6.17)	(14.71)
<b>Total Comprehensive Income for the Year</b>	<b>5423.10</b>	<b>8,472.08</b>	<b>5368.15</b>	<b>8,463.18</b>

## NATURE OF BUSINESS AND FINANCIAL PERFORMANCE

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. Your Company has achieved Net Sales Turnover of Rs. 490.92 Crore with a Profit after Tax (PAT) of Rs. 54.23 Crore during FY 2021-22 as compared to Rs. 338.26 Crore and Rs. 84.72 Crore, respectively, during FY 2020-21 signifying a growth of 45.13 % in turnover. However there has been decline of 36 % on PAT. Approximately 80% of the revenue has come from Terpenes Chemicals. There was no change in nature of the business of the Company, during the year under review.

## DIVIDEND

The Directors are pleased to recommend a dividend of Rs. 1.50 per equity share of the face value of Rs. 10/- each for the year ended March 31, 2022 (previous year: Rs. 1.50 per Equity Share). The dividend, as recommended by the Board, if declared at the ensuing Annual General Meeting ('AGM') will be paid to those members whose names appear in the Register of Members at the end of business hours on September 21, 2022. In respect of shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership, as per the details to be furnished for the

purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on September 21, 2022.

## UNCLAIMED AND UNPAID DIVIDEND AND TRANSFER OF SHARES TO IEPF

As on March 31, 2022 amount of Rs. 13,33,915/-, comprising of Rs. 4,15,285/-, Rs. 2,71,435/-, Rs. 2,66,381/- and Rs.3,80,814/- are lying in the unpaid equity dividend account of the Company in respect of the dividends for FY 2020-21, FY 2019-20, FY 2018-19 and FY. 2017-18 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 2020-21, FY 2019-20 and FY 2018-19 is placed on the Company's website [www.mangalamorganics.com](http://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](http://www.mangalamorganics.com).

## TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the Retained Earnings.

## SHARE CAPITAL

During the year under review, there was no change in the share capital of the Company. As on March 31, 2022, the paid up share capital of the Company was Rs. 8,56,44,400 divided into 85,64,440 Equity of the face value of Rs. 10/- each.

## DEPOSITS

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.

## SUBSIDIARY/ JOINT VENTURES/ ASSOCIATES COMPANIES

During the year under review:

- Two new companies viz. 'Mangalam Pooja Stores Private Limited' and 'Mangalam Speciality Chemicals Private Limited' were incorporated as Wholly Owned Subsidiaries ('WOS') of the Company.
- The name of one WOS of the company was changed from 'Campure Private Limited' to 'Mangalam Brands Private Limited'.

The performance and financial position of the subsidiaries of the Company for the year ended March 31, 2022 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 company in Form AOC-1 is provided as Annexure- 1 to the Board's Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board of Directors and Key Managerial Personnel

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

There were no changes in the composition of Board of Directors and the Key Managerial Personnel during the year under review.

As on the date of this report, the Company has following Key Managerial Personnel:

1. Mr. Kamalkumar Dujodwala, Executive Director
2. Mr. Pannkaj Dujodwala, Managing Director
3. Mr. Sanjay Bhardwaj, Chief Executive Officer
4. Mr. Shrirang V. Rajule, Chief Financial Officer
5. Ms. Shachi Sanghavi, Company Secretary & Compliance Officer

In accordance with the provisions of Section 152 read with Section 149(13) of the Companies Act, 2013, Mr. Kamalkumar Dujodwala 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.

### Declarations by Independent Directors

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 read with Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations').

### 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.

## DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### Board Meetings

The Board of Directors met 6 times during the financial year ended March 31, 2022. 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, 2022, 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, 2022 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
5. Management 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 Financial Year 2022-23. 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. 4 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., Practicing Company Secretary to undertake the Secretarial Audit of the Company for Financial year 2021-22. 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 Form MR-3 for the F. Y. 2021-22 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 issued by the Institute of Company Secretaries of India.

#### Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on [www.mangalamorganics.com](http://www.mangalamorganics.com)

#### 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, 2022, the Company has following credit ratings from CRISIL and which were reaffirmed:

**Long Term Rating:** CRISIL A-/Positive (Rating reaffirmed and Outlook revised from 'Stable')

**Short Term Rating:** CRISIL A2+ (Rating and Outlook 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 Auditors 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, 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.

#### 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: [www.mangalamorganics.com](http://www.mangalamorganics.com)

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 Form AOC-2 is appended as Annexure III 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, 2022.

#### 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 IV** attached herewith and which forms part of this report. The relation between the Company and its employees continue 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 V** 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, 2022 is available on the Company's website at [https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62ee10325cac0a17f0634f8c\\_Annual%20Return%202022.pdf](https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62ee10325cac0a17f0634f8c_Annual%20Return%202022.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 disclosed in Investors' section on the website of the Company at [www.mangalamorganics.com](http://www.mangalamorganics.com)

#### **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 on [www.mangalamorganics.com](http://www.mangalamorganics.com).

#### **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 FY 2021-22 under the provisions of the said Act, nor were any complaints outstanding as at the beginning of the year under review.

#### **SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION**

The Company is conscious of the importance to environmental friendly and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliance of environmental regulations and preservation of natural resources. The plant of the Company at Kumbhivali village is fully complied with the laws, regulations and requirements stipulated by the concerned pollution Control Board.

#### **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.

Your Directors would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

Sd/-

**Kamalkumar Dujodwala**

**Chairman**

**DIN: 00546281**

Place: Mumbai

Date: August 13, 2022



# 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 Campure Private Limited)	Mangalam Pooja Stores Private Limited	Mangalam Speciality Chemicals Private Limited
1.	Name of the subsidiary	Mangalam Brands Private Limited (Formerly Campure 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	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022	01/04/2021 – 31/03/2022
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	5,00,000	5,00,000
6.	Reserves & surplus	(55,64,957)	(94,823)	(7,25,892)
7.	Total assets	22,17,92,996	5,81,791	33,65,684
8.	Total Liabilities	22,17,92,996	5,81,791	33,65,684
9.	Investments	Nil	Nil	Nil
10.	Turnover	1,86,26,284	Nil	Nil
11.	Profit before taxation	(54,07,345)	(1,26,714)	(8,34,523)
12.	Provision for taxation	(7,32,566)	(31,891)	(1,08,631)
13.	Profit after taxation	(46,74,779)	(94,823)	(7,25,892)
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%

For and on behalf of the Board of Directors

Sd/-

**Kamalkumar Dujodwala**

**Chairman**

**DIN: 00546281**

Place: Mumbai

Date: August 13, 2022

# ANNEXURE II

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

### 1) A brief outline of the Company's CSR policy

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.

During the year under review, the Company has undertaken CSR activity of Promotion of Education, Sanitation Facilities, and Health care Support by contributing an amount to School, College, Hospital, Temple Trust and Gram Panchayat which undertake activities which are aligned with the CSR policy of the Company. .

### 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 Women Director	2	2
b)	Mr. Sharad Kumar Saraf	Independent Director	2	2
c)	Mr. Kamalkumar Dujodwala	Executive Director	2	2

### 3) 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 weblinks thereto are:

CSR Committee: [https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62fcdd0c2e03aeedc373cc60\\_CSR%20Committee.pdf](https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62fcdd0c2e03aeedc373cc60_CSR%20Committee.pdf)

CSR Policy: [https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/61d5e2efdb504707211ba8ee\\_Corporate%20Social%20Responsibility%20Policy.pdf](https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/61d5e2efdb504707211ba8ee_Corporate%20Social%20Responsibility%20Policy.pdf)

CSR Project: [https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62fcdd0c322bf9a741a63c95\\_CSR%20Projects%20for%20FY%202021-22.pdf](https://uploads-ssl.webflow.com/6173d2812ea50ef2de67463e/62fcdd0c322bf9a741a63c95_CSR%20Projects%20for%20FY%202021-22.pdf)

- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
- Average Net Profit of the Company for last three financial years:** ₹ 60,97,55,951
- CSR
  - Two percent of average net profit of the company as per section 135(5): Rs. 1,85,95,111/-
  - 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: NIL
  - Total CSR obligation for the financial year (7a+7b-7c): Rs. 1,85,95,111/-



## 8) Details of CSR spent during the financial year:

- Total amount spent for the financial year: Rs. 1,96,37,669/-
- Amount unspent if any: NIL
- Details of CSR amount spent against ongoing projects for the financial year: NIL
- Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for them project (Rs in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1.	Providing & Fixing Boundary Wall, Toilets Work, School Doors &, Windows, and Painting work at Thakurwadi School	Promoting Education	Yes	Raigad,	Maharashtra	Rs. 21,10,000/-	Yes	NA	
2.	Providing & Fixing Roof sheet, Door, Windows, Toilets, Tanks and painting works in Primary School-Kumbhivali	Promoting Education	Yes	Raigad,	Maharashtra	Rs. 12,49,978/-	Yes	NA	
3.	Medical and Health care Equipments to the Hospital	Health Care Support	Yes	Mumbai,	Maharashtra	₹ 35,00,000	No	The Bhatia Generaal Hospital Trust	CSR00010491
4.	Up gradation of new Design and Innovation Laboratory and Multi Purpose Hall at B D Somani International School	Promoting Education	Yes	Mumbai,	Maharashtra	₹ 50,00,000	Yes	Shree Hazarimal Somani Memorial Trust	CSR00017012
5.	Housing Project being undertaken by the Trust for Blind, Handicapped, Deaf, Widow, Helpless Women, mentally Challenged, Orphan, Cancer, Dialysis, Kidney patients, Heart Disease Patients, HIV Patients, Homosexual and the people below poverty line (BPL)	Setting up of homes for women and orphans	Yes	Mumbai,	Maharashtra	₹ 20,00,000/-	No	Omkar Andh Apang Samajik Sanstha	CSR00003196

6.	Renovation of Vaccine Room, Furniture, Pump House, water tanks, Compound walls and fixing sheds at primary health Centre-Khalapur.	Health care support	Yes	Raigad, Maharashtra	₹ 20,52,126/-	Yes	NA
7.	Contribution to Vishwaniketan iMEET Collage –Khalapur for construction of Sport Complex and playground and Radium Stickers, LED Board structure and fabrication work.	Promoting Education	Yes	Raigad, Maharashtra	₹ 36,71,200/-	Yes	NA
8.	Grocery and Food Pockets, water bottles donated towards flood relief to Mahad villagers during heavy rains and flood.	Relief to Flood victims	Yes	Raigad, Maharashtra	₹ 1,04,343/-	Yes	N/A
<b>Total</b>					<b>₹ 1,96,37,669/-</b>		

- e) Amount spent in Administrative Overheads: NIL  
 f) Amount spent on Impact Assessment, if applicable: Not Applicable  
 g) Total amount spent for the Financial Year (8c+8d+8e+8): **₹ 1,96,37,669/-**  
 l) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹)
i.	Two percent of average net profit of the company as per section 135(5)	₹ 1,85,95,111/-
ii.	Total amount spent for the Financial Year	₹ 1,96,37,669/-
iii.	Excess amount spent for the financial year [(ii)-(i)]	₹ 10,42,558/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 10,42,558/-

- 9) a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable since amount has been spent.**  
 b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable  
 10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable  
 11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Sd/-

**Kamalkumar Dujodwala**

**Chairman**

**DIN: 00546281**

Place: Mumbai

Date: August 13, 2022



## ANNEXURE III

### 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, 2022, 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, 2022 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 13, 2022

## 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 2021-22 is as follows:

Name of Directors	Ratio
Mr. Kamalkumar Dujodwala	124.31
Mr. Pannkaj Dujodwala	124.31
Mr. Sharad Kumar Saraf	NA
Mr. Rajkumar S Jatia	NA
Mr. Shree Narayan Baheti	NA
Mrs. Manisha Agarwal	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 2021-22, is as follows:**

Mr. Kamalkumar Dujodwala	Chairman	NIL
Mr. Pannkaj Dujodwala	Managing Director	NIL
Mr. Shrirang Rajule	Chief Financial Officer	8.03%
Mr. Sanjay Bhardwaj	Chief Executive Officer	7.31%
*Ms. Heena Tank	Company Secretary	10.53%

\*Resigned w.e.f. June 01, 2022

**Percentage increase in the median remuneration of employees in the financial year 2021-22: 8.32%**

**Number of permanent employees on the rolls of the Company as on March 31, 2022: 409**

**Average percentage increase already made in the salaries of employees' other than the managerial personnel in the last financial year: 10.07%**

**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 13, 2022





## 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.	71	44	NA	Chairman
2.	Pannkaj Dujodwala	03-06-1987	3,00,00,000	Commerce graduate, MBA from Landsdown College, New Hampshire University, UK	58	35	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.	32	9	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:

		2021-22	2020-21
1.	Electricity Purchased		
	Units (Kwh/Lakh)	113.17	68.20
	Total Amounts (₹/Lakh)	976.26	602.01
	Rate /Unit (₹)	8.63	8.83
2.	Furnace Oil / Light Diesel Oil		
	Quantity (Ltrs/Lakh)	2.21	7.19
	Total Cost (₹/Lakh)	119.34	293.50
	Average Rate (₹/Lakh)	53.94	40.82
3.	Coal		
	Quantity (MT)	24251.00	13,182.66
	Total Cost (₹/Lakh)	2124.76	779.18

#### Conservation of Energy

##### 1. Steps taken for conservation of energy :-

Your Company has been making continuous efforts to conserve energy, reduce greenhouse gas emissions and upgrade technology to optimize the energy cost. Today, our world faces a dual challenge: meeting growing demand for energy while also reducing environmental impacts, including the risks of climate change. 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:

- Conventional equipment with more energy efficient equipment in various process changes are made and replaced.
- Implementations of engineering controls to make process robust and safe process during operations.
- R&D team is constantly working on Green chemistry to modify current processes and to make Mangalam Organics Limited a green company.
- The process team of R&D works to decrease the batch time cycle of current processes to reduce energy consumption.
- Variable Frequency Drives (VFD) installation for vacuum pumps, reactors for energy saving.
- Process improvement for effluent reduction with an aim to make all our plants ZLD (zero liquid discharge) in the future.
- Working on reliable manufacturing synthesis, process innovation, development and safety.
- Installation of Distributed Control Systems (DCS) to make process efficient and control batch times
- Various process changes are made and replacement of certain conventional equipment with more energy efficient equipment. Plant and Machinery are regularly serviced, updated and overhauled and maintained in good condition.
- Streamlining of the manufacturing process and efficient control



- Working on increasing yield, purity as per customer requirement, following short manufacturing process having atom efficiency, helps to decrease consumption of energy and carbon utilization in the environment.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting Power
- Audit initiation of consumption of electrical energy, for making the strategy to consume less electricity.

## 2. Steps taken by the Company for utilising 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 blowdown 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 results 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

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

	2021-22	2020-21
Foreign Exchange earning	5,389.84	2,821.52
Foreign Exchange outflow	34,033.23	12,852.23

For and on behalf of the Board of Directors

**Sd/-**

**Kamalkumar Dujodwala**

**Chairman**

**DIN: 00546281**

Place: Mumbai

Date: August 13, 2022



# SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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 - 410203

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MANGALAM ORGANICS LIMITED, (CIN-L24110MH1981PLC024742)**, (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and scanned copies of the documents provided by the company through e-mail, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (‘Audit Period’) has 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, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2022 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit period);
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and 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**);
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and 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**);
  - (g) 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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit period**);
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit period**);
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulation’).

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Listing Agreements entered into by the Company with BSE Limited ("**BSE**") and NSE Limited ("**NSE**").

During the period under review and as per representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, having 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 the following laws applicable specifically to the Company:

- i. Factories Act, 1948
- ii. Water (Prevention and Control of Pollution) Act, 1974
- iii. Air (Prevention and Control of Pollution) Act, 1981
- iv. Environment Protection Act, 1986

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and committee meetings are carried out unanimously or as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

We further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has no event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Prop. YOGESH M. SHARMA**

**FCS: 11305**

**C.P: 12366**

**Place: Mumbai**

**Date: 13th August, 2022**

**UDIN: FO11305D000783802**

**Peer Review Certificate No.: 1583/2021**

*\*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,**

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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, which we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedure on the 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**

**FCS: 11305**

**C.P: 12366**

**Place: Mumbai**

**Date: 08th August, 2022**

# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS OVERVIEW

### Global Economic Overview

The global economy resumed its path of recovery even with the resurgence of new variants of the COVID-19 pandemic. After initial nationwide lockdowns deployed during the first wave, fewer nations resorted to zero tolerance policies to control the virus. On the contrary, governments encouraged COVID-19 appropriate behaviour, improvements in healthcare infrastructure, increased coverage of testing and wide vaccination drives while resorting to localised containment measures to control subsequent waves.

Following a contraction of 3.1% in the calendar year 2020, global growth is estimated at 6.1% in 2021. Growth estimates for 2021 of advanced economies is 5.2% while that of emerging markets and developing economies are pegged at 6.8%. For the same period, economic growth estimate for United States of America (USA) is 5.7% and the United Kingdom (UK) is 7.4%. Emerging and Developing Asian economies is estimated to have grown by 7.3% with the Indian economy estimated to have grown by 8.9% and China by 8.1%. The economies of Maldives, South Africa and Nepal is estimated to have grown by 33.4%, 4.9% and 2.7% respectively while Bhutan is estimated to have contracted by 3.7% in 2021.

The year 2021 saw economic recovery aided by supportive fiscal policy globally; however, the momentum slowed due to various factors, including subsequent Covid-19 waves (Delta and Omicron variant in Q2 and Q4, respectively), lower vaccine access in developing economies (leading to divergence in rate of recovery) and inflation with the increase in demand, supply disruptions and increase in prices (energy, freight and food).

In its April 2022 outlook, the IMF estimates global economic growth to moderate to 3.6% in 2022 – marginally higher than the historical average of around 3.4% (2015-19). The recovery is expected to be supported by a consumption boost from pentup household savings, an increase in vaccinations, and inventory restocking partly offset by headwinds of broad-based inflation continuing to impact near-term growth. We will also see the tightening of monetary policies by various central banks to stabilise inflation, with the US Federal Reserve announcing its intentions to further raise rates and taper asset purchases at a faster pace in 2022. Geopolitical tensions as a result of the Ukraine-Russia war and economic sanctions imposed on Russia are expected to dampen the above outlook (Russia supplies ~10% of the world's energy). These developments have further elevated inflation and are likely to result in aggressive tightening policies by banks and a decline in private demand. There is a higher risk to growth with prolonged conflict.

*(Source: International Monetary Fund (IMF) – World Economic Outlook – October 2021 and April 2022)*

### India Economic Overview

The Indian GDP grew during FY 2021-22 at 8.7% compared to a contraction of 6.6% in FY 2020-21 as per the Press Note dated May 31, 2022 of the National Statistical Office of the Government of India. Total Consumption grew by 7.0% in FY 2021-22 enabled by private spending. Exports of both goods and services have been exceptionally strong in FY 2021-22 growing by 24.3%. Imports also recovered strongly with recovery in domestic demand coupled with higher international commodity prices to grow by 35.5% in FY 2021-22. In terms of Gross Value Added (GVA), the agricultural sector was the least impacted compared to other industries and grew by 3% during FY 2021-22 after a growth of 3.3% in FY 2020-21. The Indian real estate market, which has proven to be inflation-proof, has shown a significant revival in FY 2021-22. India's balance of payments remained in surplus throughout the past two years which has enabled the Reserve Bank of India to maintain a strong position in foreign currency reserves above US\$ 600 billion. In its Monetary Policy Report of April 2022, the Reserve Bank of India (RBI) has projected real GDP to grow at 7.2% in FY 2022-23. Several high frequency indicators viz. railway freight, GST collections, electricity demand, import of capital goods, etc. have displayed robust growth during February and March 2022. There has been a significant rise in consumer optimism on the back of improved sentiments of the general economic situation. According to 'The Economist' - May 14, 2022 edition, India is expected to be the fastest growing big economy in the world. While the economy has been looking up in the fourth quarter of FY 2021-22, escalating geopolitical tensions in the Black Sea region resulting in significant hardening of international crude oil and other commodity prices, the loss of momentum in global trade and risk of future waves of COVID-19 infections pose downside risks to the outlook for India in line with the global economy. Further, in May 2022 the RBI considered prevailing high inflationary conditions while raising interest rates by 40 basis points.

India's economic growth is estimated at 9% in 2021, the highest among large economies, reflecting a strong recovery led by favourable monetary and fiscal policy, mass vaccinations and significant progress on structural reforms. The year witnessed strong growth momentum in exports and improvement in credit uptake driven by agricultural and industrial sectors. Banks and Non-Banking Financial Companies have healthier balance sheet positions compared to 2018 levels. However, India has also been witnessing significant inflationary pressures similar to the global economy.

Indian economy is expected to benefit from the recovery in consumption supported by increasing normalisation of activity, higher rural income, and the boost from pent-up household savings in addition to continued emphasis on infrastructure spending by the government. Government CAPEX is budgeted to grow to 2.9% of GDP in FY 2022-23 the highest in nearly two





decades. Private corporate investment is also expected to pick up in the second half of the year with improvement in demand leading to increased manufacturing sector capacity utilisation and rollout of the Production-Linked Incentive Scheme. The outlook stands to be impacted given sustained inflation pressures in the next few quarters including the impact of Russia- Ukraine conflict, quicker tightening of financial conditions with RBI's rate hikes, high oil prices impacting current account balance and fiscal deficit and subsequent Covid-19 outbreaks.

(Source: Reserve Bank of India Monetary Policy Report – April 2022 and May 2022)

## CHEMICAL INDUSTRY

### Global Chemical Industry

As the chemical industry moves into 2022, strong demand for both commodity and specialty chemicals should keep prices robust throughout the year. The industry should also experience increased capital expenditure as leading industry players focus on building capacity and expanding into growing end markets through both organic and inorganic routes. However, the industry could face margin pressures amid raw material cost inflation, which will likely remain high through the first half of 2022.

One of the critical areas of focus for most US chemical companies in 2022 will likely be sustainability and decarbonization. Many chemical companies are expected to increase investment in research and development (R&D) capabilities and leverage advances in decarbonization and recycling technologies to lower their and their customers' carbon footprint, as well as reduce plastic waste. As a result, 2022 should see more industry players create goals and plans around abatement of emissions and monetization of waste. Learn more about what lies ahead in our annual industry outlook.

### Indian Chemical Industry

The Indian Chemical industry has a huge role to play to make India a US \$5 trillion economy by contributing around US \$300 billion to the GDP by 2025. The industry is growing with CAGR of 9.3% and is expected to attract investments of Rs 8 lakh crore by 2025. As the sector plays a significant role in enabling the growth of the Indian economy, the country needs to build a competitive landscape for the chemical industry.

Already facing contracting gross margin due to soaring raw material cost and increasing operating costs due to higher freight during the second half of 2021, Indian chemical industry is re-orienting its strategy to regain the lost ground. The opportunities are knocking the door as US is likely to slap investment and export sanctions against more Chinese chemical companies. This will result in a shift for chemical majors to explore reliable alternative. According to industry experts, this emerging scenario has created grand opportunities for Indian chemical companies that are well positioned to benefit from this shift and garner a major chunk of the pie.

Indian chemical industry should also experience increased capital expenditure as major players have focused on building capacity and expanding their reach into new and emerging markets.

While the growth of the Indian chemical industry is on the right trajectory, these companies will also have to focus on sustainability and decarbonisation. This becomes more necessary as the US and European Union are speeding up sustainability for the chemical industry and Indian chemical companies will have to align themselves with the sustainability goals. Most of these companies have already charted out their plans for increased investment in green, recycling technology, R&D, digitization etc to achieve their sustainability goals.

On the policy front, Production Linked Incentives (PLI) is a good measure as it incentivizes the industry to quickly put up investment and start commercializing sales. Chemical industry also needs to be incentivized to push making India a global manufacturing hub.

## 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 665.15 MN in 2020 and is projected to grow at a CAGR of 14.29% between 2021 and 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.

According to a report from Procurement IQ, the synthetic resins will grow at a CAGR of 5.09% during 2021-2025. Prices will increase by 5%-7% during the forecast period and suppliers will have a moderate bargaining in this market. Due to its properties like light weight, durability, rigidity, and the ability to act as an excellent barrier, synthetic resins are used as a flexible packaging material.

The growth of e-commerce sector is creating a substantial demand for flexible packaging and synthetic resins. Asia Pacific region is dominating the global synthetic resins market and is expected to contribute significantly in the global spend.

### 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.

In 2020, Aroma Chemicals Market was valued approximately at 4326.6 million USD and is anticipated to grow with a healthy growth rate of more than 5.3% CAGR and it is projected to reach 6235.8 Million USD over the forecast period 2022-2026.

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.

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 US\$ 235.2 Million in 2021. Aroma chemicals are chemical substances that are used as ingredients in flavors and fragrances.

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.

Revenue in the Fragrances segment amounts to ₹ 23.33bn in 2022. The market is expected to grow annually by 5.61% (CAGR 2022-2026)

### Opportunities and Threats

Opportunities	Threats
1. Demand for Pine chemicals is growing because of its organic and environment friendly properties and numerous benefits	1. Volatility in foreign exchange rate
2. India has abundance of natural ingredients like spice and herb used for making aroma chemicals	2. Cheaper imports from China
3. The growth of population in India will lead to more demand and consumption of Camphor for religious purposes.	3. Competition from unorganised players
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. Geopolitical tensions impacting export
5. Demand for synthetic resin is growing fast due to its applications in flexible packaging and automotive sector	5. Lack of adequate research and development in the sector.
6. Growth of Flavour & Fragrance (F&F) and nutraceutical sector is driving demand for aroma chemicals significantly	6. Raw Material Price Volatility
	7. 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
<b>B2B - Terpene</b>	<ul style="list-style-type: none"> <li>Camphor</li> <li>Isobornyl Acetate</li> <li>Isoborneol</li> <li>Dipentene</li> <li>Sodium Acetate</li> </ul>	<p><b>Camphor:</b> Religious use, healthcare products, hygiene products</p> <p><b>Isobornyl Acetate:</b> Fragrance and flavor</p> <p><b>Isoborneol:</b> Fragrance and flavor</p> <p><b>Dipentene:</b> Paints, cleaning and degreasing agents</p> <p><b>Sodium Acetate:</b> Textile and dyes industry, Leather tanning</p>
<b>B2B - Synthetic Resin</b>	<ul style="list-style-type: none"> <li>Terpene Phenolic Resin</li> <li>Alkyl Phenolic Resin</li> <li>Rosin Esters</li> </ul>	Adhesives, Tyres, Rubbers, Chewing Gum, Printing Ink

### B2C - Retail Operations

- CamPure- Homecare and personal care products based on Camphor
- Mangalam- Camphor tablets for Pious uses and Bhimseni Camphor for aroma therapy.
- Private Labelling Initiatives

### 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 confirm 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

<b>Mangalam</b>	Camphor tablets for religious purposes and Bhimseni Camphor for Aroma therapy
<b>CamPure</b>	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.

## Covid-19 Impact

As a result of the continuing global health pandemic posed by COVID 19, its different variants and emerging new waves, the operations of the Company continued to remain disrupted at its manufacturing plant impacting productions and also at the retail segment impacting sales. The operations have been gradually resumed in line with the Government of India directives issued in this regard. The Company has taken adequate precautions for safety and well-being of the employees while resumption of operations of its plants. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious.

The Company has considered the possible impact of COVID 19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of the financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

## FINANCIAL PERFORMANCE

During the year under review, Revenues from operations for FY 2021-22 stood at Rs.490.91 crore, a growth by 45.13% as compared to Rs. 338.26 crore in FY 2020-21. Growth in revenue was due to the increased sales price of camphor and more manufacturing days as compared to the previous period.

Further, the Company registered a Net Profit of Rs. 54.23 crore for FY 2021-22, a decline of 35.99% as compared to Rs. 84.72 crore for FY 2020-21. The substantially decreased profit ratio was due to price correction in Camphor. The Company's EBIDT stood at Rs. 92.65 crore for FY 2021-22, as compared to Rs. 128.92 crore for F. Y. 2020-21, a decline in ratio of 28.13%.

### Details of Significant Changes in Key Financial Ratios

In FY 2021-22, there are no significant changes in key Financial Ratios, except the following:

#### 1. Interest Coverage Ratio

FY 2021-22	FY 2020-21
20.00x	115.18x



Decrease in Interest Coverage Ratio was due to decrease in profitability on account of lower selling price of finished goods vs higher priced, well stocked up raw material by the Company as compared to FY 2020-21.

## 2. Current Ratio

FY 2021-22	FY 2020-21
1.76x	3.55x

Company has availed substantial working capital facility which resulted in lower Current ratio as compared to FY 2020-21.

## 3. Debt Equity Ratio

FY 2021-22	FY 2020-21
0.78%	0.24%

Increase in Debt Equity Ratio as compared to FY 2020-21 was due to considerable increase in short term and long term liability.

## 4. Operating Profit Margin (%)

FY 2021-22	FY 2020-21
15.83%	34.11%

Decrease in Operating profit margin was due to lower sales realisation and increase in raw material prices during the year as compared to FY 2020-21.

## 5. Net Profit Margin (%)

FY 2021-22	FY 2020-21
11.04%	25.05%

Decrease in Net profit margin was due to lower selling price of finished goods vs higher priced, well stocked up raw material by the Company as compared to FY 2020-21.

## 6. Details of any change in Return on Net Worth, compared to the previous financial year

FY 2021-22	FY 2020-21
17.80%	33.65%

Profitability has been decreased due to lower sales realisation and increase in raw material prices during the year, which resulted in lower net worth as compared to FY 2020-21.

## 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:

**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.

**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.

**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.

**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.

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.

## INDUSTRY & MANAGEMENT OUTLOOK

For the year 2022-23, the Company will further continue to look at sustainable growth by focusing on:

- Increasing domestic and export market share
- Increasing efficiency of the Company's present production capacity
- Boosting the B2C business

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 2022-23, 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**

In the current age of dynamic, challenging and changing business environment, the Company believes that its 'People' i.e. 'Human Capital' are its important and vital assets. Skills acquired by the employees through training are assets for the Company. Thus, training and development strategy aims to build coherent workforce capabilities, skills or competencies required to ensure sustainable and successful organisation. The Company always strives on maintaining healthy and strong employee relations by devising strategies that ensure high productivity and employee's satisfaction. A positive atmosphere of trust has been created. The headcount as on March 31, 2022 were 409 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

*"Be the change you want to see in the world"*

- Mahatma Gandhi

## CORPORATE GOVERNANCE

Corporate Governance is defined as the framework of rules and practices through which the board of directors ensures accountability, fairness, and transparency in a company's relationship with its all stakeholders (financiers, customers, management, employees, government, and the community).

The fundamental principle of Corporate Governance is achieving sustained growth ethically and in the best interest of all stakeholders. It is not a mere compliance of laws, rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

## 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 stakeholders disclosure and transparency and board responsibility.

Your Company is in compliance with the requirements on Corporate Governance during FY 2021-22. 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, 2022 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, 2022

Your Company has the optimum combination of Executive and Non-Executive Directors in conformity with Regulation 17 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, 2022 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 31st March, 2022			Names of the listed entities and category of Directorship
			Directorships \$	Committee Chairmanships+	Committee Memberships+	
Mr. Kamalkumar Dujodwala	Promoter-Executive Director/Chairman	00546281	1	-	2	-
Mr. Pannkaj Dujodwala	Promoter-Managing Director	00546353	1	-	-	-
Mr. Rajkumar S Jatia	Independent Director	00136303	1	-	-	-
Mr. Sharad Kumar Saraf	Independent Director	00035843	2	-	3	Technocraft Industries (India) Ltd. – Executive Director and Chairperson
Mr. Shree Narayan Baheti	Independent Director	01760198	1	-	0	-
Mrs. Manisha Agarwal	Independent Woman Director	00441841	1	2	2	-

*	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 2021-22, a separate meeting of Independent Directors was held on March 28, 2022, 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 2021-22, 6 (Six) meetings of the Board of Directors were held on:

- May 27, 2021
- July 20, 2021
- August 21, 2021
- October 25, 2021
- February 11, 2022
- March 28, 2022

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	6	Yes
Mr. Pannkaj Dujodwala	6	Yes
Mr. Rajkumar S Jatia	6	No
Mr. Sharad Kumar Saraf	6	Yes
Mr. Shree Narayan Baheti	6	No
Mrs. Manisha Agarwal	6	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
- 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, 2022

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. Rajkumar S Jatia	-	-
Mr. Sharad Kumar Saraf	-	-
Mr. Shree Narayan Baheti	-	-
Mrs. Manisha Agarwal	-	-
<b>Total</b>	<b>2,88,516</b>	<b>3.36</b>

### 5. Familiarization Programme for Independent Directors

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 at <http://www.mangalamorganics.com>.

### 6. 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:

- Two new companies viz. 'Mangalam Pooja Stores Private Limited' and 'Mangalam Speciality Chemicals Private Limited' were incorporated as Wholly Owned Subsidiaries ('WOS') of the Company.
- The name of one WOS of the company was changed from 'Campure Private Limited' to 'Mangalam Brands Private Limited'.
- None of the subsidiaries of the Company fall under the criteria of 'Material Subsidiary'.

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 <http://www.mangalamorganics.com>.

### 7. 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

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

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

<b>Global Business</b>	Developing robust sales and marketing team, understanding various geographical markets, business development, identifying and working towards global market opportunities
<b>Technology</b>	Product Development, process technology, leading research and development, create new product application
<b>Finance</b>	Financial management, managing Financial systems, Financial reporting process, internal financial control, capital allocation, Auditor, principal controller, Capex management
<b>Leadership</b>	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
1.	Kamalkumar Dujodwala	✓	-	✓	✓
2.	Pannkaj Dujodwala	✓	✓	-	✓
3.	Sharad Kumar Saraf	✓	✓	✓	-
4.	Rajkumar Jatia	✓	-	✓	-
5.	Shree Narayan Baheti	✓	-	✓	-
6.	Manisha Agarwal	✓	✓	✓	-

## 9. 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

The composition of the Audit Committee as on March 31, 2022 is as follows:

Name of Members	Category	Designation
Mrs. Manisha Agarwal	Independent Woman Director	Chairperson
Mr. Sharad Kumar Saraf	Independent Director	Member
Mr. Kamalkumar Dujodwala	Executive Director	Member

During the year under review, the Audit Committee met four times on:

- May 27, 2021
- July 20, 2021
- October 25, 2021
- February 11, 2022

The attendance of members of the Audit Committee at the committee meetings held during the year ended March 31, 2022 is as follows:

Name of Members	Number of Meetings	
	Held	Attended
Mrs. Manisha Agarwal (Chairperson)	4	4
Mr. Sharad Kumar Saraf	4	4
Mr. Kamalkumar Dujodwala	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.

## 10. Nomination, Remuneration and Compensation (NRC) Committee

The composition of this Committee as on March 31, 2022 is as follows:

Name of Members	Category	Designation
Mrs. Manisha Agarwal	Independent Woman Director	Chairperson
Mr. Sharad Kumar Saraf	Independent Director	Member
Mr. Rajkumar Jatia	Independent Director	Member

During the year under review, the NRC Committee met twice on:

- October 25, 2021
- March 28, 2022

The attendance of members of the NRC Committee at the committee meetings held during the year ended March 31, 2022 is as follows:

Name of Members	Number of Meetings	
	Held	Attended
Mrs. Manisha Agarwal (Chairperson)	2	2
Mr. Sharad Kumar Saraf	2	2
Mr. Rajkumar Jatia	2	2

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.

## 11. Stakeholders Relationship Committee

The composition of this Committee as on March 31, 2022 is as follows:

Name of Members	Category	Designation
Mrs. Manisha Agarwal	Independent Woman Director	Chairperson
Mr. Sharad Kumar Saraf	Independent Director	Member
Mr. Kamalkumar Dujodwala	Executive Director	Member

During the year under review, Six meetings of the Committee were held on:

- May 27, 2021
- July 20, 2021
- August 21, 2021
- October 25, 2021
- February 11, 2022
- March 28, 2022

The attendance of members at the committee meetings held during the year ended March 31, 2022 is as follows:

Name of Members	Number of Meetings	
	Held	Attended
Mrs. Manisha Agarwal (Chairperson)	6	6
Mr. Sharad Kumar Saraf	6	6
Mr. Kamalkumar Dujodwala	6	6

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:

**Ms. Shachi Sanghavi**

Company Secretary & Compliance Officer  
Mangalam Organics Limited  
812/813, Tulsiani Chambers,  
212, Nariman point, Mumbai- 400021  
Tel: +91 (22)- 49204089  
Email: cs@mangalamorganics.com

**12. Corporate Social Responsibility Committee**

The composition of this Committee as on March 31, 2022 is as follows:

Name of Members	Category	Designation
Mrs. Manisha Agarwal	Independent Women Director	Chairperson
Mr. Sharad Kumar Saraf	Independent Director	Member
Mr. Kamalkumar Dujodwala	Executive Director	Member

The Company Secretary is the Secretary to the Committee.

During the year under review, two meetings of the said Committee were held on: October 25, 2021 and February 11, 2022

The following members were present for the Corporate Social Responsibility Committee Meeting held as above:

1. Mrs. Manisha Agarwal (Chairperson)
2. Mr. Sharad Kumar Saraf
3. Mr. Kamalkumar Dujodwala

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, 2022 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, 2022 is as follows:**

(Amount in ₹)

Name	Remuneration	Allowances	Performance Incentive	Perquisite	Sitting Fee	Commission
<b>Executive Director</b>						
Mr. Kamalkumar Dujodwala	3,00,00,000	-	-	-	-	-
Mr. Pannkaj Dujodwala	3,00,00,000	-	-	-	-	-
<b>Non – Executive Director</b>						
Mr. Sharad Kumar Saraf	-	-	-	-	12,000	-
Mr. Rajkumar S Jatia	-	-	-	-	12,000	-
Mr. Shree Narayan Baheti	-	-	-	-	12,000	-
Mrs. Manisha Agarwal	-	-	-	-	12,000	-

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. The said policy is available on Company's website [www.mangalamorganics.com](http://www.mangalamorganics.com)

### 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.

## DISCLOSURES

- 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 <http://www.mangalamorganics.com>
- 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
- 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 and can be accessed through the weblink: <http://www.mangalamorganics.com>
- 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 and can be accessed through the weblink: <http://www.mangalamorganics.com>
- 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.
- 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').  
  
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.
- 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 three 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.
- 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.
- 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.
- The particulars about the total amount of fees paid to the Statutory Auditors of the Company and its subsidiaries, during the financial year 2021-22, is as follows: Rs. 4,50,000/- for the Statutory Audit and Rs. 1,00,000/- for Tax Audit.

11. 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.
12. 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.
13. Your Company has not raised funds through preferential allotment or qualified institutions placement in FY 2021-22 as specified under Regulation 32 (7A).
14. Your Company has accepted all the recommendation received from any committee of the Board which is mandatorily required, in FY 2021-22.

15. 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, 2021	September 29, 2021 3.00 p.m.	Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	- Approval under section 180(1)(a) of the Companies Act, 2013 for creation of Charge and Hypothecation of Assets
March 31, 2020	September 29, 2020 3.00 p.m.	Meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	- Approval of re-appointment of Mr. Pannkaj Dujodwala as a Managing Director
March 31, 2019	September 18, 2019 10.00 a.m.	Vishwa Niketan Institute of Management (Conference Hall) Kumbhivali Village, Savroli Kharpada Road, Taluka-Khalapur, Khopoli-410202, District Raigad, Maharashtra	- Approval of Re-appointment of Mr. Sharad Kumar Saraf as an Independent Director - Approval of Re-appointment of Mr. Rajkumar Jatia as an Independent Director - Approval of re-appointment of Mr. Kamalkumar Dujodwala as a Chairman - Approval of revision in remuneration of Mr. Akshay Dujodwala - Approval of alteration of Memorandum of Association as per Companies Act, 2013

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

#### Postal Ballot

During FY 2021-22, FY 2020-21 and FY 2019-20, no ordinary or special resolutions were passed through postal ballot.

#### Company's Means of Communication

Website	Your Company maintains a website <a href="http://www.mangalamorganics.com">www.mangalamorganics.com</a> , 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.
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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 <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> 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 <a href="http://www.mangalamorganics.com">www.mangalamorganics.com</a>
Designated Exclusive Email ID	The Company has designated the email id i.e. <a href="mailto:cs@mangalamorganics.com">cs@mangalamorganics.com</a> for investor grievances. This Email ID has been displayed on the Company's website viz. <a href="http://www.mangalamorganice.com">www.mangalamorganice.com</a>
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.

## 2. 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, 212 Nariman Point, Mumbai – 400 021, Maharashtra.										
Date, Time and Venue of Annual General Meeting	The Company has decided to hold its 40th Annual General Meeting (the “AGM”) on <b>Wednesday, September 28, 2022 at 3.00 P.M.</b> 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, 2021 and 02/2022 dated May 5, 2022 has permitted the companies to conduct their AGMs, through VC/OAVM during the calendar year 2020, 2021 and 2022 on account of the threat posed by COVID-19.  Guidelines for participation in the Company's 40th Annual General Meeting are laid out in the Notice convening the meeting and have also been uploaded on the website of the Company viz. <a href="http://www.mangalamorganics.com">www.mangalamorganics.com</a> .										
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 2022-23 are as given below: <table border="1" data-bbox="539 1554 1455 1749"> <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, 2022</td> </tr> <tr> <td>Second Quarter and Half Yearly Results</td> <td>on or before November 14, 2022</td> </tr> <tr> <td>Third Quarter Results</td> <td>on or before February 14, 2023</td> </tr> <tr> <td>Annual Results</td> <td>on or before May 30, 2023</td> </tr> </tbody> </table>	Quarter Ended	Release of Results	First Quarter Results	on or before August 14, 2022	Second Quarter and Half Yearly Results	on or before November 14, 2022	Third Quarter Results	on or before February 14, 2023	Annual Results	on or before May 30, 2023
Quarter Ended	Release of Results										
First Quarter Results	on or before August 14, 2022										
Second Quarter and Half Yearly Results	on or before November 14, 2022										
Third Quarter Results	on or before February 14, 2023										
Annual Results	on or before May 30, 2023										
Dividend Payment Date and Date of Book Closure	A Dividend of Rs. 1.5 per equity share has been recommended by the Board of Directors and it is subject to the approval of the shareholders at the ensuing Annual General Meeting.  The proposed dividend, if so approved, will be paid to the members whose names appear on the Register of Members at the end of day on September 21, 2022.  The NECS upload/ dispatch of dividend warrants / demand drafts shall be completed within 30 days from the date of AGM.										

Dividend History	Financial Year	Rate of Dividend	Dividend (in Rs.) per share of Rs.10 each
	2020-21	15%	Rs. 1.5
	2019-20	10%	Re. 1
	2018-19	10%	Re. 1
	2017-18	10%	Re. 1
	2016-17	-	-
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 2022-23 has been paid		
Stock code	BSE Scrip Code: 514418 NSE Symbol: MANORG		
ISIN	INE370D01013		
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	<p>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.</p> <p>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.</p>		
Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments and their impact on Equity	As on March 31, 2022, 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	<p>Your Company has obtained revised Credit Rating from CRISIL as on 1st August 2022 as follows:</p> <p><b>Long Term Rating:</b> CRISIL A-/Stable (Outlook revised from 'Positive' and rating Reaffirmed)</p> <p><b>Short Term Rating:</b> CRISIL A2+ (Reaffirmed)</p>		





### 3. 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, 2022 are as follows:

Month	Mangalam Organics Share Price on BSE			Mangalam Organics Share Price on NSE		
	High (₹)	Low (₹)	Total no. of equity shares traded	High (₹)	Low (₹)	Total no. of equity shares traded
Apr-21	655	485	6,87,881	-	-	-
May-21	820	585.25	9,98,780	-	-	-
June-21	874.9	706.1	5,14,783	-	-	-
July-21	822.6	680	3,87,604	-	-	-
Aug-21	753.95	636	1,99,124	-	-	-
Sept-21	730	636	2,45,955	-	-	-
Oct-21	897	685	6,36,262	-	-	-
Nov-21	1300	844	6,14,721	1299	850	12,49,158
Dec-21	1099.4	930	1,09,383	1100.05	811.2	3,08,671
Jan-22	1212.2	1001	1,07,783	1215	1003.25	4,25,058
Feb-22	1149	781.2	1,21,383	1145	781.15	4,48,370
Mar-22	999	781.4	82,103	999	781.6	3,10,599

### 4. 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-21	570	21081.42
May-21	702.625	22662.375
Jun-21	790.5	24361.94
Jul-21	751.3	26070.415
Aug-21	694.975	26237.57
Sep-21	683	27659.375
Oct-21	791	28942.865
Nov-21	1072	28201.72
Dec-21	1014.7	28392.545
Jan-22	1106.6	29556.065
Feb-22	965.1	27717.56
Mar-22	890.2	26906.72

### 5. Distribution of Shareholding as on 31st March, 2022

Description	No. of Shareholders	% to Total Shareholders	Shares	% of Total Share Capital
1 to 500	21763	96.8363	1340838	15.6559
501 to 1000	383	1.7042	292138	3.4111
1001 to 2000	178	0.792	266704	3.1141
2001 to 3000	44	0.1958	109433	1.2778
3001 to 4000	31	0.1379	111912	1.3067
4001 to 5000	22	0.0979	100623	1.1749
5001 to 10000	24	0.1068	178027	2.0787
10001 to 99999999999	29	0.129	6164765	71.9809
<b>Total</b>	<b>22474</b>	<b>100</b>	<b>8564440</b>	<b>100</b>

## 6. Shareholding pattern as on March 31, 2022

Category code	Category of Shareholder	No. of shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares
<b>(A)</b>	<b>Promoters</b>				
<b>1</b>	<b>Indian</b>				
(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
	<b>Sub Total(A)(1)</b>	<b>4702802</b>	<b>-</b>	<b>4702802</b>	<b>54.91</b>
<b>2</b>	<b>Foreign</b>				
(a)	NRIs – Individuals	-	-	-	-
(b)	Other Individuals	-	-	-	-
(c)	Bodies Corporate	-	-	-	-
(d)	Banks / FI	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-
	<b>Sub Total(A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4702802</b>	<b>-</b>	<b>4702802</b>	<b>54.91</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>1</b>	<b>Institutions</b>				
(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	565	-	565	0.01
(i)	Any Other (specify)	-	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>565</b>	<b>-</b>	<b>565</b>	<b>0.01</b>
<b>B 2</b>	<b>Non-institutions</b>				
<b>(a)</b>	<b>Bodies Corporate</b>				
(i)	Indian	-	-	-	-
(ii)	Overseas	-	-	-	-
<b>(b)</b>	<b>Individuals</b>				
(i)	Individual shareholders holding nominal share capital up to Rs 2 lakh	1978558	303700	2282258	26.65
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	675205	-	675205	7.88
<b>(c)</b>	<b>Others (specify)</b>				



Category code	Category of Shareholder	No. of shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares
(i)	Clearing Members	8956	-	8956	0.10
(ii)	HUF	61822	-	61822	0.72
(iii)	NRI / OCBs	74827	60800	135627	1.58
(iv)	Body Corporates	209899	3700	213599	2.49
(v)	IEPF A/C	464728	-	464728	5.43
(vi)	LLP	11878	-	11878	0.14
(vii)	Foreign Portfolio Investors	7000	-	7000	0.08
	<b>Sub-Total (B)(2)</b>	<b>3492873</b>	<b>368200</b>	<b>3861073</b>	<b>45.08</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3493438</b>	<b>368200</b>	<b>3861638</b>	<b>45.09</b>
	<b>TOTAL (A)+(B)</b>	<b>8196240</b>	<b>368200</b>	<b>8564440</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>8196240</b>	<b>368200</b>	<b>8564440</b>	<b>100.00</b>

#### 7. Status of dematerialisation of shares

As on March 31, 2022, all except 3,68,200 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, 2022 is as follows:

Particulars	No. of Shares	Percent of Equity (%)
NSDL	69,60,088	81.27
CDSL	12,36,152	14.43
Physical	3,68,200	4.30
<b>Total</b>	<b>85,64,440</b>	<b>100</b>

#### 8. Reconciliation of Share Capital Audit

As stipulated by SEBI, 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.

#### 9. Unclaimed Dividend

As on March 31, 2022 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	3,80,814.00	No	-
FY 2018-19	2,66,381.00	No	-
FY 2019-20	2,71,435.00	No	-
FY 2020-21	4,14,835.00	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.

#### 10. 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](mailto: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 13, 2022

#### **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 2021-22.

Mumbai, August 13, 2022

**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 31st March, 2022 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. Shrirang Rajule**

Chief Financial Officer

Mumbai, August 13, 2022

**Sd/-**

**Mr. Sanjay Bhardwaj**

Chief Executive Officer

## 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 410203

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors **MANGALAM ORGANICS LIMITED** having **CIN L24110MH1981PLC024742** and having registered office at Kumbhivali Village, Savroli Kharpada Road, Taluka Khalapur, Khopoli- 410203 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, 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, 2022 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 Dujodwala	00546281	03/07/1981
2	Mr. Pannkaj Dujodwala	00546353	03/06/1987
3	Mr. Rajkumar S Jatia	00136303	27/05/2010
4	Mr. Sharad Kumar Saraf	00035843	29/01/2011
5	Mr. Shree Narayan Baheti	01760198	14/08/2017
6	Mrs. Manisha Agarwal	00441841	20/03/2020

Ensuring the eligibility 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 8, 2022**

**Place: Mumbai**

**UDIN: F011305D000754531**

**Peer Review Certificate No.: 1583/2021**

**Yogesh M. Sharma**

Company Secretary in whole time practice

FCS 11305

C.P. 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 31st March, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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 13, 2022

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Mangalam Organics Limited Report on audit of the Standalone 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, 2022, 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, 2022, 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 are 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 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2020, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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, 2022.
  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.

**For NGST & Associates**

**Chartered Accountants**

**Firm Regn. No 135159W**

**Sd/-**

**Bhupendra S Gandhi**

**Partner**

**M. No. 122296**

**UDIN - 22122296AJTAAQ9268**

**Place: Mumbai**

**Date: May 27, 2022**



## ANNEXURE - A TO AUDITOR'S REPORT

(Referred to our report of even date)

**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, 2022, 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.

(Rs. In Lakhs)

Aggregate amount granted / provided during the year	Guarantees	Security	Loans	Advances in nature of loans
- Wholly owned Subsidiaries	3800.00	Nil	514.12	Nil
Balance outstanding as at balance sheet date in respect of above cases				
- Wholly owned Subsidiaries	3800.00	Nil	514.12	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 cash losses in the current year and in the immediately preceding financial year respectively.
- 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 realization 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 - 22122296AJTAAQ9268**

**Place: Mumbai**

**Date: May 27, 2022**

## 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 2022, 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 2022, 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**

**Registration No. 135159W**

**Sd/-**

**Bhupendra Gandhi**

**Partner**

**M. Ship No. 122296**

**UDIN - 22122296AJTAAQ9268**

**Place: Mumbai**

**Date: May 27, 2022**

# STANDALONE BALANCE SHEET

as at 31st March 2022

Amounts in (₹)

	Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	- Property, Plant and Equipment	1	1,80,98,07,321	1,20,57,64,921
	- Capital work-in-progress	1	7,65,66,150	-
	- Financial Assets			
	Investments	2.1	20,24,800	10,25,000
	Loans	2.2	5,14,11,215	-
	Other financial assets	2.3	10,15,84,202	43,41,282
(2)	<b>Current assets</b>			
	- Inventories	3	2,42,85,74,762	1,06,12,99,337
	- Financial Assets			
	Trade receivables	4.1	43,95,46,704	34,43,59,802
	Cash and cash equivalents	4.2	22,49,894	1,04,31,310
	Bank balances & other than cash and cash equivalents	4.3	89,80,104	33,35,31,480
	Other financial assets	4.4	12,29,50,350	14,81,470
	Current tax assets (net)	4.5	5,35,42,371	1,57,98,878
	- Other current assets	5	33,34,59,014	13,56,15,655
	<b>Total Assets</b>		<b>5,43,06,96,887</b>	<b>3,11,36,49,135</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>	6		
	- Equity Share capital	A)	8,56,44,400	8,56,44,400
	- Other Equity	B)	2,96,14,52,169	2,43,19,88,370
			<b>3,04,70,96,569</b>	<b>2,51,76,32,770</b>
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
	- Financial Liabilities			
	- Borrowings	7	37,71,26,898	-
	- Provisions	8	2,95,67,529	2,51,43,911
	- Deferred tax liabilities (Net)	9	5,04,20,083	3,50,97,868
			<b>45,71,14,510</b>	<b>6,02,41,779</b>
(2)	<b>Current liabilities</b>			
	- Financial Liabilities			
	Borrowings	10	1,58,08,37,058	24,28,69,807
	Trade payables	11	30,94,89,312	24,11,75,134
	Other financial liabilities	12	13,33,915	4,14,530
	- Other current liabilities	13	2,42,21,341	4,13,82,134
	- Provisions	14	1,06,04,182	99,32,981
			<b>1,92,64,85,808</b>	<b>53,57,74,586</b>
	<b>Total Equity and Liabilities</b>		<b>5,43,06,96,887</b>	<b>3,11,36,49,135</b>

Notes forming integral part of the financial statements

As per our report of even date

NGST & Associates

Chartered Accountants

FRN: 135159W

Sd/-

Bhupendra Gandhi

Partner

Mem. No. 122296

Place: Mumbai

Dated: May 27, 2022

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/-

Heena Tank

Company Secretary





# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

Amounts in (₹)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from Operations	15	4,90,91,50,383	3,38,26,46,398
II	Other Income	16	1,44,18,284	1,04,89,808
<b>III</b>	<b>TOTAL INCOME (I+II)</b>		<b>4,92,35,68,667</b>	<b>3,39,31,36,206</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	17	2,84,31,22,400	1,47,12,23,776
	Purchases of Stock-in-trade	18	5,21,70,370	3,85,34,251
	Changes in inventories of finished goods and work-in-progress	19	(11,60,88,572)	(27,59,86,017)
	Employee benefits expenses	20	29,62,91,859	26,91,35,724
	Finance costs	21	3,88,61,130	1,00,17,620
	Depreciation and amortization expense		14,91,28,959	13,53,42,537
	Other expenses	22	92,16,24,829	60,09,80,799
	<b>TOTAL EXPENSES (IV)</b>		<b>4,18,51,10,975</b>	<b>2,24,92,48,690</b>
<b>V</b>	<b>Profit before exceptional items and tax (III - IV)</b>		<b>73,84,57,692</b>	<b>1,14,38,87,516</b>
VI	Exceptional Items			
<b>VII</b>	<b>Profit before tax (V-VI)</b>		<b>73,84,57,692</b>	<b>1,14,38,87,516</b>
VIII	Tax expense:			
	(1) Current tax		18,00,00,000	29,00,00,000
	(2) Deferred tax		1,55,29,856	52,08,005
<b>IX</b>	<b>Profit for the period (VII-VIII)</b>		<b>54,29,27,836</b>	<b>84,86,79,511</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		(8,25,018)	(19,65,732)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2,07,641	4,94,735
	- 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		-	-
<b>XI</b>	<b>Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>54,23,10,459</b>	<b>84,72,08,515</b>
XII	Earnings per equity share:			
	(1) Basic and Diluted		63.32	98.92

Notes forming integral part of the financial statements

As per our report of even date

NGST & Associates

Chartered Accountants

FRN: 135159W

Sd/-

Bhupendra Gandhi

Partner

Mem. No. 122296

Place: Mumbai

Dated: May 27, 2022

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/-

Heena Tank

Company Secretary

# STANDALONE CASH FLOW STATEMENT

for the year ended 31st March 2022

Amounts in (₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>A. Cash flow from operating activities :</b>		
Net profit before tax	73,76,32,674	1,14,19,21,784
<b>Adjustment For :</b>		
Depreciation	14,91,28,959	13,53,42,537
Interest Income	(43,49,217)	(68,44,083)
Dividend received	(5,000)	(9,349)
Interest paid	3,88,61,130	1,00,17,620
Loss on sale of fixed assets	1,79,849	-
<b>Operating profit before working capital changes</b>	<b>92,14,48,395</b>	<b>1,28,04,28,509</b>
<b>Adjustment For :</b>		
Trade & other receivables	(23,86,01,900)	(38,71,11,655)
Inventories	(1,36,72,75,425)	(41,41,70,402)
Trade and other payables	5,60,55,212	8,03,90,186
<b>Cash generated from operations</b>	<b>(62,83,73,718)</b>	<b>55,95,36,638</b>
<b>Income tax paid</b>	<b>(21,77,43,493)</b>	<b>(29,55,27,819)</b>
<b>Net cash (used in)/ generated from operating activities - I</b>	<b>(84,61,17,211)</b>	<b>26,40,08,819</b>
<b>B. Cash flow from investing activities :</b>		
Payments for property, plant and equipment	(82,88,04,975)	(29,03,86,153)
Interest income	43,49,217	68,44,083
Dividend received	5,000	9,349
Proceeds from property, plant and equipment	-	20,65,000
Purchase of non current investments	(9,99,800)	(10,00,000)
<b>Net cash (used) in investing activities- II</b>	<b>(82,54,50,558)</b>	<b>(28,24,67,721)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) form/of short term borrowings	1,33,79,67,251	12,91,53,910
Dividend and dividend distribution tax paid	(1,28,46,660)	(85,64,440)
(Repayment)/ proceed of/ from long term borrowings	37,71,26,898	(8,81,55,255)
Interest paid	(3,88,61,130)	(1,00,17,620)
<b>Net cash generated from/ (used) in financing activities - III</b>	<b>1,66,33,86,359</b>	<b>2,24,16,595</b>
Net increase in cash and cash equivalents	(81,81,410)	39,57,693
Opening balance of cash & cash equivalents	1,04,31,310	64,73,616
Closing balance of cash & cash equivalents	22,49,894	1,04,31,310

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  
FRN: 135159W

Sd/-  
Bhupendra Gandhi  
Partner  
Mem. No. 122296

Place: Mumbai  
Dated: May 27, 2022

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/-  
Heena Tank  
Company Secretary

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

Corporate Overview

Statutory Reports

Financial Statements



## 1. Property, Plant & Equipment and Intangible Assets

Particular	Amount in (₹)									
	Freehold Land	Residential Colony	Office Premises	Building	Plant & Machinery	Computer	Furniture & Fixture	Vehicle	Office Equipment	Total
Gross Carrying value as on 01.04.2021	1,56,83,087	62,99,533	3,66,131	17,34,27,786	1,81,13,88,742	90,45,659	3,45,79,605	4,08,47,117	1,38,05,235	2,10,54,42,895
Additions	10,41,13,499	-	-	3,21,04,556	60,96,16,595	14,99,112	18,57,660	11,09,464	19,37,939	75,22,38,825
Deletions	-	-	-	-	-	-	-	13,01,129	-	13,01,129
<b>Gross Carrying value as on 31.03.2022</b>	<b>11,97,96,586</b>	<b>62,99,533</b>	<b>3,66,131</b>	<b>20,55,32,342</b>	<b>2,42,10,05,337</b>	<b>1,05,44,771</b>	<b>3,64,37,265</b>	<b>4,06,55,452</b>	<b>1,57,43,174</b>	<b>2,85,63,80,591</b>
Accumulated depreciation as on 01.04.2021	-	35,16,955	3,38,445	7,54,67,805	76,36,00,665	80,78,976	98,76,240	2,73,07,832	1,14,91,057	89,96,77,974
Depreciation charge for the year	-	1,99,695	-	59,85,819	12,98,53,649	20,89,940	34,74,660	48,84,174	26,41,022	14,91,28,959
Depreciation on deletion	-	-	-	-	-	-	-	22,33,663	-	22,33,663
Accumulated depreciation as on 31.03.2022	-	37,16,650	3,38,445	8,14,53,624	89,34,54,314	1,01,68,916	1,33,50,900	2,99,58,343	1,41,32,079	1,04,65,73,270
Net Book Value:-	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2022</b>	<b>11,97,96,586</b>	<b>25,82,883</b>	<b>27,686</b>	<b>12,40,78,718</b>	<b>1,52,75,51,023</b>	<b>3,75,855</b>	<b>2,30,86,365</b>	<b>1,06,97,109</b>	<b>16,11,095</b>	<b>1,80,98,07,321</b>
<b>At 31st March 2021</b>	<b>1,56,83,087</b>	<b>27,82,578</b>	<b>27,686</b>	<b>9,79,59,981</b>	<b>1,04,77,88,077</b>	<b>9,66,683</b>	<b>2,47,03,365</b>	<b>1,35,39,285</b>	<b>23,14,178</b>	<b>1,20,57,64,921</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 2.1 Non current investment

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Investment in Equity Shares</b>		
<b>Unquoted - carried at FVTPL</b>		
a) Equity instrument of subsidiary companies:		
- 9990 shares of Mangalam Brands Private Limited (Formerly known as Campure Private Limited)	10,00,000	10,00,000
- 49990 shares of Mangalam Pooja Stores Private Limited	4,99,900	-
- 49990 shares of Mangalam Speciality Chemicals Private Limited	4,99,900	-
b) 2500 shares of Saraswat Co-Op Bank Ltd.	25,000	25,000
<b>Total</b>	<b>20,24,800</b>	<b>10,25,000</b>
Aggregate carrying value of unquoted investments	20,24,800	10,25,000

## 2.2 Loans

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(Carried at amortised cost, unless otherwise stated)</b>		
<b>(Unsecured, considered good)</b>		
Loans to Related Parties (Refer note 27)	5,14,11,215	-
<b>Total</b>	<b>5,14,11,215</b>	<b>-</b>

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, 2022	As at 31st March, 2021
Mangalam Brands Private Limited (Formerly Campure Private Limited)	Wholly Owned Subsidiary	5,02,75,825	-
Mangalam Speciality Chemical Private Limited	Wholly Owned Subsidiary	10,13,876	-
Mangalam Pooja Stores Private Limited	Wholly Owned Subsidiary	1,21,514	-
<b>Total</b>		<b>5,14,11,215</b>	<b>-</b>

## 2.3 Other non-current financial asset At Amortised Cost

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	10,03,20,033	27,22,025
Fixed deposits with remaining maturity for more than 12 months	12,64,170	16,19,257
<b>Total</b>	<b>10,15,84,202</b>	<b>43,41,282</b>
Fixed deposits held for margin against letter of credit and bank guarantees		



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 3 Inventories

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials	1,55,69,73,778	38,10,67,298
Work-in-progress	40,89,77,201	16,77,02,704
Finished goods	32,79,30,841	45,31,16,766
Stores and spares	6,45,34,749	3,90,50,099
Power & fuel	3,90,21,497	66,53,494
Packing materials	3,11,36,696	1,37,08,976
<b>Total</b>	<b>2,42,85,74,762</b>	<b>1,06,12,99,337</b>

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

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good*	43,95,46,704	34,56,10,780
Unsecured, considered doubtful	-	-
Less : Allowance for expected credit loss	-	(12,50,978)
<b>Total</b>	<b>43,95,46,704</b>	<b>34,43,59,802</b>
<b>Break up of security details</b>		
Secured, considered good	-	-
Unsecured, considered good	43,95,46,704	34,43,59,802
Doubtful	-	12,50,978
<b>Total</b>	<b>43,95,46,704</b>	<b>34,56,10,780</b>

Trade receivables with a carrying amount of Rs. 43,95,46,704 (March 31, 2021: Rs. 34,56,10,780) 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 2022)

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	
<b>a) Undisputed trade receivables</b>								
- Considered good	-	-	39,74,37,890	3,59,76,432	40,88,998	19,05,936	1,37,448	43,95,46,704
- Considered doubtful	-	-	-	-	-	-	-	-
<b>b) Disputed trade receivables</b>								
- Considered good	-	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>39,74,37,890</b>	<b>3,59,76,432</b>	<b>40,88,998</b>	<b>19,05,936</b>	<b>1,37,448</b>	<b>43,95,46,704</b>

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## Trade receivables ageing schedule as at 31st March 2021

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	
<b>a) Undisputed trade receivables</b>								
- Considered good	-	-	30,73,26,352	1,12,70,950	25,97,807	1,04,703	2,30,59,990	34,43,59,802
- Considered doubtful	-	-	12,50,978	-	-	-	-	12,50,978
<b>b) Disputed trade receivables</b>								
- Considered good	-	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>30,85,77,330</b>	<b>1,12,70,950</b>	<b>25,97,807</b>	<b>1,04,703</b>	<b>2,30,59,990</b>	<b>34,56,10,780</b>

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.

## 4.2 Cash & cash equivalents

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Cash and cash equivalents</b>		
Balances with banks		
In Current account	16,55,921	1,00,53,918
Cash on hand	5,93,973	3,77,392
<b>Total</b>	<b>22,49,894</b>	<b>1,04,31,310</b>

## 4.3 Bank balances & other Cash & Cash equivalents

(Carried at amortised cost, except otherwise stated)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance in unpaid dividend account*	13,33,915	4,35,080
Fixed deposits with remaining maturity for less than 12 months	76,46,189	33,30,96,400
<b>Total</b>	<b>89,80,104</b>	<b>33,35,31,480</b>

\*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, 2022	As at 31st March, 2021
Insurance claim receivable	-	14,81,470
GST refund receivable	12,29,50,350	-
<b>Total</b>	<b>12,29,50,350</b>	<b>14,81,470</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 4.5 Current tax assets (net)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance income tax & TDS (net of provision for tax)	5,35,42,371	1,57,98,878
<b>Total</b>	<b>5,35,42,371</b>	<b>1,57,98,878</b>

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

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers	17,83,05,232	10,04,65,921
Balance with revenue authorities	14,35,46,760	3,30,25,920
Prepaid expenses	16,84,308	7,63,530
Other advance	99,22,715	13,60,284
<b>Total</b>	<b>33,34,59,014</b>	<b>13,56,15,655</b>

## 6 Equity

### (A) Equity Share Capital

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
12,000,000 Equity Shares of Rs 10 each	12,00,00,000	12,00,00,000
<b>Issued, Subscribed and Paid up</b>		
85,64,440 Equity Shares of Rs 10 each	8,56,44,400	8,56,44,400
<b>Total</b>	<b>8,56,44,400</b>	<b>8,56,44,400</b>

### 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
<b>Balance as at 1st April</b>	85,64,440	85,64,440
Add / (Less): Changes during the year	-	-
<b>Balance as at 31st March</b>	<b>85,64,440</b>	<b>85,64,440</b>

### 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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

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

As at 31st March 2022

Shareholders	No. of shares	% of holding
Tradechem Organics Limited (Formerly Indo Euro Securities 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 2021

Shareholders	No. of shares	% of holding
Tradechem Organics Limited (Formerly Indo Euro Securities 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

## Shareholding of Promoters 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 (Formerly Indo Euro Securities 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 2021

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 (Formerly Indo Euro Securities 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 2022

## Shares held by promoters at the end of the year

As at 31st March 2020

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 (Formerly Indo Euro Securities Limited)	18,29,417	21.36	Nil
Dujodwala Exports Pvt Ltd	1,72,432	2.01	Nil

## (B) Other Equity

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
General Reserve	1,49,91,838	1,49,91,838
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
- Opening Balance	2,41,69,96,532	1,57,83,52,457
- Total Comprehensive Income for the Period	54,23,10,459	84,72,08,515
- Less : Dividend paid	1,28,46,660	85,64,440
- Less : Dividend distribution tax	-	-
	<b>2,94,64,60,331</b>	<b>2,41,69,96,532</b>
<b>Total</b>	<b>2,96,14,52,169</b>	<b>2,43,19,88,370</b>

## 7 Non -Current borrowings

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Carried at amortised cost, unless otherwise stated)		
<b>Secured Loans - From Bank</b>		
Corporate Loan - HDFC Bank Limited	37,70,33,323	-
Vehicle Loan	93,575	-
[Vehicle loan is secured against vehicles financed]		
<b>Total</b>	<b>37,71,26,898</b>	-

Refer note 11 below for securities

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 8 Provisions

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for Employee Benefits</b>		
Provision for gratuity	2,48,35,508	2,13,44,100
Provision for leave encashment	47,32,021	37,99,811
<b>Total</b>	<b>2,95,67,529</b>	<b>2,51,43,911</b>

## 9 Deferred tax liabilities (Net)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Tax effect of items constituting deferred tax liability</b>		
Depreciation	6,05,30,499	4,41,52,089
On account of provision for diminution in value of non- current investment	-	-
Remeasurement of defined benefit plan- OCI	-	-
<b>Total DTL</b>	<b>6,05,30,499</b>	<b>4,41,52,089</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for doubtful debts and employee benefits	1,01,10,416	90,54,221
<b>Total DTA</b>	<b>1,01,10,416</b>	<b>90,54,221</b>
<b>Net (DTA) / DTL</b>	<b>5,04,20,083</b>	<b>3,50,97,868</b>
<b>Total</b>	<b>5,04,20,083</b>	<b>3,50,97,868</b>

## 10 Short Term Borrowings

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Loan Repayable on Demand - From Bank</b>		
Buyers Credit, pre-shipment / post shipment credit	52,59,72,390	13,13,96,750
Cash Credit- The Saraswat Co-Op.Bank Ltd	25,69,74,643	10,26,98,716
Cash Credit- Axis Bank Limited	22,79,79,274	50,31,810
Cash Credit- HDFC Bank Limited	49,48,17,176	-
Current liabilities of long term borrowings	7,50,93,575	37,42,531
[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. Kamal Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company.		
<b>Total</b>	<b>1,58,08,37,058</b>	<b>24,28,69,807</b>



# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 11 Trade payables

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,94,89,312	24,11,75,134
Creditors for Expenses	-	-
<b>Total</b>	<b>30,94,89,312</b>	<b>24,11,75,134</b>

\*- 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 2022

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	
<b>a) Undisputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	30,11,85,409	8,96,516	23,34,544	15,34,577	35,38,266	30,94,89,312
<b>b) Disputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>30,11,85,409</b>	<b>8,96,516</b>	<b>23,34,544</b>	<b>15,34,577</b>	<b>35,38,266</b>	<b>30,94,89,312</b>

### Trade payables ageing schedule as at 31st March 2021

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	
<b>a) Undisputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	22,95,99,831	40,71,448	26,18,035	10,40,181	38,45,639	24,11,75,134
<b>b) Disputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>22,95,99,831</b>	<b>40,71,448</b>	<b>26,18,035</b>	<b>10,40,181</b>	<b>38,45,639</b>	<b>24,11,75,134</b>

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, 2022, 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.

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 12 Other financial liabilities

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unpaid dividend	13,33,915	4,14,530
<b>Total</b>	<b>13,33,915</b>	<b>4,14,530</b>

## 13 Other current liabilities

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	1,24,94,943	2,77,62,888
Other liabilities	21,90,997	61,15,528
<b>Statutory Payables</b>		
TDS payable	74,19,886	59,20,508
Other statutory dues payable	21,15,515	15,83,210
<b>Total</b>	<b>2,42,21,341</b>	<b>4,13,82,134</b>

## 14 Provisions

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for employee benefits</b>		
Gratuity	1,02,25,613	95,80,241
Leave Encashment	3,78,569	3,52,740
<b>Total</b>	<b>1,06,04,182</b>	<b>99,32,981</b>

## 15 Revenue From Operations

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Sale of Products/ Services:		
- Local Sales	4,26,84,27,148	3,05,59,36,184
- Export Sales	57,83,67,711	28,21,52,447
- Trading Sales	6,23,55,524	4,45,57,767
<b>Total</b>	<b>4,90,91,50,383</b>	<b>3,38,26,46,398</b>

## 16 Other Income

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
- Dividend Income on Non-Current investments	5,000	9,349
- Miscellaneous Income	1,00,64,067	36,36,376
- Interest Income		
- Others- carried at amortised cost	43,49,217	68,44,083
<b>Total</b>	<b>1,44,18,284</b>	<b>1,04,89,808</b>

**17 Cost of material consumed**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Inventory at the beginning of the year	38,10,67,298	25,63,64,094
Add: Purchase	4,01,90,28,880	1,59,59,26,980
Less: Inventory at the end of the year	1,55,69,73,778	38,10,67,298
<b>Total Cost of materials consumed</b>	<b>2,84,31,22,400</b>	<b>1,47,12,23,776</b>

**18 Purchase of stock-in-trade**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Trading Purchase	5,21,70,370	3,85,34,251
<b>Total</b>	<b>5,21,70,370</b>	<b>3,85,34,251</b>

**19 Changes in inventories of finished goods and work in progress**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>Closing stock</b>		
Work-in-progress	40,89,77,201	16,77,02,704
Finished goods	32,79,30,841	45,31,16,766
Stock in trade	-	-
<b>Opening stock</b>		
Work-in-progress	16,77,02,704	20,81,17,229
Finished goods	45,31,16,766	13,66,16,044
Stock in trade	-	1,00,180
<b>Total</b>	<b>(11,60,88,572)</b>	<b>(27,59,86,017)</b>

**20 Employee benefit expenses**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Salaries, wages and bonus	27,26,22,512	25,25,76,314
Contribution to provident and other funds	82,26,784	69,68,782
Gratuity & leave expenses	66,88,685	29,80,954
Staff welfare expenses	87,53,878	66,09,674
<b>Total</b>	<b>29,62,91,859</b>	<b>26,91,35,724</b>

**21 Finance cost**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Interest expenses	2,96,94,399	59,58,743
Bank charges	91,66,731	40,58,877
<b>Total</b>	<b>3,88,61,130</b>	<b>1,00,17,620</b>

**22 Other expenses**

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>Manufacturing expenses:</b>		
Consumption of stores and spare parts	1,30,94,685	3,52,50,526
Power and fuel	32,24,05,534	16,74,68,750
Consumption of packing materials	10,62,17,479	8,02,06,260
Advertisement expenses	13,68,13,878	3,46,77,883
Boiler and plant expenses	64,35,376	44,09,091
Repairs and Maintenance:		
- Building & others	3,59,42,951	7,29,76,364
- Machinery	4,07,87,247	3,85,25,559
<b>Administrative and selling expenses:</b>		
Insurance	1,05,28,163	1,22,36,266
Rates and taxes	55,91,600	1,73,87,380
Director sitting fees	48,000	24,000
Legal and professional fees	2,35,60,220	1,74,86,902
Miscellaneous expenses	4,92,84,038	2,35,95,104
Payment to auditor:		
As auditors:		
- Audit fee	5,50,000	5,50,000
- Tax audit fees	-	-
In other capacity:		
- Other services (certification fees)	-	-
Freight and forwarding charges	13,33,54,624	6,50,45,841
Loss on sales of fixed assets	1,79,849	-
Corporate Social Responsibility Exp	1,96,37,669	1,21,99,617
Security Charges	74,79,711	71,55,225
Travelling & Conveyance Expenses	85,81,645	84,90,288
Exchange rate difference (Net)	11,32,160	32,95,743
<b>Total</b>	<b>92,16,24,829</b>	<b>60,09,80,799</b>



## 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 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.

##### 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 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, 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 avilment of leave whilst in service and qualifying salary on the date of avilment 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 realize 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 realized 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 2022 (₹)	31st March 2021 (₹)
Bank Guarantee	3,15,56,840	2,92,37,320

Bank guarantees issued by banks on behalf of the Company ₹315.57 Lacs (Previous Year ₹292.37 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. ₹NIL)
- III. Letter of credit issued by the bankers of the Company ₹62,97,36,618/- (P. Y. ₹15,44,45,006/-)
- 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 ₹5,783.68 Lacs (P.Y.Rs. 2,821.52 Lacs) out of Total Turnover of Rs. 49,091.50 Lacs (P.Y.Rs. 33,826.46 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 2022	31st March 2021
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	54,23,10,459	84,72,08,515
c)	- Basic Earnings per Equity Share (in Rupees)	63.32	98.92
	- Diluted Earning per Equity Share (in Rupees)	63.32	98.92

## 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 (Formerly Indo-Euro Securities Ltd.)
- Dujodwala Exports Pvt. Ltd.
- Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company
- Dujodwala Charities
- 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

[C] The directors are the Key Management Personal (KMP) who has the authority and controlling the activities of the Company. Information on related party transactions as required by Ind AS-24 for the year ended 31st March 2022

Nature of transactions	Relationship	Total ₹ In Lakhs	
		2021-2022	2020-2021
<b>Remuneration</b>			
Kamal 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
<b>TOTAL</b>		<b>960.00</b>	<b>960.00</b>



Name of party	Nature of transaction	Amount in Lakhs	
		2021-2022	2020-2021
<b>Net Loans &amp; Advances, Deposits given / Returned/Taken</b>			
Mrs. Alka K Dujodwala	Rent for office premises	0.30	-
Mrs. Alka K Dujodwala	Security deposit	150.00	-
Mrs. Alka K Dujodwala	Rent for house accommodation for director	115.00	-
Dujodwala Resin & Terpenes Ltd.	Purchase of goods and services	466.32	173.63
Dujodwala Resin & Terpenes Ltd.	Deposit / Advance given against commercial property	1050.00	-
Dujodwala Resin & Terpenes Ltd.	Rent paid for office premises	0.60	-
Tradechem Organics Limited (Formerly Indo-Euro Securities Ltd.)	Purchase of goods and services	359.78	-
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Sale of goods	254.57	10.30
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Corporate guarantee	3800.00	-
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Unsecured loans	502.76	-
Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company	Equity investments	5.00	-
Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company	Unsecured loans	1.22	-
Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company	Equity investments	5.00	-
Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company	Unsecured loans	10.14	-
Infinity Enterprises	Purchase of goods and services	362.57	-

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, 2022 (₹)	For the year ended March 31, 2021 (₹)
Employers Contribution to Provident Fund	82,26,784	69,68,782

### (ii) Defined Benefit Plan

#### Gratuity Fund:

a. Major Assumptions	For the year ended March 31, 2022	For the year ended March 31, 2021
	(% p.a.)	(% p.a.)
Discount Rate	6.70	6.50
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>b. Change in the Present Value of Obligation</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Opening Present Value of Obligation	3,09,24,341	2,52,85,536
Current Service Cost	27,80,547	23,54,623
Interest Cost	16,98,724	15,17,724
Benefit Paid	(11,67,509)	(1,60,289)
Past Service Cost	-	-
Actuarial Loss on Obligations	8,25,018	19,26,747
Closing Present Value of Obligation	3,50,61,121	3,09,24,341

<b>c. Change in Fair Value of Plan Assets</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
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	-	-

<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Present value of Funded Obligation as at March 31, 2022	-	-
Fair Value of Plan Assets as at March 31, 2022	-	-
Funded Status	-	-
Present Value of Unfunded Obligation as at March 31, 2022	3,50,61,121	3,09,24,341
Unfunded Net Liability Recognized in the Balance Sheet Disclosed in long term provisions	3,50,61,121	3,09,24,341

<b>e. Amount Recognized in the Balance Sheet</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Present Value of Obligation as at March 31, 2022	3,50,61,121	3,09,24,341
Fair Value of Plan Assets as at March 31, 2022	-	-
Liability Recognized in the Balance Sheet and disclosed under provisions	3,50,61,121	3,09,24,341

<b>f. Expenses Recognized in the Statement of Profit and Loss</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Current Service Cost	27,80,547	23,54,623
Interest Cost	16,98,724	15,17,724
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Total expenses Recognized in the Statement of Profit and Loss	44,79,271	38,72,347
Actual Return on Plan Assets	Nil	Nil

<b>g. Other Comprehensive Income for the year</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(4,34,763)	1,95,762
- Due to experience adjustments	12,59,781	17,30,985
- Due to change in demographic assumptions	-	-
- Return on plan assets excluding amounts included in interest income	-	-
Amounts recognized in Other Comprehensive Income	8,25,018	19,26,747



### Sensitivity Analysis

Particulars	For the year ended March 31, 2022 (₹)	For the year ended March 31, 2021 (₹)
Projected Benefit Obligation on Current Assumptions	3,50,61,121	3,09,24,341
Delta Effect of +0.5% Change in Rate of Discounting	-10,36,464	-9,52,774
Delta Effect of -0.5% Change in Rate of Discounting	11,09,918	10,20,343
Delta Effect of +0.5% Change in Rate of Salary Increase	10,24,541	9,18,860
Delta Effect of -0.5% Change in Rate of Salary Increase	-9,63,646	-8,66,197
Delta Effect of +0.5% Change in Rate of Employee Turnover	84,226	79,277
Delta Effect of -0.5% Change in Rate of Employee Turnover	-86,776	-81,472

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, 2022 ₹ 51,10,590/-

Break-up of above:	Current Liability	₹ 3,78,569/-
	Non-Current Liability	₹ 47,32,021/-

### 29. Expenditure in Foreign Currency on account of

	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
- Raw Material (CIF)	33947.91	12834.84
- Traveling Expenses	7.29	0.00
- Brokerage and Commission	4.03	0.00
- Membership and Consultancy Fees	59.22	2.89
- Stores and Spares	14.78	14.50

### 30. Earning in Foreign Currency on account of

	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
Exports made on FOB Basis	5389.84	2821.52

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 ₹ 196.38 Lakhs (Previous Year ₹ 121.99 Lakhs).

Details of the amount spent towards CSR for the period is given below:

Particulars	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
Contribution to Vishwaniketan iMEET College-Khalapur, Dist: Raigad, for construction of Sport Complex and playground & Radium Stickers, LED Board structure and fabrication work	36.71	60.00
Contribution paid in support to Covid-19 relief activities through Swaminarayan Temple Trust (Bocha Sanvasi Shri Charitable Trust)	0.00	10.10
Direct Contribution for Star Care Cardiac Ambulance for the use of Group Gram Panchayat Kumbhivali, Dist: Raigad for their health care support	0.00	3.40
Direct Contribution for "Ghanta Gadi" for the use of Gram Panchayat Kumbhivali, Dist: Raigad for their Sanitization policy and awareness on sanitization programme.	0.00	5.34
Direct contribution paid for COVID-19 related medical expenses as health care support	0.00	2.58
Direct contribution for renovation of police community hall for Police Vocational Training (Promoting Vocational Training and Enhancing Skills).	0.00	2.03
Direct contribution for construction of open stage in Gram panchayat Primary School (Anganwadi) Karsundi, Dist: Raigad (for promoting Education)	0.00	23.49
Direct contribution for the expenditure on project and programme for Khalapure Primary Health Care Centre, Dist: Raigad for Medical equipment's and fixtures for Health Care Support.	0.00	15.05
Contribution paid to IIT Mumbai to promote educational academic pursuit & scientific	0.00	0.00
Grocery & Food Packets, Water Bottles donated to Mahad villagers during heavy rain flood relief	1.04	0.00
Contribution paid to Bhatia General Hospital for Health care support.	35.00	0.00
Contribution paid to Shree Hazarimal Somani Memorial Trust for promotion of education	50.00	0.00
Donation paid to Omkar Anndh Apang Samajik Santha for welfare of disabled persons.	20.00	0.00
Renovation of Vaccine Room, Furniture, Pump House, Water Tanks, Compound walls and fixing sheds at Primary Health Centre-Khalapur	20.52	0.00
Providing & Fixing wall compound, Toilet repairs, Water tank, Doors and windows repairing and paintings, radium sticker board at Thakurwadi and Kumbhivali School.	33.11	0.00
<b>Total:-</b>	<b>196.38</b>	<b>121.99</b>

### 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, 2022 (₹)	Year Ended March 31, 2021 (₹)
<b>Current tax</b>		
Current tax on profits for the year*	18,00,00,000	29,00,00,000
Adjustments for current tax of prior periods	-	-
Current tax (A)	18,00,00,000	29,00,00,000
Deferred tax	1,53,22,215	47,13,269
Decrease/(increase) in deferred tax assets#	(10,56,195)	(57,12,850)
(Decrease)/increase in deferred tax liabilities	1,63,78,410	9,99,581
Deferred tax (B)	1,53,22,215	47,13,269
Income tax expense charged to profit or loss (C) = (A) + (B)	<b>19,53,22,215</b>	<b>29,47,13,269</b>





ii) Deferred tax related to items recognized in other comprehensive income (OCI):

Current tax (A)	Year Ended March 31, 2022 (₹)	Year Ended March 31, 2021 (₹)
<b>Current tax</b>		
Deferred tax on remeasurement gains/(losses) on defined benefit plan	2,07,641	4,94,735
Adjustments for current tax of prior periods	-	-
Current tax (A)	-	-
Deferred tax	2,07,641	4,94,735

### 36. FINANCIAL RATIOS

S I . No.	Ratios	Year ended 31st March 2022	Year ended 31st March 2021	% Variance	Reason for Variance
A	Current ratio (in times)	1.76	3.55	-50.46%	Due to Increased capacity additional working capital facility is taken. Further Camphor price Realisation has affected the Ratio.
B	Debt equity ratio (in times)	0.78	0.24	230.43%	Due to Expansion various credit facilities are taken including Term Loan for Plant & Machinery.
C	Debt service coverage ratio (in times)	6.55	72.62	-90.98%	Reduction in Camphor price Realisation and increase in various credit facilities has affected this.
D	Return on equity ratio (%) (ROE)	17.80	33.65	-47.11%	Reduction in Camphor price Realisation and subsequent reduction in Net profit is responsible for this.
E	"Inventory turnover ratio (in number of days)"	224.01	211.92	5.71%	Due to increase in capacity Raw material holding is increased further FG stock has also added due to additional production
F	"Trade receivables turnover ratio (in number of days)"	29.14	35.48	-17.85%	Collection has increased
G	"Trade payables turnover ratio (in number of days)"	25.01	40.61	-38.42%	Due to liquidity payment is made to suppliers with discount so creditors period has reduced.
H	Net capital turnover ratio (in times)	3.36	2.47	35.60%	Due to higher realisation during first three quarters of FY22 it is showing improvement.
I	Net profit ratio	11.05%	25.05%	-55.89%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced
J	"Return on capital employed (%) (ROCE)"				
(i)	Pre Tax	15.38%	41.28%	-62.75%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced
(ii)	Post Tax	11.50%	30.66%	-62.51%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced
K	Return on investment (%) (ROI)	6.98%	2.04%	242.13%	Higher returns on Fixed Deposits kept as Margin for LC.

37. Previous year figures have been regrouped and reclassified to conform to current year's presentation and classification.

### 38. 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.

### 39. Approval of Standalone Financial Statements

The Standalone financial statements were approved for issue by the Board of Directors on May 27, 2022

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 27, 2022

#### 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/-

**Heena Tank**

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, 2022, 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, 2022, 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 are 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 consolidated financial statements includes the audited financial results and the other financial information, in respect of 3 (three) subsidiary companies, whose financial statements reflect total assets of Rs. 22,48,67,382/- as at March 31, 2022, total revenues of Rs. 1,86,26,284/-, Net Loss of Rs. 54,95,494/- and net cashflow of Rs. 28,67,183/- 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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, 2022.
- 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.

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

**Sd/-**  
**Bhupendra S Gandhi**  
**Partner**  
**M. No. 122296**  
**UDIN - 22122296AJTAKL3350**

Place: Mumbai

Date: May 27, 2022

## ANNEXURE - A 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 2022, 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 2022, 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**  
**Registration No. 135159W**

**Sd/-**  
**Bhupendra Gandhi**  
**Partner**  
**M. Ship No. 122296**  
**UDIN - 22122296AJTAAQ9268**

Place: Mumbai

Date: May 27, 2022

# CONSOLIDATED BALANCE SHEET

as at 31st March 2022

Amounts in (₹)

	Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	- Property, Plant and Equipment	1	1,97,95,45,899	1,20,57,64,922
	- Capital work-in-progress	1	7,65,66,157	-
	- Financial Assets			
	Investments	2.1	25,000	25,000
	Other financial assets	2.2	10,16,01,202	43,41,282
			<b>2,15,77,38,258</b>	<b>1,21,01,31,204</b>
(2)	<b>Current assets</b>			
	- Inventories	3	2,43,83,62,663	1,06,15,78,923
	- Financial Assets			
	Trade receivables	4.1	44,08,21,183	34,43,59,802
	Cash and cash equivalents	4.2	51,34,686	1,04,48,921
	Bank balances & other than cash and cash equivalents	4.3	89,80,104	33,35,31,480
	Other financial assets	4.4	12,29,50,350	14,81,470
	Current tax assets (net)	4.5	5,35,79,465	1,57,98,878
	- Other current assets	5	37,24,26,028	13,56,68,280
			<b>3,44,22,54,479</b>	<b>1,90,28,67,754</b>
	<b>Total Assets</b>		<b>5,59,99,92,737</b>	<b>3,11,29,98,958</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>	6		
	- Equity Share capital	A)	8,56,44,400	8,56,44,400
	- Other Equity	B)	2,95,50,66,496	2,43,10,98,192
			<b>3,04,07,10,896</b>	<b>2,51,67,42,592</b>
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
	- Financial Liabilities			
	Borrowings	7	52,10,07,510	2,40,000
	- Provisions	8	2,95,67,529	2,51,43,911
	- Deferred tax liabilities (Net)	9	4,95,46,995	3,50,97,868
			<b>60,01,22,034</b>	<b>6,04,81,779</b>
(2)	<b>Current liabilities</b>			
	- Financial Liabilities			
	Borrowings	10	1,59,75,85,976	24,28,69,808
	Trade payables	11	32,48,36,930	24,11,75,134
	Other financial liabilities	12	13,33,915	4,14,530
	- Other current liabilities	13	2,47,98,804	4,13,82,134
	- Provisions	14	1,06,04,182	99,32,981
			<b>1,95,91,59,807</b>	<b>53,57,74,587</b>
	<b>Total Equity and Liabilities</b>		<b>5,59,99,92,737</b>	<b>3,11,29,98,958</b>

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates

Chartered Accountants

FRN: 135159W

Sd/-

Bhupendra Gandhi

Partner

Mem. No. 122296

Place: Mumbai

Dated: May 27, 2022

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/-

Heena Tank

Company Secretary





# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

Amounts in (₹)

	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from Operations	15	4,90,64,87,241	3,38,23,66,811
II	Other Income	16	1,44,18,284	1,04,89,808
<b>III</b>	<b>TOTAL INCOME (I+II)</b>		<b>4,92,09,05,525</b>	<b>3,39,28,56,619</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	17	2,84,31,22,400	1,47,12,23,776
	Purchases of Stock-in-trade	18	5,21,70,370	3,85,34,251
	Changes in inventories of finished goods and work-in-progress	19	(12,55,96,887)	(27,62,65,603)
	Employee benefits expenses	20	29,73,52,885	26,91,35,724
	Finance costs	21	4,19,73,459	1,00,17,738
	Depreciation and amortization expense		15,01,92,373	13,53,42,537
	Other expenses	22	92,96,01,815	60,18,70,858
	<b>TOTAL EXPENSES (IV)</b>		<b>4,18,88,16,415</b>	<b>2,24,98,59,281</b>
<b>V</b>	<b>Profit before exceptional items and tax (III - IV)</b>		<b>73,20,89,110</b>	<b>1,14,29,97,338</b>
VI	Exceptional Items		-	-
<b>VII</b>	<b>Profit before tax (V-VI)</b>		<b>73,20,89,110</b>	<b>1,14,29,97,338</b>
VIII	Tax expense:			
	(1) Current tax		18,00,00,000	29,00,00,000
	(2) Deferred tax		1,46,56,768	52,08,005
<b>IX</b>	<b>Profit for the period (VII-VIII)</b>		<b>53,74,32,342</b>	<b>84,77,89,333</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurment of defined benefit plan		(8,25,018)	(19,65,732)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2,07,641	4,94,735
	- 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		-	-
<b>XI</b>	<b>Total Comprehensive Income for the period (IX + X) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>53,68,14,965</b>	<b>84,63,18,337</b>
XII	Earnings per equity share:			
	(1) Basic and Diluted		62.68	98.82

Notes forming integral part of the financial statements

As per our report of even date attached

NGST & Associates

Chartered Accountants

FRN: 135159W

Sd/-

**Bhupendra Gandhi**

Partner

Mem. No. 122296

Place: Mumbai

Dated: May 27, 2022

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/-

**Heena Tank**

Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2022

Amounts in (₹)

Particulars	As at	
	31st March, 2022	31st March, 2021
<b>A. Cash flow from operating activities :</b>		
Net profit before tax	73,12,64,092	1,14,10,31,606
<b>Adjustment For :</b>		
Depreciation	15,01,92,373	13,53,42,537
Interest Income	(43,49,217)	(68,44,083)
Dividend received	(5,000)	(9,349)
Interest paid	4,19,73,459	1,00,17,738
Loss on sale of fixed assets	1,79,849	-
<b>Operating profit before working capital changes</b>	<b>91,92,55,556</b>	<b>1,27,95,38,449</b>
<b>Adjustment For :</b>		
Trade & other receivables	(22,73,96,553)	(38,71,64,280)
Inventories	(1,37,67,83,740)	(41,44,49,988)
Trade and other payables	7,19,80,292	8,03,90,186
<b>Cash generated from operations</b>	<b>(61,29,44,445)</b>	<b>55,83,14,367</b>
<b>Income tax paid</b>	<b>(21,77,80,587)</b>	<b>(29,55,27,819)</b>
<b>Net cash generated from operating activities - I</b>	<b>(83,07,25,032)</b>	<b>26,27,86,548</b>
<b>B. Cash flow from investing activities :</b>		
Payments for property, plant and equipment	(99,96,06,980)	(29,03,86,153)
Interest income	43,49,217	68,44,083
Dividend received	5,000	9,349
Proceeds from property, plant and equipment	-	20,65,000
Purchase of non current investments	-	-
<b>Net cash (used) in investing activities- II</b>	<b>(99,52,52,763)</b>	<b>(28,14,67,721)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds/(Repayment) form/of short term borrowings	1,35,47,16,168	12,91,53,911
Dividend and dividend distribution tax paid	(1,28,46,660)	(85,64,440)
(Repayment)/ proceed of/ from long term borrowings	52,07,67,510	(8,79,15,255)
Interest paid	(4,19,73,459)	(1,00,17,738)
<b>Net cash generated/ (used) in financing activities - III</b>	<b>1,82,06,63,559</b>	<b>2,26,56,478</b>
Net increase in cash and cash equivalents	(53,14,236)	39,75,305
Opening balance of cash & cash equivalents	1,04,48,921	64,73,617
Closing balance of cash & cash equivalents	51,34,686	1,04,48,921

Notes:

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

As per our report of even date attached

**NGST & Associates**  
Chartered Accountants  
FRN: 135159W

Sd/-  
**Bhupendra Gandhi**  
Partner  
Mem. No. 122296

Place: Mumbai  
Dated: May 27, 2022

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/-  
**Heena Tank**  
Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

Corporate Overview

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## 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 01.04.2021	1,56,83,087	62,99,533	3,66,131	17,34,27,787	1,81,13,88,742	90,45,659	3,45,79,605	4,08,47,117	1,38,05,235	2,10,54,42,896
Additions	15,81,53,936	-	-	4,98,61,622	70,05,78,145	19,52,205	59,95,860	45,61,116	19,37,939	92,30,40,823
Deletions	-	-	-	-	-	-	-	13,01,129	-	13,01,129
<b>Gross Carrying value as on 31.03.2022</b>	<b>17,38,37,023</b>	<b>62,99,533</b>	<b>3,66,131</b>	<b>22,32,89,409</b>	<b>2,51,19,66,887</b>	<b>1,09,97,864</b>	<b>4,05,75,465</b>	<b>4,41,07,104</b>	<b>1,57,43,174</b>	<b>3,02,71,82,590</b>
Accumulated depreciation as on 01.04.2021	-	35,16,955	3,38,445	7,54,67,805	76,36,00,665	80,78,976	98,76,240	2,73,07,832	1,14,91,057	89,96,77,974
Depreciation charge for the year	-	1,99,695	-	59,85,819	13,08,69,047	21,14,128	34,74,660	49,08,002	26,41,022	15,01,92,373
Depreciation on deletion	-	-	-	-	-	-	-	22,33,656	-	22,33,656
Accumulated depreciation as on 31.03.2022	-	37,16,650	3,38,445	8,14,53,624	89,44,69,712	1,01,93,104	1,33,50,900	2,99,82,178	1,41,32,079	1,04,76,36,691
Net Book Value:-										
<b>At 31st March 2022</b>	<b>17,38,37,023</b>	<b>25,82,883</b>	<b>27,686</b>	<b>14,18,35,785</b>	<b>1,61,74,97,175</b>	<b>8,04,760</b>	<b>2,72,24,565</b>	<b>1,41,24,926</b>	<b>16,11,095</b>	<b>1,97,95,45,899</b>
<b>At 31st March 2021</b>	<b>1,56,83,087</b>	<b>27,82,578</b>	<b>27,686</b>	<b>9,79,59,982</b>	<b>1,04,77,88,077</b>	<b>9,66,683</b>	<b>2,47,03,365</b>	<b>1,35,39,285</b>	<b>23,14,178</b>	<b>1,20,57,64,922</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 2.1 Non current investment

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Investment in Equity Shares</b>		
<b>Unquoted - carried at FVTPL</b>		
a) 2500 shares of Saraswat Co-Op Bank Ltd.	25,000	25,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>
Aggregate carrying value of unquoted investments	25,000	25,000

## 2.2 Other non-current financial asset (At Amortised Cost)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	10,03,37,033	27,22,025
Fixed deposits with remaining maturity for more than 12 months*	12,64,170	16,19,257
<b>Total</b>	<b>10,16,01,202</b>	<b>43,41,282</b>

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

## 3 Inventories

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials	1,55,69,73,778	38,10,67,298
Work-in-progress	40,89,77,201	16,77,02,704
Finished goods	33,77,18,742	45,31,16,766
Stores and spares	6,45,34,749	3,90,50,099
Power & fuel	3,90,21,497	66,53,494
Packing materials	3,11,36,696	1,37,08,976
Stock in Trade	-	2,79,586
<b>Total</b>	<b>2,43,83,62,663</b>	<b>1,06,15,78,923</b>

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

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivable from others	44,08,21,183	34,56,10,780
Less: Allowance for doubtful debts	-	(12,50,978)
<b>Total</b>	<b>44,08,21,183</b>	<b>34,43,59,802</b>
<b>Break up of security details</b>		
Unsecured , considered good	44,08,21,183	34,43,59,802
Doubtful	-	12,50,978
<b>Total</b>	<b>44,08,21,183</b>	<b>34,56,10,780</b>

Trade receivables with a carrying amount of Rs. 44,08,21,183 (March 31, 2021: Rs. 34,56,10,780) 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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 4.1.1 Trade receivables ageing schedule as at 31st March 2022

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	
<b>a) Undisputed trade receivables</b>								
- Considered good	-	-	39,87,12,369	3,59,76,432	40,88,998	19,05,936	1,37,448	44,08,21,183
- Considered doubtful	-	-	-	-	-	-	-	-
<b>b) Disputed trade receivables</b>								
- Considered good	-	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>39,87,12,369</b>	<b>3,59,76,432</b>	<b>40,88,998</b>	<b>19,05,936</b>	<b>1,37,448</b>	<b>44,08,21,183</b>

## Trade receivable ageing schedule as at 31st March 2021

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	
<b>a) Undisputed trade receivables</b>								
- Considered good	-	-	30,73,26,352	1,12,70,950	25,97,807	1,04,703	2,30,59,990	34,43,59,802
- Considered doubtful	-	-	12,50,978	-	-	-	-	12,50,978
<b>b) Disputed trade receivables</b>								
- Considered good	-	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>30,85,77,330</b>	<b>1,12,70,950</b>	<b>25,97,807</b>	<b>1,04,703</b>	<b>2,30,59,990</b>	<b>34,56,10,780</b>

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.

## 4.2 Cash & cash equivalents

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents		
Balances with banks		
In Current account	44,23,278	1,00,61,529
Cash on hand	7,11,408	3,87,392
<b>Total</b>	<b>51,34,686</b>	<b>1,04,48,921</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 4.3 Bank balances & other Cash & Cash equivalents (Carried at amortised cost, except otherwise stated)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance in unpaid dividend account	13,33,915	4,35,080
Fixed deposits with remaining maturity for less than 12 months	76,46,189	33,30,96,400
<b>Total</b>	<b>89,80,104</b>	<b>33,35,31,480</b>

\* 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, 2022	As at 31st March, 2021
Insurance claim receivable	-	14,81,470
GST refund receivable	12,29,50,350	-
<b>Total</b>	<b>12,29,50,350</b>	<b>14,81,470</b>

## 4.5 Current tax assets (net)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance income tax & TDS (net of provision for tax)	5,35,79,465	1,57,98,878
<b>Total</b>	<b>5,35,79,465</b>	<b>1,57,98,878</b>

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

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers	19,53,69,613	10,04,65,921
Balance with revenue authorities	16,51,28,030	3,30,78,545
Prepaid expenses	20,05,671	7,63,530
Other advance	99,22,715	13,60,284
<b>Total</b>	<b>37,24,26,028</b>	<b>13,56,68,280</b>

## 6 Equity

### (A) Equity Share Capital

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
12,000,000 Equity Shares of Rs 10 each	12,00,00,000	12,00,00,000
<b>Issued, Subscribed and Paid up</b>		
85,64,440 Equity Shares of Rs 10 each	8,56,44,400	8,56,44,400
<b>Total</b>	<b>8,56,44,400</b>	<b>8,56,44,400</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

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

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	-	-
<b>Balance as at 31st March</b>	<b>85,64,440</b>	<b>85,64,440</b>

## 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 2022

Shareholders	No. of shares	% of holding
Tradechem Organics Limited (Formerly Indo Euro Securities 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 2021

Shareholders	No. of shares	% of holding
Tradechem Organics Limited (Formerly Indo Euro Securities 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

## Shareholding of Promoters 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 (Formerly Indo Euro Securities 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 2022

## Shares held by promoters at the end of the year

As at 31st March 2021

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 (Formerly Indo Euro Securities 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 2020

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 (Formerly Indo Euro Securities Limited)	18,29,417	21.36	Nil
Dujodwala Exports Pvt Ltd	1,72,432	2.01	Nil

## (B) Other Equity

(Amount in ₹)

Particulars	As at 31st March, 2022	As at 31st March, 2021
General reserve	1,49,91,838	1,49,91,838
Surplus/(Deficit) in the Statement of Profit and Loss		
- Opening Balance	2,41,61,06,354	1,57,83,52,457
- Total Comprehensive Income for the Period	53,68,14,964	84,63,18,337
- Less : Dividend paid	1,28,46,660	85,64,440
	<b>2,94,00,74,658</b>	<b>2,41,61,06,354</b>
<b>Total</b>	<b>2,95,50,66,496</b>	<b>2,43,10,98,192</b>





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 7 Non -Current borrowings

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Carried at amortised cost, unless otherwise stated)		
<b>Secured Loans - From Bank</b>		
Corporate Loan- HDFC Bank Limited	51,83,31,828	-
Vehicle loan	23,33,282	-
[Vehicle loan is secured against vehicles financed]		
<b>Unsecured Loans</b>		
Unsecured loans from directors	3,42,400	2,40,000
<b>Total</b>	<b>52,10,07,510</b>	<b>2,40,000</b>

Refer note 11 below for securities

## 8 Provisions

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for Employee Benefits</b>		
Provision for gratuity	2,48,35,508	2,13,44,100
Provision for leave encashment	47,32,021	37,99,811
<b>Total</b>	<b>2,95,67,529</b>	<b>2,51,43,911</b>

## 9 Deferred tax liabilities (Net)

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Tax effect of items constituting deferred tax liability</b>		
Depreciation	6,05,30,499	4,41,52,089
<b>Total DTL</b>	<b>6,05,30,499</b>	<b>4,41,52,089</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for doubtful debts and employee benefits and carried forward losses	1,09,83,504	90,54,221
<b>Total DTA</b>	<b>1,09,83,504</b>	<b>90,54,221</b>
<b>Net (DTA) / DTL</b>	<b>4,95,46,995</b>	<b>3,50,97,868</b>
<b>Total</b>	<b>4,95,46,995</b>	<b>3,50,97,868</b>

## 10 Short Term Borrowings

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Loan Repayable on Demand - From Bank</b>		
Buyers Credit, pre-shipment / post shipment credit	52,59,72,391	13,13,96,750
Cash Credit- The Saraswat Co-Op.Bank Ltd	25,69,74,643	10,26,98,716
Cash Credit- Axis Bank Limited	22,79,79,274	50,31,811
Cash Credit- HDFC Bank Limited	49,48,17,176	-
Current liabilities of long term borrowings	9,18,42,493	37,42,532

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

[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. Kamal Dujodwala, Chairman & Mr. Pannkaj Dujodwala, Managing Director of the Company.

**Total** **1,59,75,85,976** **24,28,69,808**

## 11 Trade payables

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	32,48,26,930	24,11,75,134
Creditors for expenses	10,000	-
<b>Total</b>	<b>32,48,36,930</b>	<b>24,11,75,134</b>

\* - 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 2022

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	
<b>a) Undisputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	31,65,33,027	8,96,516	23,34,544	15,34,577	35,38,266	32,48,36,930
<b>b) Disputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>31,65,33,027</b>	<b>8,96,516</b>	<b>23,34,544</b>	<b>15,34,577</b>	<b>35,38,266</b>	<b>32,48,36,930</b>

### Trade payables ageing schedule as at 31st March 2021

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	
<b>a) Undisputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	22,95,99,831	40,71,448	26,18,035	10,40,181	38,45,639	24,11,75,134
<b>b) Disputed trade payable</b>								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>22,95,99,831</b>	<b>40,71,448</b>	<b>26,18,035</b>	<b>10,40,181</b>	<b>38,45,639</b>	<b>24,11,75,134</b>

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2022 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.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 12 Other financial liabilities

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unpaid dividend	13,33,915	4,14,530
<b>Total</b>	<b>13,33,915</b>	<b>4,14,530</b>

## 13 Other current liabilities

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	1,24,94,943	2,77,62,888
Other Liabilities	21,78,997	61,15,528
<b>Statutory Payables</b>		
TDS payable	80,08,549	59,20,507
Other statutory dues payable	21,16,315	15,83,210
<b>Total</b>	<b>2,47,98,804</b>	<b>4,13,82,134</b>

## 14 Provisions

(Amount in '₹')

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Provision for employee benefits</b>		
Gratuity	1,02,25,613	95,80,241
Leave encashment	3,78,569	3,52,740
<b>Total</b>	<b>1,06,04,182</b>	<b>99,32,981</b>

## 15 Revenue From Operations

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
(a) Sale of Products/ Services:		
- Local sales	4,26,57,64,006	3,05,56,56,597
- Export sales	57,83,67,711	28,21,52,447
- Trading sales	6,23,55,524	4,45,57,767
<b>Revenue from operations</b>	<b>4,90,64,87,241</b>	<b>3,38,23,66,811</b>

## 16 Other Income

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
- Dividend Income on Non-Current investments	5,000	9,349
- Miscellaneous Income	1,00,64,067	36,36,376
- Interest Income		
- Others- carried at amortised cost	43,49,217	68,44,083
<b>Total</b>	<b>1,44,18,284</b>	<b>1,04,89,808</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2022

## 17 Cost of material consumed

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Inventory at the beginning of the year	38,10,67,298	25,63,64,094
Add: Purchase	4,01,90,28,880	1,59,59,26,980
Less: Inventory at the end of the year	1,55,69,73,778	38,10,67,298
<b>Total Cost of materials consumed</b>	<b>Total 2,84,31,22,400</b>	<b>1,47,12,23,776</b>

## 18 Purchase of stock-in-trade

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Trading purchase	5,21,70,370	3,85,34,251
<b>Total</b>	<b>5,21,70,370</b>	<b>3,85,34,251</b>

## 19 Changes in inventories of finished goods and work in progress

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>Closing stock</b>		
Work-in-progress	40,89,77,201	16,77,02,704
Finished goods	33,77,18,742	45,31,16,766
Stock in trade	-	2,79,586
<b>Opening stock</b>		
Work-in-progress	16,77,02,704	20,81,17,229
Finished goods	45,31,16,766	13,66,16,044
Stock in trade	2,79,586	1,00,180
<b>Total</b>	<b>(12,55,96,887)</b>	<b>(27,62,65,603)</b>

## 20 Employee benefit expenses

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Salaries, wages and bonus	21,55,58,538	19,25,76,314
Director remuneration	5,81,25,000	6,00,00,000
Contribution to provident and other funds	82,26,784	69,68,782
Gratuity & leave expenses	66,88,685	29,80,954
Staff welfare expenses	87,53,878	66,09,674
<b>Total</b>	<b>29,73,52,885</b>	<b>26,91,35,724</b>

## 21 Finance cost

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Interest expenses	3,16,55,921	59,58,743
Bank charges	1,03,17,538	40,58,995
<b>Total</b>	<b>4,19,73,459</b>	<b>1,00,17,738</b>



## 22 Other expenses

(Amount in '₹')

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
<b>Manufacturing expenses:</b>		
Consumption of stores and spare parts	1,31,70,109	3,52,50,526
Power and fuel	32,24,05,534	16,74,68,750
Consumption of packing materials	11,06,05,410	8,02,06,260
Advertisement expenses	13,68,13,878	3,46,77,884
Boiler and plant expenses	64,35,376	44,09,091
Repairs and Maintenance:	-	-
- Building & others	3,65,74,603	7,29,76,364
- Machinery	4,08,85,945	3,85,25,559
<b>Administrative and selling expenses:</b>	-	-
Insurance	1,08,26,886	1,22,36,266
Rates and taxes	63,03,549	1,73,87,381
Director sitting fees	48,000	24,000
Legal and professional fees	2,39,57,220	1,74,90,902
Miscellaneous expenses	5,04,31,497	2,44,81,163
Payment to auditor:	-	-
As auditors:	-	-
- Audit fee	5,70,000	5,50,000
- Tax audit fees	-	-
In other capacity:	-	-
- Other services (certification fees)	-	-
Freight and forwarding charges	13,34,77,284	6,50,45,841
Loss on sales of fixed assets	1,79,849	-
Corporate Social Responsibility Exp	1,96,37,669	1,21,99,617
Security Charges	74,79,711	71,55,224
Travelling & Conveyance Expenses	86,67,135	84,90,288
Exchange rate difference (Net)	11,32,160	32,95,743
<b>Total</b>	<b>92,96,01,815</b>	<b>60,18,70,858</b>

## 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 subsidiary (collectively referred to as “the Group”) for the year ended 31st March, 2022.

**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 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 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 is offset (eliminated) against the parent’s portion of equity in the subsidiary

### 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 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, 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 avilment of leave whilst in service and qualifying salary on the date of avilment 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 realize 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 realized 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.

#### 24. Contingent liabilities - Not provided for in respect of

- I.
 

	31st March 2022 (₹)	31st March 2021 (₹)
Bank Guarantee	3,15,56,840	2,92,37,320

Bank guarantees issued by banks on behalf of the Company ₹315.57 Lacs (Previous Year ₹292.37 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. Rs. NIL)
- III. Letter of credit issued by the bankers of the Company ₹ 62,97,36,618/- (P.Y. ₹15,44,45,006/-)
- 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 ₹ 5,783.68 Lacs (P.Y. ₹ 2,821.52 Lacs) out of Total Turnover of ₹ 49,064.87 Lacs (P.Y. ₹ 33,823.67 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 2022	31st March 2021
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	53,68,14,965	84,63,18,337
c)	- Basic Earnings per Equity Share (in Rupees)	62.68	98.82
	- Diluted Earning per Equity Share (in Rupees)	62.68	98.82

Information on related party transactions as required by Ind AS-24 for the year ended 31st March 2022

Nature of transactions	Relationship	Total ₹ In Lakhs	
		2021-2022	2020-2021
Remuneration			
Kamal 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
<b>TOTAL</b>		<b>960.00</b>	<b>960.00</b>

[C] The directors are the key management Personal (KMP) who has the authority and controlling the activities of the Company

Name of party	Nature of transaction	Amount in Lakhs	
		2021-2022	2020-2021
Net Loans & Advances, Deposits given / Returned/Taken			
Mrs. Alka K Dujodwala	Rent for office premises	0.30	-
Mrs. Alka K Dujodwala	Security deposit	150.00	-
Mrs. Alka K Dujodwala	Rent for house accommodation for director	115.00	-

## 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 (Formerly Indo-Euro Securities Ltd.)
- Dujodwala Exports Pvt. Ltd.
- Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company
- Dujodwala Charities
- 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.

Dujodwala Resin & Terpenes Ltd.	Purchase of goods and services	466.32	173.63
Dujodwala Resin & Terpenes Ltd.	Deposits / Advance given against commercial property	1050.00	-
Dujodwala Resin & Terpenes Ltd.	Rent paid for office premises	0.60	-
Tradechem Organics Limited (Formerly Indo-Euro Securities Ltd.)	Purchase of goods and services	359.78	-
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Sale of goods	254.57	10.30
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Corporate guarantee	3800.00	-
Mangalam Brands Private Limited (Formerly known as Campure Private Limited) – Wholly Owned Subsidiary Company	Unsecured loans	502.76	-
Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company	Equity investments	5.00	-
Mangalam Pooja Stores Private Limited – Wholly Owned Subsidiary Company	Unsecured loans	1.22	-
Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company	Equity investments	5.00	-
Mangalam Speciality Chemicals Private Limited – Wholly Owned Subsidiary Company	Unsecured loans	10.14	-
Infinity Enterprises	Purchase of goods and services	362.57	-

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, 2022 (₹)	For the year ended March 31, 2021 (₹)
Employers Contribution to Provident Fund	82,26,784	69,68,782

### (ii) Defined Benefit Plan

#### Gratuity Fund:

a. Major Assumptions	For the year ended March 31, 2022	For the year ended March 31, 2021
	(% p.a.)	(% p.a.)
Discount Rate	6.70	6.50
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, 2022 (₹)	For the year ended March 31, 2021 (₹)
----------------------------------------------	------------------------------------------	------------------------------------------



Opening Present Value of Obligation	3,09,24,341	2,52,85,536
Current Service Cost	27,80,547	23,54,623
Interest Cost	16,98,724	15,17,724
Benefit Paid	(11,67,509)	(1,60,289)
Past Service Cost	-	-
Actuarial Loss on Obligations	8,25,018	19,26,747
Closing Present Value of Obligation	<b>3,50,61,121</b>	<b>3,09,24,341</b>

<b>c. Change in Fair Value of Plan Assets</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
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	-	-

<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Present value of Funded Obligation as at March 31, 2022	-	-
Fair Value of Plan Assets as at March 31, 2022	-	-
Funded Status	-	-
Present Value of Unfunded Obligation as at March 31, 2022	3,50,61,121	3,09,24,341
Unfunded Net Liability Recognized in the Balance Sheet Disclosed in long term provisions	<b>3,50,61,121</b>	<b>3,09,24,341</b>

<b>e. Amount Recognized in the Balance Sheet</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Present Value of Obligation as at March 31, 2022	3,50,61,121	3,09,24,341
Fair Value of Plan Assets as at March 31, 2022	-	-
Liability Recognized in the Balance Sheet and disclosed under provisions	<b>3,50,61,121</b>	<b>3,09,24,341</b>

<b>f. Expenses Recognized in the Statement of Profit and Loss</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Current Service Cost	27,80,547	23,54,623
Interest Cost	16,98,724	15,17,724
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Total expenses Recognized in the Statement of Profit and Loss	<b>44,79,271</b>	<b>38,72,347</b>
Actual Return on Plan Assets	Nil	Nil

<b>g. Other Comprehensive Income for the year</b>	<b>For the year ended March 31, 2022 (₹)</b>	<b>For the year ended March 31, 2021 (₹)</b>
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	(4,34,763)	1,95,762
- Due to experience adjustments	12,59,781	17,30,985
- Due to change in demographic assumptions	-	-
- Return on plan assets excluding amounts included in interest income	-	-

Amounts recognized in Other Comprehensive Income	<b>8,25,018</b>	<b>19,26,747</b>
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### Sensitivity Analysis

Particulars	For the year ended March 31, 2022 (₹)	For the year ended March 31, 2021 (₹)
Projected Benefit Obligation on Current Assumptions	3,50,61,121	3,09,24,341
Delta Effect of +0.5% Change in Rate of Discounting	-10,36,464	-9,52,774
Delta Effect of -0.5% Change in Rate of Discounting	11,09,918	10,20,343
Delta Effect of +0.5% Change in Rate of Salary Increase	10,24,541	9,18,860
Delta Effect of -0.5% Change in Rate of Salary Increase	-9,63,646	-8,66,197
Delta Effect of +0.5% Change in Rate of Employee Turnover	84,226	79,277
Delta Effect of -0.5% Change in Rate of Employee Turnover	-86,776	-81,472

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, 2022 ₹ 51,10,590/-

Break-up of above:	Current Liability	₹ 3,78,569/-
	Non-Current Liability	₹ 47,32,021/-

### 29. Expenditure in Foreign Currency on account of

	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
- Raw Material (CIF)	33947.91	12834.84
- Traveling Expenses	7.29	0.00
- Brokerage and Commission	4.03	0.00
- Membership and Consultancy Fees	59.22	2.89
- Stores and Spares	14.78	14.50

### 30. Earning in Foreign Currency on account of

	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
Exports made on FOB Basis	5389.84	2821.52

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 ₹ 196.38 Lakhs (Previous Year ₹ 121.99 Lakhs).

Details of the amount spent towards CSR for the period is given below:

Particulars	Current Year (₹ In Lakhs)	Previous Year (₹ In Lakhs)
Contribution to Vishwaniketan iMEET College-Khalapur, Dist: Raigad, for construction of Sport Complex and playground & Radium Stickers, LED Board structure and fabrication work	36.71	60.00
Contribution paid in support to Covid-19 relief activities through Swaminarayan Temple Trust (Bocha Sanvasi Shri Charitable Trust)	0.00	10.10
Direct Contribution for Star Care Cardiac Ambulance for the use of Group Gram Panchayat Kumbhivali, Dist: Raigad for their health care support	0.00	3.40
Direct Contribution for "Ghanta Gadi" for the use of Gram Panchayat Kumbhivali, Dist: Raigad for their Sanitization policy and awareness on sanitization programme.	0.00	5.34
Direct contribution paid for COVID-19 related medical expenses as health care support	0.00	2.58
Direct contribution for renovation of police community hall for Police Vocational Training (Promoting Vocational Training and Enhancing Skills).	0.00	2.03
Direct contribution for construction of open stage in Grampanchayat Primary School (Anganwadi) Karsundi, Dist: Raigad (for promoting Education)	0.00	23.49
Direct contribution for the expenditure on project and programme for Khalapure Primary Health Care Centre, Dist: Raigad for Medical equipment's and fixtures for Health Care Support.	0.00	15.05
Contribution paid to IIT Mumbai to promote educational academic pursuit & scientific	0.00	0.00
Grocery & Food Packets, Water Bottles donated to Mahad villagers during heavy rain flood relief	1.04	0.00
Contribution paid to Bhatia General Hospital for Health care support.	35.00	0.00
Contribution paid to Shree Hazarimal Somani Memorial Trust for promotion of education	50.00	0.00
Donation paid to Omkar Anndh Apang Samajik Santha for welfare of disabled persons.	20.00	0.00
Renovation of Vaccine Room, Furniture, Pump House, Water Tanks, Compound walls and fixing sheds at Primary Health Centre-Khalapur	20.52	0.00
Providing & Fixing wall compound, Toilet repairs, Water tank, Doors and windows repairing and paintings, radium sticker board at Thakurwadi and Kumbhivali School.	33.11	0.00
<b>Total:-</b>	<b>196.38</b>	<b>121.99</b>

### 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, 2022 (₹)	Year Ended March 31, 2021 (₹)
<b>Current tax</b>		
Current tax on profits for the year*	18,00,00,000	29,00,00,000
Adjustments for current tax of prior periods	-	-
Current tax (A)	18,00,00,000	29,00,00,000
Deferred tax	1,44,49,127	47,13,269
Decrease/(increase) in deferred tax assets#	(19,29,283)	(57,12,850)
(Decrease)/increase in deferred tax liabilities	1,63,78,410	9,99,581

Deferred tax (B)	1,44,49,127	47,13,269
Income tax expense charged to profit or loss (C) = (A) + (B)	<b>19,44,49,127</b>	<b>29,47,13,269</b>

ii) Deferred tax related to items recognized in other comprehensive income (OCI):

Current tax (A)	Year Ended March 31, 2022 (₹)	Year Ended March 31, 2021 (₹)
Deferred tax on remeasurement gains/(losses) on defined benefit plan	2,07,641	4,94,735
Adjustments for current tax of prior periods	-	-
<b>36. Current tax (A)</b>	-	-
Deferred tax	2,07,641	4,94,735

S I . No.	Ratios	Year ended 31st March 2022	Year ended 31st March 2021	% Variance	Reason for Variance
A	Current ratio (in times)	1.76	3.55	-50.53%	Due to Increased capacity additional working capital facility is taken. Further Camphor price Realisation has affected the Ratio.
B	Debt equity ratio (in times)	0.84	0.24	255.26%	Due to Expansion various credit facilities are taken including Term Loan for Plant & Machinery.
C	Debt service coverage ratio (in times)	17.73	99.66	-82.21%	Reduction in Camphor price Realisation and increase in various credit facilities has affected this.
D	Return on equity ratio (%) (ROE)	17.65	33.63	-47.50%	Reduction in Camphor price Realisation and subsequent reduction in Net profit is responsible for this.
E	"Inventory turnover ratio (in number of days)"	224.66	211.92	6.01%	Due to increase in capacity Raw material holding is increased further FG stock has also added due to additional production
F	"Trade receivables turnover ratio (in number of days)"	29.21	35.48	-17.68%	Collection has increased
G	"Trade payables turnover ratio (in number of days)"	25.70	40.61	-36.70%	Due to liquidity payment is made to suppliers with discount so creditors period has reduced.
H	Net capital turnover ratio (in times)	3.31	2.47	33.71%	Due to higher realisation during first three quarters of FY22 it is showing improvement.
I	Net profit ratio	10.94%	25.02%	-56.27%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced
J	"Return on capital employed (%) (ROCE)"				
(i)	Pre Tax	14.86%	41.25%	-63.98%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced





(ii)	Post Tax	11.11%	30.64%	-63.73%	Due to camphor price correction and less realisation in Q4 of FY22 it is reduced
K	Return on investment (%) (ROI)	3.94%	2.03%	94.09%	Higher returns on Fixed Deposits kept as Margin for LC.

37. Previous year figures have been regrouped and reclassified to conform to current year's presentation and classification.

### 38. 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.

### 39. Approval of Consolidated Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on May 27, 2022

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 27, 2022

#### 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/-

**Heena Tank**

Company Secretary





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