

Date: March 19, 2024

MGEL/CS/NSE/2023-24/56

To,  
Listing Compliance Department  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G,  
Bandra Kurla Complex, Bandra,  
Mumbai-400 051, Maharashtra.

Company Symbol: MGEL (EQ), ISIN: INE0APB01024

Subject: Intimation of Draft Letter of Offer for Proposed Rights Issue of Equity shares of Mangalam Global Enterprise Limited.

Dear Sir/Madam,

Please find enclosed herewith copy of Draft Letter of Offer dated March 18, 2024 ("DLOF") for the Rights Issue of the Company. We request for your comments on the said DLOF and in-principle listing approval for the Rights Issue at the earliest.

Kindly take the same on your record.

Thanking You.

Yours faithfully,

For, Mangalam Global Enterprise Limited

Dashang M. Khatri  
Company Secretary & Compliance Officer  
Membership No. A47946



Enclosed: A/a.

**Mangalam Global Enterprise Limited**

CIN: L24224GJ2010PLC062434

Regd. Office: 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat (INDIA)  
Tel: +91 79 61615000 (10 Lines) E mail: [info@groupmangalam.com](mailto:info@groupmangalam.com) Website: [www.groupmangalam.com](http://www.groupmangalam.com)

પરિશિષ્ટિત:



**MANGALAM GLOBAL ENTERPRISE LIMITED**  
**Corporate Identification Number: L24224GJ2010PLC062434**

Mangalam Global Enterprise Limited bearing Corporate Identification Number L24224GJ2010PLC062434 was incorporated as “Hindprakash Colourchem Private Limited” under the Companies Act, 1956 on September 27, 2010 by Assistant Registrar of Companies Ahmedabad. Further, name of the Company was changed to Mangalam Global Enterprise Private Limited and a Fresh Certificate of Incorporation consequent to change of name was issued on July 31, 2014 by Registrar of Companies, Ahmedabad. Further, Company was converted in to Public Limited Company and the name of the Company was changed to “Mangalam Global Enterprise Limited” and a Fresh Certificate of Incorporation consequent upon conversion of Company from Private Limited to Public Limited dated September 30, 2019 was issued by Registrar of Companies, Ahmedabad. The Company was then listed and admitted to dealings on the Emerge platform of National Stock Exchange of India Limited (“NSE”) on November 27, 2019. The company was subsequently migrated from the Emerge Platform to the Main Board of the National Stock Exchange (NSE) on December 23, 2020. Kindly refer to the section titled “General Information” beginning on page 3 of this Draft Letter of Offer.

**Registered Office:** 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali,  
 Navrangpura, Ahmedabad, Gujarat, India, 380009.

**Website:** [www.groupmangalam.com](http://www.groupmangalam.com); **E-Mail:** [cs@groupmangalam.com](mailto:cs@groupmangalam.com); **Telephone No:** +91 79 61615000

**Company Secretary and Compliance Officer:** Dashang Manharlal Khatri

**OUR PROMOTERS: MR. VIPIN PRAKASH MANGAL,  
 MR. CHANAKYA PRAKASH MANGAL AND MR. CHANDRAGUPT PRAKASH MANGAL**

**FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF MANGALAM GLOBAL ENTERPRISE LIMITED (OUR “COMPANY” OR “THE ISSUER”) ONLY**

RIGHT ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹2.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 4900 LAKHS\* (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS [●] (THE “ISSUE”).

FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 114.

THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 114 OF THIS DRAFT LETTER OF OFFER.

\*Assuming full subscription with respect to Rights Equity Shares

**WILFUL DEFAULTERS AND/OR FRAUDULENT BORROWERS**

Neither our company, nor our Promoters, or Directors are or have been categorized as wilful defaulters or fraudulent borrowers by bank or financial institutions (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

**GENERAL RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our company and the issue, including the risks involved. The rights equity shares in the issue have not been recommended or approved by the securities and exchange board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 21 of this Draft Letter of Offer.

**OUR COMPNSNY’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The existing Equity Shares are listed on the National Stock Exchange of India Limited (“NSE” or “Stock Exchange”). Our Company has received ‘in-principle’ approval from NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. Our Company will also make an application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.

**REGISTRAR TO THE ISSUE**

	<p><b>LINK INTIME INDIA PRIVATE LIMITED</b>  <b>Address:</b> C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra , India  <b>Contact person:</b> Ms. Shanti Gopalakrishnan  <b>Tel:</b> +91 22 4918 6200  <b>Fax:</b> +91 22 4918 6195  <b>E-mail ID:</b> <a href="mailto:mangalamglobal.rights@linkintime.co.in">mangalamglobal.rights@linkintime.co.in</a>  <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  <b>SEBI registration number:</b> INR000004058  <b>Investor grievance e-mail:</b> <a href="mailto:mangalamglobal.rights@linkintime.co.in">mangalamglobal.rights@linkintime.co.in</a>  <b>CIN:</b> U67190MH1999PTC118368</p>
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**ISSUE PROGRAMME**

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

\*\*Our Board or the Rights Issue Committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I- GENERAL

### DEFINITION AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications there to notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/chapters titled “Industry Overview”, “Offer Document Summary”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 45,17,88,42,99 and 114 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/chapters.

### GENERAL TERMS

Term	Description
“Mangalam Global Enterprise Limited”, “our Company”, “the Company”, “the Issuer”	Mangalam Global Enterprise Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

### COMPANY RELATED TERMS

Term	Description
“Annual Audited Financial Statements	The audited financial statements of our Company prepared under Ind AS for Fiscal 2021, 2022 and 2023 prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Audit Committee”	Audit Committee of our Board, as describe in “Our Management-Committee of our Board” on page No. 72.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, M/s. Keyur Shah & Co, Chartered Accountants, Ahmedabad.
“Board”/ “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chairman”	Mr. Vipin Prakash Mangal, the Chairman of the Company.
“Chief Financial Officer / CFO”	Mr. Chandravijay Arora, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Mr. Dashang Manharlal Khatri, the Company Secretary and the Compliance Officer of our Company.
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares of or company.
“Equity Shares”	Equity shares of our Company of face value of ₹ 2 each.
“Executive Directors”	Executive directors of our Company.
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations

<b>Term</b>	<b>Description</b>
“Independent Director(s)”	The independent director(s) of our Company, in terms of Section 2 (47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in this Draft Letter of Offer.
“Limited Reviewed Financial Information” or “Limited Reviewed Financial Statements” or “Limited Reviewed Financial Consolidated Statements” or “Limited Reviewed Consolidated Financial Information”	The limited reviewed unaudited consolidated financial statements for the nine months periods ended December 31, 2023, and December 31, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
Material Subsidiaries	None
“Nomination and Remuneration Committee”	Nomination and remuneration committee of our Board, as described in “Our Management – Committees of our Board” on page 72
“Non-executive Directors”	Non-executive Directors of our Company.
“Non-Executive and Independent Director”	Non-executive and independent directors of our Company, unless otherwise specified
“Promoters”	Mr. Vipin Prakash Mangal, Mr. Chanakya Prakash Mangal and Mr. Chandragupt Prakash Mangal are the Promoters of our Company. For further details, see “Our Promoters and Promoter Group” on page 84 of this Draft Letter of Offer.
“Promoter Group”	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
“Registered Office”	The registered office of our Company located at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009
“Registrar of Companies”/ “ROC”	Registrar of Companies, Ahmedabad situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013
“Rights Issue Committee”	The committee of our Board constituted / designated for purposes of the Issue and incidental matters thereof through the resolution of the Board dated February 02, 2024.
“Shareholders / Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable Accounting Standards.
Unaudited Financial Results	The limited review of unaudited financial results of our Company for nine months period ended December 31, 2023

#### **ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Right Equity Shares	The Rights Equity shares applied or allotted under the issue in addition to the Rights Entitlements.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into

Term	Description
	which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncees) shall make an application for a rights issue only through ASBA facility.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions

Term	Description
	and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being [●]
Bankers to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page No. 114.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs, which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a>
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
Draft Letter of Offer/DLoF/DLOF	This Draft Letter of Offer dated [●] filed with the Stock Exchange, for its observations and in-principle approval.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. (*). Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
FII / Foreign Institutional Investors	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended] registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018
IEPF	Investor Education and Protection Fund
ISIN	International securities identification number is INE0APB01024.
Issue / Rights Issue	Issue of Up to [●] fully paid up Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] (Including a premium of ₹[●]) per Rights Equity Share not exceeding an amount of ₹ 4900 Lacs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by

Term	Description
	the Eligible Equity Shareholders of our Company on the Record Date.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹[●] per Rights Equity Share including Premium of ₹[●]/- per Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Issue Upto ●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹[●] (Including a premium of ₹[●]) per Rights Equity Share not exceeding an amount of ₹ 4900 Lacs.
Letter of Offer/LOF/Letter of Offer/LOF	This letter of offer dated [●] filed with the Stock Exchange and submitted with SEBI.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see "Object of the Issue" on page 37 of this Draft Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act 2013
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Payment Schedule	Payment schedule under which 100% of the Issue Price is payable on Application, i.e. ₹ [●] per Rights Equity Share
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund



Term	Description
	Account(s) will be opened, in this case being [●].
“Registrar to the Issue”	Link Intime India Private Limited
Registrar Agreement	Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI– Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements, which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
Rights Entitlements	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●],[●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also accessible on the website of our Company and Registrar.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time

<b>Term</b>	<b>Description</b>
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being National Stock Exchange of India (NSE).
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Days	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Gujarat are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### **CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual general meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948

<b>Term</b>	<b>Description</b>
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of atleast 60% by

<b>Term</b>	<b>Description</b>
	NRI's including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

#### **INDUSTRY RELATED TERMS**

<b>Term</b>	<b>Description</b>
AUTFS	Amended Technology Upgradation Fund System
CAD	Current Account Deficit
CCAE	Cabinet Committee on Economic Affairs
CP	Continuous Polymerisation
CPI	Consumer Price Index

DGFT	Directorate General of Foreign Trade
EMDEs	Emerging Market and Developing Economies
FDI	Foreign Direct Investment
GVA	Gross Value Added
GDP	Gross Domestic Product
IIP	Index Of Industrial Production
IWDP	Integrated Wool Development Programme
MEIS	Merchandise Export India Scheme
NBFC	Non-Banking Financial Companies
NEER	Nominal Effective Exchange Rate
PMP	Phased Manufacturing Programme
PPP	Purchasing Power Parity
TUFS	Technology Up-Gradation Fund Scheme
USDA's	U.S. Department of Agriculture
WEO	World Economic Outlook
WPI	Wholesale Price Index

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise; all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 88. Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GOI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

The Financial Statements of our Company for the Financial Years ended March 2021, 2022 and 2023 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 88.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

### Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and

- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

### Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on		
	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.2169	75.8071	73.5047
1 Euro	89.6076	89.6076	89.6076

(Source: RBI reference rate <https://www.fbil.org.in/#/home>)

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, or any of affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry source.

## FORWARD – LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements.’ Investors can generally identify forward-looking statements by terminology including ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘forecast’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘target’, ‘will’, ‘would’ or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- performance of the industries in which our clients operate;
- performance of our key clients and our relationship with our intermediaries;
- adverse effect of competition on our market share and profits;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage our quality of services;
- hire and retain senior management personnel and other skilled manpower;
- manage cost of compliance with labor laws or other regulatory developments;
- manage our operating costs;
- manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
- successfully implement our business strategies and expansion plans;
- maintain effective internal controls;
- adequate and timely supply of assets necessary for our operations such as vehicles and equipment;
- state of road, air and other transportation infrastructure in India;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- Economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 21, 54 and 92 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure



investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

## SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Business Overview”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages, 21, 26, 34, 37, 54, 45, 99 and 114 respectively.

### SUMMARY OF INDUSTRY

Castor is one of the oldest cultivated crops; however, it contributes to only 0.15% of the vegetable oil produced in the world. Castor oil is widely used in the manufacture of various products, including soaps, cosmetics, lubricants, and biofuels. Castor oil is widely used in commercial segments, including the manufacturing of paints, cosmetics, resins, fluids and lubricating greases, among others. Castor oil & its derivatives have the ability to replace synthetic feedstock with bio-based products.

The oil which is extracted from the different plant and castor seeds identify as the castor oil. Castor oil is colorless to pale yellow liquid with mild or no taste. Castor oil is used in various industries includes Biopolymers, Personal care, Food, Lubricants, Plastic & Rubber, Paper, pharmaceuticals, paint, inks, and additives. Owing to the various usages of castor oil in different industries and pharmaceutical applications, the market demand for this unique chemical structure is escalated in past few years. All chemical derivatives of castor oil provide numerous use in industrial applications, and their sustainability domains are increasing rapidly. Castor oil key derivatives comprise of hydrogenated, dehydrated, ethylated, sulfonated, heptaldehyde, sebacic acid, polyols, undecylenic acid, zinc ricinoleate, methyl ricinoleate, zinc undecylenate, calcium undecylenate, and commercial grade castor oil.

The global castor oil market size reached 795.0 Kilo Tons in 2023. Looking forward, IMARC Group expects the market to reach 887.2 Kilo Tons by 2032, exhibiting a growth rate (CAGR) of 1.1% during 2024-2032. The market is experiencing stable growth driven by growing demand for sustainable and natural products, expanding industrial applications, rising demand in the cosmetic and personal care industry, increasing health benefits and pharmaceutical applications, and biofuel production and renewable energy initiatives.

The versatility of castor oil is a key factor driving its market growth. It is not limited to a single industry but finds applications in diverse sectors. One of the significant drivers is its use in industrial applications, particularly as a feedstock for the production of high-performance chemicals and materials. Castor oil is a source of 12-hydroxystearic acid (12-HSA), which is a crucial raw material in the manufacturing of specialty chemicals, plastics, and polymers. These chemicals are used in various industries, including automotive, aviation, and electronics, where high-performance materials are essential. Additionally, the low pour point and viscosity of castor oil make it an ideal candidate for manufacturing bio-based lubricants. The lubricant industry has been transitioning toward sustainable alternatives to reduce environmental impact, and castor oil fits this requirement perfectly.

China plays a prominent role in the global castor oil market, both as a producer and consumer. The country has seen significant growth in castor oil production in recent years. Chinese castor oil producers have capitalized on the adaptability of the plant to various climatic conditions, leading to increased cultivation and higher yields. In addition to domestic consumption, China exports a substantial portion of its castor oil to international markets. Chinese castor oil is known for its competitive pricing, making it a preferred choice for industries looking for cost-effective alternatives.

India holds a dominant position in the global castor oil market, being the largest producer and exporter of castor seeds and castor oil. The tropical climate of the region is ideal for castor cultivation, and the rich agricultural heritage of India has contributed to the growth of this industry. Castor oil production in India is driven by domestic demand and also by exports to various international markets. In India, castor oil finds applications in a wide range of industries, including pharmaceuticals, cosmetics, lubricants, and biodiesel. Its use in traditional medicine further strengthens its presence in the domestic market. Indian castor oil is known for its high quality and purity, making it a preferred choice for industries demanding premium-grade castor oil.

#### Castor Oil Market Trends:

- Growing Demand for Sustainable and Natural Products
- Expanding Industrial Applications
- Rising Product Demand in the Cosmetic and Personal Care Industry
- Health Benefits and Pharmaceutical Applications
- Biofuel Production and Renewable Energy Initiatives

## SUMMARY OF BUSINESS

We are mainly engaged into Manufacturing, Trading of Edible Oil/ Non-edible oil and Agricultural Products i.e. Soya Oil, Soya Meal, Soya De Oiled Cake, Mustard Oil, Mustard Meal, Mustard De Oiled Cake, Refined Soyabean Oil, Refined Vegetable Oil, Pungent Mustard Oil, Refined Castor Oil First Special Grade (FSG), Castor De-Oiled Cake and High Protein Castor De-Oiled Cake, Cotton Bales, Cotton Cake Cattle Feed, Cotton Wash Oil, processing of wheat and rice. Also, the Company is engaged in Trading including domestic and export of Agricultural Products i.e. Wheat, Rice etc.

Castor oil is a yellow viscous liquid free from suspended matter and insoluble in water. It is produced by refining commercial grade Castor Oil after undertaking bleaching and filtering process. Castor oil has multiple industrial applications and is extensively demanded in Lubricants, Paints, Cosmetics, Pharmaceuticals, Cable insulators, Sealants, Inks, Rubber and Textiles etc. It is also used to relief Constipation, Eyelashes grow, Hair grow, Skin moisturiser ad to improve immunity function. It is also used for applying on food grains to protect from the insects/fungus. Castor De-Oil Cake is fertilizer consisting of high content of Nitrogen, Phosphoric Acid, Potash and moisture retention and it is also an organic fertilizer which can be used as alternatives to chemical fertilizer. It is simple manure, which acts progressively that encourages soil microbial activity. High Protein Castor De Oiled Cake is an organic manure which enhances the fertility of the soil without causing any damage or decay.

Our Castor oil manufacturing facility situated at Kapadvanj, Gujarat is installed with automated machineries having crushing and processing capacity of 500 MT Castor Seeds per day. The said manufacturing unit is equipped with installed capacity of producing 225 MT Castor Refined Oil (F.S.G.) per day; 225 MT Castor De- Oiled Cake per day and 50 MT High Protein DOC per day. In addition to this, the plant is also having 200 MT solvent manufacturing capacity.

Our Consolidated total Income were Rs. 143044.03 lakhs, Rs.128322.03 lakhs and Rs. 96469.27 lakhs and our profit after tax was Rs. 1414.39 lakhs, Rs. 409.63 lakhs and Rs. 454.77 lakhs for the financial years ended on March 31, 2023, 2022 and 2021, respectively.

For further details, please refer to the chapter titled “*Business Overview*” at page 54 of this Draft Letter of Offer.

## OUR PROMOTERS

The Promoters of our Company is Mr. Vipin Prakash Mangal, Mr. Chanakya Prakash Mangal and Mr. Chandragupt Prakash Mangal.

For further details please see chapter titled “*Our Promoters and Promoter Group*” beginning on page 84 of this Draft Letter of Offer.

## OBJECTS OF THE ISSUE

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue	Estimated deployment in FY 2023-24
1.	To Meet Working Capital Requirements	3,960.00*	[●]
2.	General corporate purposes^	[●]	[●]
	<b>Net Proceeds</b>	[●]	[●]

^Any portion of the Net Proceeds not deployed for the stated Objects in FY 2024-25 will be deployed by our Company in FY 2024-25

\*Assuming full subscription and Allotment with respect to the Rights Equity Shares.

## MEANS OF FINANCE

We intend to finance our Objects of the Offer through Right Issue Proceeds which are as follows:

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From Right Issue Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
1.	To Meet Working Capital Requirements	30,803.64	3,960.00	8,416.78*	17,454.63*
2.	General corporate purposes	[●]	[●]	-	-
3.	Public Issue Expenses	[●]	[●]	-	-

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From Right Issue Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
	<b>Total</b>	[●]	[●]	<b>8,416.78*</b>	<b>17,454.63*</b>

\* Subject to finalization of Price at the time of filing of Letter of Offer.

For further details, please see chapter titled “Objects of the Issue” beginning on page 37 of this Draft Letter of Offer.

#### SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the Consolidated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021.

(₹ In Lakhs)

Sr. No	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
1.	Authorized Share Capital	10454.00	5000.00	4000.00
2.	Paid-up Capital	2771.11	2602.36	2508.61
3.	Net Worth attributable to Equity Shareholders	11441.67	7966.80	6959.38
4.	Total Revenue	143044.03	128322.03	96,469.27
5.	Profit after tax	1269.64	361.46	473.85
6.	Earnings per Share (basic) (in ₹)	0.98	0.29	1.86
7.	Earnings per Share (diluted) (in ₹)	0.90	0.28	1.86
8.	Net Asset Value per Equity Share (in ₹)*	8.03	30.26	26.59
9.	Total Borrowings	23830.85	11993.7	11721.77

\* The shareholders of the Company in their meeting held on 25<sup>th</sup> July 2022, approved sub-division/ split of 1 (one) equity share of Rs. 10/- each into 5 (five) equity shares of Rs. 2/- each fully paid up. The effective date for sub division of Equity shares was 19<sup>th</sup> August 2022. Consequently, the split of equity shares is been effected from 19<sup>th</sup> August 2022.

#### SUMMARY OF OUTSTANDING LITIGATION

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies is provided below: For details, see “OUTSTANDING LITIGATION” on page 99 of this Draft Letter of Offer.

Nature of Case	Number of Cases	Outstanding Amount (in lakhs)
<b>Company</b>		
Direct Tax	1	Not Ascertainable
Indirect Tax	Nil	Nil
<b>Directors</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Promoters (Other than Directors)</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Subsidiaries*</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Group Companies</b>		
Direct Tax	3	Not Ascertainable
Indirect Tax	Nil	Nil

#### RISK FACTORS

Please see the chapter titled “Risk Factors” beginning on page 21 of this Draft Letter of Offer.

#### SUMMARY OF CONTINGENT LIABILITIES

For details, see “*Financial Information*” on page 88 of this Draft Letter of Offer.

#### **SUMMARY OF RELATED PARTY TRANSACTIONS**

For details of the related party transactions and as reported in the Restated Financial Statements, see “*Financial Information*” on page 88 of this Draft Letter of Offer.

#### **ISSUE OF EQUITY SHARES MADE IN LAST ONE YEAR FOR CONSIDERATION OTHER THAN CASH.**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Letter of Offer.

#### **SPLIT/ CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR.**

Our Company had not split/consolidated its Equity Shares in the last one year.

## SECTION III: RISK FACTORS

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively; and
- Some events may not be material at present but may have material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors.

The risk factors are classified as under for the sake of better clarity and increased understanding:

### INTERNAL RISKS

***1. Our business is subject to seasonal volatility which may contribute to fluctuations in our results of operations and financial condition***

The major raw materials used in our manufacturing operations are Castor Seeds and Raw Cotton. Due to the seasonal availability of these two items, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season depending upon the availability and thereafter harvesting of these raw materials. During the crop season, we are able to procure these raw materials at reasonable terms and in substantial quantities, whereas during the off-season their availability is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality of Castor Seeds and Raw Cotton and its impacts may cause fluctuations in our result of operations and financial conditions.

***2. Our cost of production is exposed to fluctuations in the prices of our raw materials such as Castor Seeds and Raw Cotton.***

We are mainly engaged in the business of manufacturing of Refined Castor Oil First Stage Grade (F.S.G.), Castor De Oiled Cake and High Protein Castor De Oiled Cake for the domestic market as well as for exports to international markets. We also manufacture Cotton Bales (Lint Cotton) and Delineate Cotton Seeds. Castor Seeds and Raw Cotton are two important raw materials required in the manufacturing of above mentioned finished products. We source required raw materials as mentioned above through domestic market. We are exposed to fluctuations in the price of the raw materials such as Castor Seeds and Raw Cotton and may be unable to control factors affecting the price directly or indirectly at which we procure such materials, particularly as we do not enter into any supply agreements with our suppliers. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in price to our customers. Particularly, we do pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins.

***3. We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by a significant customer or number of significant customers or the inability to procure new orders on a regular basis may have an adverse effect on our revenues, cash flows and operations.

***4. We have high volume-low margin business.***

We have high volume-low margin business. Our financial operations are largely dependent on the volume of the business we generate which will add to profits in absolute terms. We need to generate higher volume in terms of quantity to increase our profitability to make our products commercially feasible. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on

our ability to effectively grow our turnover and manage our key processes including but not limited to procurement of raw material/ traded goods, timely sales / order execution and continuous cost control of non-core activities.

**5. *Cotton is a highly flammable commodity. Any fire, or such mishaps or accidents at the Company's facilities could lead to property damages, property loss and accident claims.***

Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. Any fire, or such mishaps or accidents at the Company's facilities could lead to property damages, property loss and accident claims.

**6. *The raw materials and the finished products stored at our factory premises may be subject to distortion and colour fading due to lapse of time.***

The raw materials and the finished products of our Company are stored at the warehouse located in the factory of our Company. Cotton is subject to change in colour through their own natural aging process. In case the raw materials remained unused or the finished products remained unsold for a period of time they may fade their colour which may render them useless or reduce their usefulness. In case of any such incidence we may be required to either scrap the said product or we may not be able to realize proper price of the said products which could have an adverse effect on the profitability and production schedule of the Company.

**7. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Therefore, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations.

**8. *Our inability to maintain distribution network can adversely affect our Revenues.***

We sell our products with the help of distribution network of various dealers, distributors. The distribution network sells our products to end users. Our inability to maintain our existing distribution network or to expand it further as per the requirement of our proposed increased capacities, can adversely affect our Revenues. In case, if we are not able to market our manufactured products, it may affect our operations and profitability adversely.

**9. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

Quality Control Inspection is an integral part of our operations. We are required to implement quality management system in respect of all our Products. Our products depend on customer's specifications. Any failure to maintain the quality standards of our products may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**10. *We operate in a competitive business environment, both globally and domestically. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.***

Both castor oil and cotton product segments are highly competitive. Increasing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, many of our competitors are larger international and domestic companies and have access to greater resources or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Any failure to keep abreast with technological advancements might place our competitors at an advantageous position in terms of cost, efficiency and timely delivery of final products. While we are focused on developing cost and time efficiencies and to broaden our product range, in particular in certain niche segments, in the event our competitors develop better process technology or improved process yield or are able to source raw materials at competitive prices, and are therefore able to create new products or substitutes for our products at competitive prices, we may not be able to maintain our growth rate and revenues and our profitability may decline. Any of these factors may have a material adverse effect on our business and prospects.

**11. *The industry in which we operate is labour intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.***

Our industry being labour intensive is dependent on labour force for carrying out its operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**12. *Our Company is dependent on third party transportation for the procurement of raw materials and delivery of finished products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation for procurement of raw materials and delivery of our finished products. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition goods may be lost or damaged in transit for various reasons including but not limited to occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**13. *Our insurance coverage may not be adequate.***

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Standard Fire and Special Perils Policy, Burglary Policy etc. for our manufacturing facilities and products. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further, there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**14. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we may raise in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans.

**15. *We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.***

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.



**16. *Our success depends largely on our senior management and skilled professionals and our ability to attract and retain them.***

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain a large group of skilled professionals and staff, particularly managers and skilled workers. Our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. If we cannot hire or retain enough skilled professionals or unskilled workers, our ability to apply for and execute new contracts or to continue to expand our business will be impaired and consequently, our revenues could decline. Any such loss of the services of our senior management personnel or skilled professionals could adversely affect our business, prospects, financial condition and results of operation.

**17. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into related party transactions with our Promoter, Promoter Group, Group Entities and Directors. We may not be able to maintain the terms of such transactions in the event of future transactions with related parties that will be favorable to us.

Additionally, while it is our belief that all our related party transactions have been conducted on an arm's-length basis, we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. We may also enter into related party transactions in the future which may involve conflicts of interest, although all related party transactions will be subject to audit committee or board or shareholder approval, as applicable, as under the Companies Act, 2013 and the SEBI (LODR) Regulations.

## EXTERNAL RISKS

**1. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

**2. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- a) Custom Duty;
- b) Goods and service tax and other levies; and
- c) Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our services and therefore demand for our services. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

**3. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**4. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, our future financial performance and the prices of the Equity Shares.

**5. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

**6. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our equity shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on February 02, 2024 pursuant to Section 62(1)(a) of the Companies Act.

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled “Terms of the Issue” on page 114 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Equity Share for every [●] fully paid-up Equity Share held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record date	[●]
Face Value per Equity Shares	₹2.00 each
Issue Price per Rights Equity Shares	₹[●] per Rights Equity Shares
Issue Size	Up to [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] (Including a premium of ₹[●]) per Rights Equity Share aggregate an amount not exceeding ₹ 4900.00 Lacs .
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	144180575 Equity Shares issued subscribed and paid-up. For details, please see “Capital Structure” on page 34.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Scrip Details	ISIN: INE0APB01024 NSE: MGEL ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, please refer to the chapter titled “Objects of the Issue” on page 37 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled “Terms of the Issue” on page 114of this Draft Letter of Offer.
Terms of Payment	The full amount of the Issue Price is payable on Application..

#### Issue Schedule:

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

\*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

*\*\* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

## GENERAL INFORMATION

Our Company was originally incorporated as “Hindprakash Colourchem Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated September 27, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, the name of our Company was changed to “Mangalam Global Enterprise Private Limited” pursuant to shareholders resolution passed at Extra-Ordinary General Meeting of our Company held on June 28, 2014 and a fresh Certificate of Incorporation dated July 31, 2014 was issued by Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-Ordinary General Meeting of our Company held on September 17, 2019 and the name of our Company was changed to “Mangalam Global Enterprise Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated September 30, 2019 was issued by the Registrar of Companies, Ahmedabad. Further, the Company got listed on Emerge Platform of NSE on November 27, 2019. Company was then Migrated from Emerge Platform to Main Board of National Stock Exchange of India Limited on December 23, 2020.

The Corporate Identity Number of our Company is L24224GJ2010PLC062434.

### REGISTERED OFFICE OF OUR COMPANY

#### MANGALAM GLOBAL ENTERPRISE LIMITED

101, Mangalam Corporate House, 42, Shrimali Society,  
Netaji Marg, Mithakhali, Navrangpura, Ahmedabad- 380009, Gujarat, India  
Tel: 079 61615000

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

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

Corporate Identification Number: L24224GJ2010PLC062434

### MANUFACTURING UNITS:

#### MANGALAM GLOBAL ENTERPRISE LIMITED

Unit 1: Bavla- Wheat & Rice Processing	Unit 2: Kapadvanj- Castor	Unit 3: Kapadvanj- Cotton
<b>Address:</b> Block/ Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka: Sanand, District: Ahmedabad, Gujarat.	<b>Address:</b> North Side, Amalgamated Survey No. 1025/3, Modasa Road, kapadvanj- 387620, District: Kheda, Gujarat.	<b>Address:</b> North Side, Amalgamated Survey No. 1025/3, Modasa Road, kapadvanj- 387620, District: Kheda, Gujarat.

### REGISTRAR OF COMPANIES

#### Registrar of Companies, Ahmedabad

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013

Telephone Number- +91-79-27438531

Email Id- roc.ahmedabad@mca.gov.in

### DETAILS OF CHANGE IN REGISTERED OFFICE

Registered office of our company is currently situated at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad- 380009 Gujarat, India. The Details of the changes in the Registered Office of our Company are set forth below:

Date of Change of Registered Office	From	To	Reason
Upon Incorporation	Plot No. 3211, Phase IV, Nr. Benzo Products, G.I.D.C. Estate, Vatva, Ahmedabad-382445, Gujarat, India.		
November 19, 2010	Plot No. 3211, Phase IV, Nr. Benzo Products, G.I.D.C. Estate, Vatva, Ahmedabad-382445, Gujarat, India.	205, Hindprakash House, Plot No. 10/6, Phase I, G.I.D.C. Vatva, Ahmedabad- 382445, Gujarat, India.	For administrative convenience
November 15, 2013	205, Hindprakash House, Plot No. 10/6, Phase I, G.I.D.C. Vatva, Ahmedabad-	Bungalow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006,	For better business operations

Date of Change of Registered Office	From	To	Reason
	382445, Gujarat, India.	Gujarat, India.	
July 02, 2014	Bungalow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	19-B, Kalyan Society, Near M. G. International School, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	Due to Increase in employee strength
April 01, 2016	19-B, Kalyan Society, Near M. G. International School, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	Bungalow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	For better connections and administrative purpose
April 01, 2017	Bungalow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	Office No. 205, 2 <sup>nd</sup> Floor, Bunglow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	To distinguish the floor and office no, form has been filed with updated details.
June 26, 2017	Office No. 205, 2 <sup>nd</sup> Floor, Bunglow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	Office No. 205, 2 <sup>nd</sup> Floor, Bunglow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	To rectify typographical error in the address
May 01, 2018	Office No. 205, 2 <sup>nd</sup> Floor, Bunglow No. 1 Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	201, Setu Complex, Girish Cold drinks cross road, Off. C. G. Road, Navrangpura, Ahmedabad- 380 009, Gujarat, India.	For Expansion and better administrative convenience
April 01, 2019	201, Setu Complex, Girish Cold drinks cross road, Off. C. G. Road, Navrangpura, Ahmedabad- 380 009, Gujarat, India.	101, Mangalam Corporate House, 19/B Kalyan Society, Near M. G. International School, Mithakhali, Ahmedabad- 380 006, Gujarat, India.	Due to increased employee strength and business expansion plans
October 21, 2021	101, Mangalam Corporate House, 19/B Kalyan Society near M.G. International School, Mithakhali, Ahmedabad -380006, Gujarat, India	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad- 380009, Gujarat, India.	Administrative convenience

#### BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

NAME	AGE	DIN	DESINGAITON	ADDRESS
Vipin Prakash Mangal	56	02825511	Chairman & Director	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali Ahmedabad – 380006
Chandragupt Prakash Mangal	26	07408422	Managing Director	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali Ahmedabad – 380006
Chanakya Prakash Mangal	28	06714256	Managing Director	Bungalow No. 1, Bharti Society, Near Nagri Hospital,

NAME	AGE	DIN	DESINGAITON	ADDRESS
				Mithakhali Ahmedabad – 380006
Praveen Kumar Gupta	55	00415491	Non-Executive Independent Director	5, Agarwal Colony, Civil Lines, Near City Palace, Ajmer- Rajasthan 305001
Sarika Sachin Modi	44	08320453	Non-Executive Independent Director	A-201, East Ebony, Opp Mann Bungalow, B/H Rajpath Club, Near GTPL House, Bodakdev Ahmedabad- 380054
Varsha Biswajit Adhikari	43	08345677	Non-Executive Independent Director	A/82, Orchid Wood, Corporate Road, Ahmedabad – 380015
Anilkumar Shyamlal Agrawal	61	00528512	Non-Executive Independent Director	43/44, Green Park, Bunglows, Ambli Bopal Road, Near Ambli Village, Bopal, Daskroi, Ambli Ahmedabad-380054

For detailed profile of our directors, please refer to the chapter titled “*Our Management*” on page 72 of this Draft Letter of Offer.

#### CHIEF FINANCIAL OFFICER

Mr. Chandravijay Arora is the Chief Financial Officer of our Company. His contact details are set for hereunder.

##### **Mangalam Global Enterprise Limited**

101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat, India.

**Tel:** 079 61615000

**Email:** [arora.cv@groupmangalam.com](mailto:arora.cv@groupmangalam.com)

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Dashang Manharlal Khatri, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

##### **Mangalam Global Enterprise Limited**

101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat, India.

**Tel:** 079 61615000

**Email:** [cs@groupmangalam.com](mailto:cs@groupmangalam.com)

#### REGISTRAR TO THE ISSUE

##### **Link Intime India Private Limited**

**SEBI Registration number:** INR000004058

##### **Registered office Address:**

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.

**Tel No.:** +91 22 -4918 6200

**Tel No.:** +91 81081 14949

**Fax No.:** +91 22 -4918 6195

##### **Branch/ Correspondence Address:**

5<sup>th</sup> Floor, 506 To 508, Amarnath Business Centre - I (ABC-I), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, C G Road, Ellisbridge, Ahmedabad-380006, Gujarat.

**Contact Person: Ms. Shanti Gopalakrishnan**

**Telephone Number:** 079 –2646 5179

**Email Id:** [mangalamglobal.rights@linkintime.co.in](mailto:mangalamglobal.rights@linkintime.co.in)

**Investor grievance Email Id:** [mangalamglobal.rights@linkintime.co.in](mailto:mangalamglobal.rights@linkintime.co.in)

#### ADVISOR TO THE ISSUE

##### BEELINE CAPITAL ADVISORS PRIVATE LIMITED

Address: B 1311-1314, Thirteenth Floor, Shilp Corporate Park,  
Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India.

Telephone Number: 079 – 4918 5784

Email Id: [mb@beelinemb.com](mailto:mb@beelinemb.com)

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

Contact Person: Mr. Nikhil Shah

CIN: U67190GJ2020PTC114322

#### STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/S. Keyur Shah & CO., Chartered Accountants

Address: 303, Shitiratna Building, B/s. Radisson Blu, Nr. Panchvati Circle, Ambawadi,  
Ahmedabad- 380 006, Gujarat, India.

Telephone- 079- 48999595

Email: [keyur@keyurshahca.com](mailto:keyur@keyurshahca.com); [info@keyurshahca.com](mailto:info@keyurshahca.com)

Contact Person: Keyur Shah

Membership No.: 153774

Firm Registration No.: 141173W

Peer Review Certificate No.: 013681.

#### Changes in Auditors during the last three years:

Except as disclosed below, there have been no changes in our statutory auditors during the last three years preceding the date of this Draft Letter of Offer:

Particulars	Date of change	Reasons for change
M/s K K A K & CO., Chartered Accountants Address: Krishna Mansion, Ghee Bazar, Kalupur, Ahmedabad-380002 E Mail: <a href="mailto:kkakco.ca@gmail.com">kkakco.ca@gmail.com</a> Telephone: +079 22133850 FRN: 148674W	15/05/2023	Due to increased professional pre-occupation
M/s KEYUR SHAH & CO., Chartered Accountants Address: 303, Shitiratna, B/s. Radisson Blu Hotel, Nr. Panchvati Circle, Ambawadi, Ahmedabad- 380006 E Mail: <a href="mailto:ca.keyurshah2015@gmail.com">ca.keyurshah2015@gmail.com</a> Telephone: +079 22133850 FRN: 141173W	07/06/2023	Appointment as Statutory Auditors

#### BANKERS TO THE ISSUE/ REFUND BANK

[•]

#### Designated Intermediaries:

*Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.



**Inter-se Allocation of Responsibilities:**

Beeline Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

**Investor grievances**

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

**Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

**Debenture Trustees**

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

**Monitoring Agency**

As the net proceeds of the Issue will be less than ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

**Filing**

The size of this Issue falls below this threshold, the Draft Letter of Offer will be filed with the Stock Exchange and not with SEBI. However, Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

**Underwriting Agreement**

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

**Minimum Subscription**

Our Promoters and Promoter group informed us that they may renounce their Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchange. Our Promoters and Promoter group have undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters of our Company or Promoter group member; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters of our Company or Promoter group member, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Since, our Promoters and Promoter group members may decide to renounce their Right Entitlement in favour of third parties, therefore the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations may apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate as prescribed under the applicable laws.

**EXPERTS**

Except as stated below, our Company has not obtained any expert opinion:-

Our Company has received a written consent from our Statutory Auditors, M/s Keyur Shah & Co., Chartered Accountants, to include their name in this Draft Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of their reports on Audited Financial Statements and the Limited Review Unaudited Financial Results, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

Our Company has received a written consent from M/s. Keyur Shah & Co., Chartered Accountants, to include their name in this Draft Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as independent chartered accountants of our Company and in respect of the inclusion of the statement of special tax benefits dated [●], included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

**ISSUE SCHEDULE:**

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]
Finalizing the basis of allotment with the Designated Stock Exchange (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

*\*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

*#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*

For further details, please see the chapter titled “Terms of the Issue” beginning on page no. 114 of Draft Letter of Offer.

## CAPITAL STRUCTURE

Share capital of our Company, as on the date of filing of this Draft Letter of Offer with National Stock Exchange of India Limited after giving effect to the Issue is set forth below: -

Particulars		Aggregate Value at Face Value (₹ in Lakh)	Aggregate Value at Issue Price (₹ in Lakh)
A	<b>Present Authorized Share Capital</b>		
	522700000 Equity shares of face value of ₹2.00 each	10454.00	NA
B	<b>Present Issue, Subscribed and Paid-up Capital</b>		
	144180575 Equity shares of face value of ₹2.00 each	2883.61	NA
C	<b>Present Issue in terms of this Draft Letter of Offer</b>		
	Upto [●] Right Equity Shares of Face Value of ₹ 2.00 each for cash at a price of ₹ [●]/- per Equity Share*	[●]	[●]
D	<b>Issued, Subscribed and Paid-Up Equity Share Capital after this Issue**</b>		
	Upto [●] Equity Shares of Face Value of ₹ 2.00 each	[●]	[●]
	<b>Securities Premium Account</b>	<b>(₹in Lakh)</b>	
	Before the Issue	4636.21	
	After the Issue	[●]	

\* Assuming full acceptance and Subject to finalization of Basis of Allotment, Allotment and deduction of Issue Expenses.

*The present Issue has been authorized by the Board of Directors pursuant to a resolution passed at its meeting held on February 02, 2024 under Section 62(1)(c) of the Companies Act 2013.*

*For further details, please refer to the Chapter titled “Issue Information” on page 26 of this Draft Letter of Offer. Our Company has no outstanding convertible instruments as on the date of this Draft Letter of Offer.*

### **NOTES TO THE CAPITAL STRUCTURE**

#### **1. Intention and extent of participation by our Promoters and Promoter Group**

Our Promoter and members of the Promoter Group of our Company have, vide their letters dated March 14, 2024 (“Subscription Letters”) indicated that they may or may not subscribe fully to their portion of right entitlement and that they may renounce their rights entitlements. Further, the promoters have confirmed that may not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations. As such, other than meeting the requirements indicated in the chapter titled “Objects of the Issue” at page 37 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares. In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above its Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control or the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

#### **2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is [●]/ per equity share.**

The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

**3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI LODR Regulations**

- a) The shareholding pattern of our Company as on December 31, 2023, can be accessed on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MGEL&tabIndex=equity>
  - b) Statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock-in, as on December 31, 2023 can be accessed on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MGEL&tabIndex=equity>
  - c) Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023 can be accessed on the website of the NSE at: <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=MGEL&tabIndex=equity>
4. Our Company shall ensure that any transaction in the securities of our Company by our Promoter and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
  5. At any given time, there shall be only one denomination of the Equity Shares of our Company.
  6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.
  7. There will be no further issue of Equity Shares whether by way of a public issue, qualified institutions placement, issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Letter of Offer with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
  8. Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital as on **December 31, 2023** is as follows:

Sr. No	Name of Equity Shareholders	No of Equity Shares held	Percentage of Equity Shares held (%)
1	Chandragupt Prakash Mangal	22804100	15.82
2	Chanakya Prakash Mangal	21636125	15.01
3	Vipin Prakash Mangal	14364550	9.96
4	Rashmi Mangal	13989175	9.70
5	Om Prakash Mangal	10714350	7.43
6	Specific Worldwide LLP	15107700	10.48
7	Mangalam Worldwide Limited	9004995	6.25
8	Sameer Balkishan Maheshwari	1579800	1.10
9	Sarath Ch.	2814638	1.95

9. Except as disclosed below, our Promoters and Promoter Group have not acquired any Equity Shares in the one year immediately preceding the date of filing of this Draft Letter of Offer with Designated Stock Exchange except the following:

<b>Sr. No.</b>	<b>Name of the Promoter &amp; Promoter Group</b>	<b>Category</b>	<b>Date of Acquisition</b>	<b>Mode of Acquisition</b>	<b>No. of Equity Shares</b>
1	Vipin Prakash Mangal	Promoter	18-04-2023	Acquisition through Convertible Warrants	1875000
2	Chanakya Prakash Mangal	Promoter	18-04-2023	Acquisition through Convertible Warrants	1875000
3	Chandragupt Prakash Mangal	Promoter	18-04-2023	Acquisition through Convertible Warrants	1875000
4	Vipin Prakash Mangal	Promoter	31-01-2024	Inter-se off market transfer of 3574350 Equity Shares among the promoter and Promoter Group by way of Gift.	3574350
5	Chanakya Prakash Mangal	Promoter	31-01-2024	Inter-se off market transfer of 3570000 Equity Shares among the promoter and Promoter Group by way of Gift.	3570000
6	Chandragupt Prakash Mangal	Promoter	31-01-2024	Inter-se off market transfer of 3570000 Equity Shares among the promoter and Promoter Group by way of Gift.	3570000

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue Proceeds from the Issue will be utilized towards the following objects:

- 1) To Meet Working Capital Requirements
- 2) General corporate purposes
- 3) To meet Public Issue Expenses

*(Collectively referred as the “objects”)*

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors, which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in) Lakhs
Gross Offer Proceeds*	[●]
Less: Offer Related Expenses	[●]
<b>Net Offer Proceeds</b>	<b>[●]</b>

*\*To be finalized upon determination of the Issue Price and updated in the Letter of Offer prior to filing with the RoC.*

### UTILIZATION OF NET ISSUE PROCEEDS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue* Proceeds	% of Net Proceeds
1.	To Meet Working Capital Requirements*	3,960.00	[●]	[●]
2.	General corporate purposes#	[●]	[●]	[●]
<b>Net Issue Proceeds</b>		<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

*\*To be finalized upon determination of the Issue Price and updated in the Letter of Offer prior to filing with the RoC.*

*#The amount to be utilised for general corporate purposes will not exceed 25% of the gross Offer proceeds.*

### MEANS OF FINANCE

We intend to finance our Objects of the Offer through Issue Proceeds which are as follows:

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From Right Issue Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
1.	To Meet Working Capital Requirements	30,803.64	3,960.00	8,416.78*	17,454.63*
2.	General corporate purposes	[●]	[●]	-	-
3.	Public Issue Expenses	[●]	[●]	-	-
<b>Total</b>		<b>[●]</b>	<b>[●]</b>	<b>8,416.78*</b>	<b>17,454.63*</b>

*\* Subject to finalization of Price at the time of filing of Letter of Offer.*

The fund requirements set out above are proposed to be funded from the Net Proceeds and internal accruals. We confirm

that we are in compliance with the requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirement and deployment are based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management.

This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects subject to compliance of applicable laws. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 21 of this Draft Letter of offer.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. WORKING CAPITAL REQUIREMENTS:

Basis of estimation of working capital requirement and estimated working capital requirement

(Amount in ₹ Lakhs)

Particulars	Projected		Restated		
	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
Inventories	11,935.75	9,714.17	6,893.83	11,815.15	2,223.89
Trade receivables	18,909.50	15,976.15	16,168.04	5,066.40	5,639.45
Cash and Bank Balance	77.04	37.78	6.02	6.55	46.66
Other Current Assets	5,600.93	5,227.80	4,965.26	1,465.05	2,828.26
<b>Total Current Assets</b>	<b>36,523.22</b>	<b>30,955.90</b>	<b>28,033.15</b>	<b>18,353.15</b>	<b>10,738.26</b>
Trade payables	4,537.65	4,056.42	3,185.04	3,807.49	693.28
Other liabilities (Including Non-Current)	702.50	632.50	1,587.58	1,720.74	1,137.80
Short-term provisions	429.66	345.79	89.76	802.78	198.44
<b>Total Current Liabilities</b>	<b>5,669.81</b>	<b>5,034.72</b>	<b>4,862.38</b>	<b>6,331.01</b>	<b>2,029.52</b>
<b>Net Working Capital</b>	<b>30,853.41</b>	<b>25,921.18</b>	<b>23,170.77</b>	<b>12,022.14</b>	<b>8,708.74</b>
<b>Sources of Funds</b>					
Borrowings	17,402.25	17,454.63	20,622.09	8,895.02	7,335.08
Internal Accruals/Existing Net worth and Other Non-Current Liability (Security Deposit)	9,821.16	8,466.55	2,548.68	3,127.12	1,373.66
Right Issue Proceeds	3,630.00				
<b>Total</b>	<b>30,853.41</b>	<b>25,921.18</b>	<b>23,170.77</b>	<b>12,022.14</b>	<b>8,708.74</b>

**Justification / Assumptions for working capital requirements:**

Particular	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	Justification
Number of Days of Trade Receivables	38.00	36.00	47.00	15.00	22.00	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Trade Receivables for FY 2020-21, FY 2021-22 and FY 2022-23 are in the range of 15 days to 47 days. Our Company has estimated average trade receivable cycle to be 36 days for FY 2023-24 and 38 days for FY 2024-25 to meet expected turnover.
Number of Days for Inventories	24.00	22.00	21.00	36.00	9.00	Finished Goods holding period for FY 2023-24 is estimated to be 22 days and 24 days for the FY 2024-25. This estimation is based on Inventory holding period of previous financial year FY 2022-23 and to meet expected turnover requirement for FY 2023-24 and 2024-25.
Number of Days Trade Payables	30.00	29.00	28.00	38.00	28.00	Raw Material holding period for FY FY 2023-24 is based on raw material holding period for FY 2022-23. In order to ensure uninterrupted manufacturing and production, our Company anticipates inventory days at 29 days for FY 2023-24 and 30 days for FY 2024-25. This will ensure that there is no supply chain disruption impacting the production.



Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below.

Cash and Cash Equivalents	Cash and cash equivalents include balances in current account with scheduled bank and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Assets	Other Current Assets mainly include advance to suppliers, advance for capital goods, statutory dues receivables from government. Prepaid expenses and balance with government authorities. Other Current Assets is for expected Business requirement of company.
Other liabilities	Other Liabilities mainly include Statutory liabilities and Advance from customers. Other current liabilities is estimated based on previous years outstanding amount and for expected Business requirement of company.
Short-term provisions	Short-term provisions mainly include Provision for gratuity and CSR Provision. Short-term provisions is estimated based on previous years outstanding amount and for expected Business requirement of company.

## 2. GENERAL CORPORATE PURPOSE:

We propose to utilize ₹ [●] Lakhs of the Net Proceeds towards general corporate purposes as approved by the Board, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds Issue Proceeds, in compliance with the SEBI ICDR Regulations.

In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Letter of Offer, shall not exceed 25% of the amount raised by our Company through this Issue.

## 3. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (Rs. In Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Offer Expenses</b>	[●]	<b>100.00</b>	[●]

## APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

## **INTERIM USE OF FUNDS**

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investments in equity and/or real estate products and/or equity linked and/or real estate linked products.

## **MONITORING UTILIZATION OF FUNDS**

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Mangalam Global Enterprise Limited**  
101, Mangalam Corporate House, 42, Shrimali Society,  
Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009.

**Re: Rights issue of equity shares of face value of ₹ 2 each (the “Equity Shares”) of Mangalam Global Enterprise Limited (the “Company”) under Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), and the Companies Act, 2013, as amended (the “Companies Act, 2013”) (“Rights Issue”)**

Dear Sir/Madam

We hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialled by us for identification purpose (“**Statement**”) for the Rights Issue, provides the possible special tax benefits available to the Company and its shareholders under direct tax and indirect tax laws presently in force in India, as amended and read with the rules, circulars and notifications, applicable for Financial Year 2023-24.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company or its shareholders faces in the future, the Company or its shareholders may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part B – 1) (10) of the SEBI ICDR Regulations. For the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, and/or its shareholders, the same would include those benefits as enumerated in **Annexure A**. Further, any benefits available under any other laws within or outside India, except for those mentioned in **Annexure A** have not been examined and covered by this statement.

The preparation of the accompanying statement is accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents.

The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue.

Also, our confirmation is based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

In respect of non-residents, the tax rates and the consequent taxation in India shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We do not express an opinion or provide any assurance as to whether:

- a) The Company and its shareholders will continue to obtain the benefits as per the Statement in future;
- b) The conditions prescribed for availing the benefits, wherever applicable have been/ would be met with; and
- c) The revenue authorities/courts will concur with the views expressed herein.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We also consent to the inclusion of this Statement and the Annexure as a part of “*Material Contracts and Documents for Inspection*” in connection with the Rights Issue, which will be available for inspection from date of the filing of the Letter of Offer until the Issue Closing Date.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We have conducted our examination in accordance with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and accordingly, confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate is for information and for inclusion (in part or full) in the Issue Documents or any other Rights Issue-related material, and may be relied upon by the Company.

We hereby consent to (i) the submission of this certificate as may be necessary to the SEBI, the relevant stock exchange and any other regulatory authority and/or in accordance with applicable law; and (ii) the disclosure of this certificate if required by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority; or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

**Yours Faithfully**

**For Keyur Shah & Co.  
Chartered Accountants  
Firm's Registration No.: 141173w**

**SD/-**

**Keyur Shah  
Proprietor  
Membership No.: 153774  
UDIN - 24153774BKBNTS8215**

**Date: 13/03/2024  
Place: Ahmedabad**

## ANNEXURE A TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

Outlined below are the special tax benefits available to **Mangalam Global Enterprise Limited** (the “Company”) and its Shareholders under the Income-tax Act, 1961 (the “Act”) as amended by the Finance Act, 2023 applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25.

- **Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from PY 2019-20 i.e AY 20-21.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in this Draft Letter of Offer.

## SECTION VI

### ABOUT THE COMPANY

#### INDUSTRY OVERVIEW

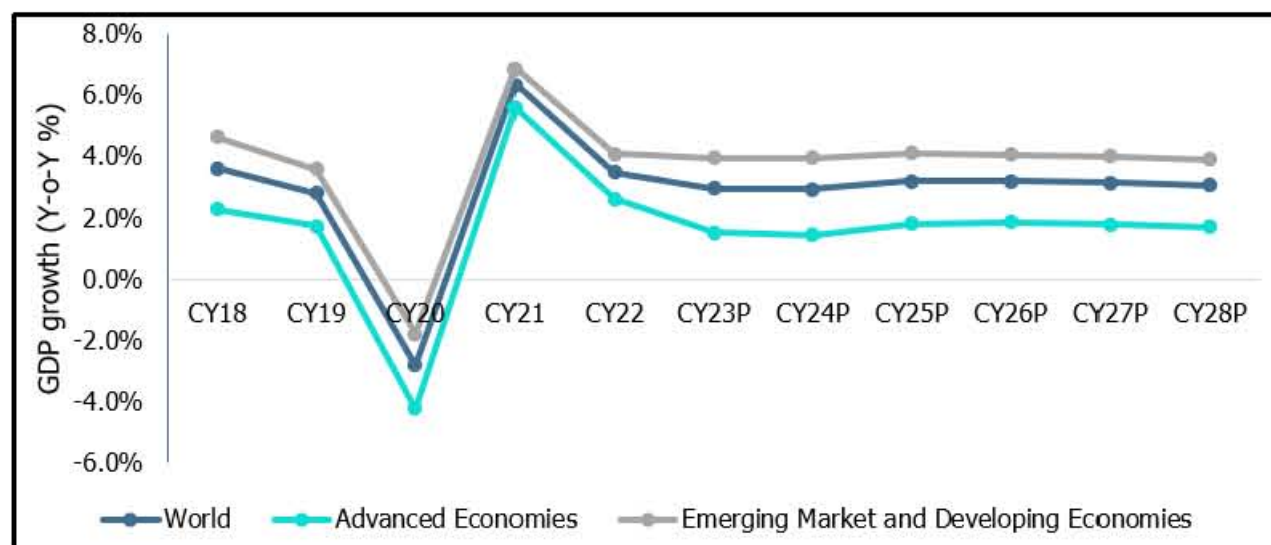
Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

#### ❖ ECONOMIC OUTLOOK

##### • Global Economic Outlook

As per the International Monetary Fund ("IMF") World Economic Outlook growth projections released in October 2023, the global economic growth for 2022 stood at 3.5% on a year-on-year basis, down from 6.3% in 2021 due to disruptions resulting from the Russia-Ukraine conflict and higher than expected inflation worldwide. The global economic growth for 2023 is projected to slow down to 3.0% and 2.9% in 2024, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain constrained. For the four following years, the IMF projects world economic growth in the range of 3.0% - 3.2% on a year-on-year basis.

#### Global Growth Outlook Projections (Real GDP, year-on-year change in percentage)



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2023

#### GDP growth trend comparison - India versus Other Emerging and Developing Economies (Real GDP, year-on-year change in percentage)

	Real GDP (Y-o-Y change in %)									
	CY19	CY20	CY21	CY22	CY23P	CY24P	CY25P	CY26P	CY27P	CY28P
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

## ❖ INDIAN ECONOMIC OUTLOOK

### • GDP growth and Outlook:

#### Resilience to External Shocks remains critical for near-term outlook

India's real GDP grew by 9.1% in Fiscal 2022 and stood at approximately ₹ 149 trillion despite the pandemic and geopolitical Russia-Ukraine spill overs. In the first quarter of Fiscal 2023, India recorded 13.1% year-on-year growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this growth, the second quarter of 2023 witnessed 6.2% year-on-year growth, while the third quarter of Fiscal 2023 registered 4.5% year-on-year growth. The slowdown during the second quarter of Fiscal 2023 and the third quarter of Fiscal 2023 compared to the first quarter of Fiscal 2023 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, the fourth quarter of Fiscal 2023 registered broad-based improvement across sectors compared to the third quarter of Fiscal 2023 with a growth of 6.1% year-on-year. The investments, as announced in the Union Budget for Fiscal 2023 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in Fiscal 2023. Supported by fixed investment and higher net exports, real GDP for Fiscal 2023 was valued at approximately ₹ 160 trillion, registering an increase of 7.2% year-on-year.

Furthermore, in the first quarter of Fiscal 2024, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the second quarter of Fiscal 2024, with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in the second quarter of Fiscal 2024.

On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in the first half of Fiscal 2024 compared to 5.3% in the second half of Fiscal 2023.

### ❖ GDP Growth Outlook

Driven by resilience in urban demand and the front loading of the government's capital expenditure, the first half of Fiscal 2024 witnessed strong growth. While festive cheer is likely to support urban demand in the third quarter of Fiscal 2024, the outlook for rural demand revival remains clouded amid monsoon deficiency and is likely to hit agricultural production. The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna are expected to provide some cushion and so far, investment demand has remained robust.

However, there could be some moderation in the second half of Fiscal 2024 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the second half of Fiscal 2024, India's overall GDP growth for Fiscal 2024 is expected to remain on a firm footing. Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments. External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports.

Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential. Taking all these factors into consideration, in December 2023, the RBI in its bi-monthly monetary policy meeting forecasted a real GDP growth of 7.0% year-on-year for Fiscal 2024.

#### RBI's GDP Growth Outlook (Year-on-year, in percentage)

Fiscal 2024P (complete year)	Third quarter of Fiscal 2024P	Fourth quarter of Fiscal 2024P	First quarter of Fiscal 2025P	Second quarter of Fiscal 2025P	Third quarter of Fiscal 2025P
7.0%	6.5%	6.0%	6.7%	6.5%	6.4%

P: Projected; Source: Reserve Bank of India

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of real GDP growth compared to other emerging economies. It is expected to grow at 6.3% in 2024, compared to the world real GDP growth projection of 3%.

The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, and improving business confidence. Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in Fiscal 2023. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, as per the Indian Meteorological Department ("IMD"), rainfall witnessed a deficit until September 2023. A drop in yield due to irregular monsoons and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Moreover, the consumption demand is expected to pick up in the third quarter of Fiscal 2024 due to the festive season. Going forward, the rising domestic demand will be driven by the rural economy's performance and continual growth in urban consumption. However, high domestic inflation and global headwinds pose a downside risk to domestic demand.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about ₹ 10 lakh crore for Fiscal 2024. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private capital expenditure and investment cycle.

## ❖ **INDUSTRY OVERVIEW OF THE PRODUCTS:**

### ➤ **CASTOR OIL:**

Castor is one of the oldest cultivated crops; however, it contributes to only 0.15% of the vegetable oil produced in the world. Castor oil is widely used in the manufacture of various products, including soaps, cosmetics, lubricants, and biofuels. Castor oil is widely used in commercial segments, including the manufacturing of paints, cosmetics, resins, fluids and lubricating greases, among others. Castor oil & its derivatives have the ability to replace synthetic feedstock with bio-based products.

The oil which is extracted from the different plant and castor seeds identify as the castor oil. Castor oil is colorless to pale yellow liquid with mild or no taste. Castor oil is used in various industries includes Biopolymers, Personal care, Food, Lubricants, Plastic & Rubber, Paper, pharmaceuticals, paint, inks, and additives. Owing to the various usages of castor oil in different industries and pharmaceutical applications, the market demand for this unique chemical structure is escalated in past few years. All chemical derivatives of castor oil provide numerous use in industrial applications, and their sustainability domains are increasing rapidly. Castor oil key derivatives comprise of hydrogenated, dehydrated, ethylated, sulfonated, heptaldehyde, sebacic acid, polyols, undecylenic acid, zinc ricinoleate, methyl ricinoleate, zinc undecylenate, calcium undecylenate, and commercial grade castor oil.

The global castor oil market size reached 795.0 Kilo Tons in 2023. Looking forward, IMARC Group expects the market to reach 887.2 Kilo Tons by 2032, exhibiting a growth rate (CAGR) of 1.1% during 2024-2032. The market is experiencing stable growth driven by growing demand for sustainable and natural products, expanding industrial applications, rising demand in the cosmetic and personal care industry, increasing health benefits and pharmaceutical applications, and biofuel production and renewable energy initiatives.

The versatility of castor oil is a key factor driving its market growth. It is not limited to a single industry but finds applications in diverse sectors. One of the significant drivers is its use in industrial applications, particularly as a feedstock for the production of high-performance chemicals and materials. Castor oil is a source of 12-hydroxystearic acid (12-HSA), which is a crucial raw material in the manufacturing of specialty chemicals, plastics, and polymers. These chemicals are used in various industries, including automotive, aviation, and electronics, where high-performance materials are essential. Additionally, the low pour point and viscosity of castor oil make it an ideal candidate for manufacturing bio-based lubricants. The lubricant industry has been transitioning toward sustainable alternatives to reduce environmental impact, and castor oil fits this requirement perfectly.

China plays a prominent role in the global castor oil market, both as a producer and consumer. The country has seen significant growth in castor oil production in recent years. Chinese castor oil producers have capitalized on the adaptability of the plant to various climatic conditions, leading to increased cultivation and higher yields. In addition to domestic consumption, China exports a substantial portion of its castor oil to international markets. Chinese castor oil is known for its competitive pricing, making it a preferred choice for industries looking for cost-effective alternatives.

India holds a dominant position in the global castor oil market, being the largest producer and exporter of castor seeds and castor oil. The tropical climate of the region is ideal for castor cultivation, and the rich agricultural heritage of India has contributed to the growth of this industry. Castor oil production in India is driven by domestic demand and also by exports to various international markets. In India, castor oil finds applications in a wide range of



industries, including pharmaceuticals, cosmetics, lubricants, and biodiesel. Its use in traditional medicine further strengthens its presence in the domestic market. Indian castor oil is known for its high quality and purity, making it a preferred choice for industries demanding premium-grade castor oil.

#### **Castor Oil Market Trends:**

- Growing Demand for Sustainable and Natural Products
- Expanding Industrial Applications
- Rising Product Demand in the Cosmetic and Personal Care Industry
- Health Benefits and Pharmaceutical Applications
- Biofuel Production and Renewable Energy Initiatives

Source: <https://www.imarcgroup.com/>

#### **KEY MARKET DRIVERS AND CONSTRAINTS OF CASTOR:**

Castor oil is becoming an essential bio-based raw material which makes it ideal for various industrial applications. As a result, its demand is rising as a potential alternative to petroleum-based chemicals.

On account of its distinctive chemical structure, castor oil acts as a major raw material which is used in the production of various end products such as biodiesel, polyurethane adhesives, machining oils, refrigeration lubricants, etc. This versatile nature of castor oil has been contributing towards the propelling growth of the market. As compared to other vegetable oils, castor oil is a healthier and less expensive alternative. Owing to this, food grade castor oil has gained a momentum in the food industry in the form of flavourings, mould inhibitor, food additives and packaging.

The castor oil market is being hindered by the unstable prices of castor beans which is the result of their fluctuating supply. This supply highly depends upon the weather conditions of the region and a long harvesting process of castor beans.

#### ➤ **COTTON:**

The Cotton Market size is estimated at USD 43.96 billion in 2024, and is expected to reach USD 50.22 billion by 2029, growing at a CAGR of 2.70% during the forecast period (2024-2029). Cotton grows in nearly all tropical and subtropical regions worldwide and primarily supports the global textile mills and apparel manufacturing markets. The highly competitive prices of cotton fibers in the global market, coupled with the increasing export demand for cotton yarn and textile products, are expected to increase the global demand for cotton.

For instance, according to the Reserve Bank of India, in the fiscal year 2022, the value of cotton and cotton products exported from India was over INR 1140 billion (USD 13.94 billion). This increased by almost INR 586 billion (USD 5.1 billion) compared to the previous financial year, which accounted for INR 726 billion (USD 8.8 billion). Also, a greater crop yield in Brazil, Australia, and Pakistan is predicted to increase global cotton production and consumption during the forecast period.

The increasing applications and usage of cotton in various industries, including apparel manufacturing, home furnishings, and manufacturing of Industrial products, are driving the market's growth. Medical gauze, cotton swabs and rounds, and traditional diapers are all made using cotton. In addition, cottonseed oil is derived from cotton plants and can be used for cooking, soap making, or cosmetics.

The United States plays a vital role in the global cotton market, acting as a key producer and exporter of fiber. The United States textile mills presently consume approximately 7.6 million bales of cotton annually. Eventually, about 57% of it is converted into apparel, more than a third into home furnishings, and the remainder into industrial products.

Source: <https://www.mordorintelligence.com/>

Cotton is one of the most important fiber and cash crop of India and plays a dominant role in the industrial and agricultural economy of the country. It provides the basic raw material (cotton fibre) to cotton textile industry. Cotton comprises of 40% fibre and 60% seed by weight. Cotton in India provides direct livelihood to 6 million farmers and about 40 -50 million people are employed in cotton trade and its processing. Among all the countries in the world, India has the largest area i.e. 37% of the world's total area under cotton cultivation. Gujarat is the largest producer of cotton in India. In India, there are ten major cotton growing states which are divided into three zones, viz. north zone, central zone and south zone. North zone consists of Punjab, Haryana, and Rajasthan. Central zone includes Madhya Pradesh, Maharashtra and Gujarat. South zone comprises Andhra

Pradesh, Telangana, Karnataka and Tamil Nadu. Cotton production reported in 2022-23 is 341.91 lakh bales compared to 312.03 lakh bales produced in 2021-22.

#### **KEY MARKET DRIVERS AND CONSTRAINTS OF COTTON:**

The emerging textile markets worldwide rely on the cotton processing market for raw materials, which is driving the market, globally. The increasing awareness about the benefits associated with cotton will enhance the market's growth rate. The rising usage of cotton across the medical sector is the primary factor driving the growth of the market. Cotton can be an important food source for humans and animal. Cottonseed is obtained from cotton which is rich in oil and high protein and is also a common ingredient in various food items. The rising regulations regarding the use of pesticides on cotton have increased the sales and demands for the organic cotton which have boosted the growth of the market.

The lowered export rates of cotton across the globe, majorly U.S. is the major factor obstructing the growth of the market over the forecasted period. Further, the high costs of investments and manufacturing plants along with the equipment related to the infrastructures will act as market restraint and further challenge the market growth rate.

#### ➤ **RICE:**

The Rice Market size is estimated to reach \$356 billion by 2030, growing at a CAGR of 2.6% during the forecast period 2023-2030. Rice is a staple food with around 800 million metric tons produced annually at the global level. There are different types of rice available, including brown rice, Indica rice, black rice, red rice, bomba rice, arborio rice, parboiled rice, sushi rice, glutinous rice and others. Indica rice includes basmati rice and jasmine rice. Currently, vegan diets are becoming increasingly recognized due to ethical reasons. The potential of rice to provide solutions for malnutrition and chronic ailments has been examined.

The rising intake of basmati rice owing to its superior taste and aroma is set to drive the Rice Market growth. Basmati rice is the most recognized speciality rice in the UK, contributing special flavor and delicacy to curries, pilafs and kedgerees. Almost three-quarters of the global basmati is made in India with the UK purchasing 3% of it. Improved production capacities of rice in India and the provision of non-basmati rice from India to the Middle East and Africa are the major rice market trends. This represents the Rice Industry Outlook.

*Source: <https://www.industryarc.com/Research/Rice-Market-Research-509581>*

Rice is the most common staple food in many Asian countries including India. Rice is India's most significant food crop. India the second-largest rice producer in the world after China, with more than 11.0% of the global production share. The leading states of India producing rice are West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Bihar, Chhattisgarh, and Odisha. Rice production in the country has increased by 3.5 times in the last 60 years. As per Second Advance Estimates, the total production of Rice during 2022-23 is estimated at 1308.37 lakh tonnes, which is higher by 13.65 lakh tonnes as compared to previous year.

India is the world's largest rice exporter, followed by Thailand and Vietnam. India had the highest export volume of rice worldwide, at 21.5 million metric tons as of 2022-23. More than half of the population of India consume rice. The Indian rice market is projected to register a CAGR of 2.7% during the forecast period.

#### **KEY MARKET DRIVERS AND CONSTRAINTS OF RICE:**

The growing utilization of rice in the food and beverage (F&B) industry to prepare various cuisines is driving the global market. The increasing shift of consumers towards healthy eating habits is propelling the growth of the rice market.

Numerous major companies are focusing on introducing new varieties and developing innovative packaging solutions that provide flexibility and convenience to consumers, which are acting as other growth-inducing factors.

Lack of technical knowledge of crop cultivation, scarcity of Labour, insufficient funds to purchase inputs, unavailability of sufficient farm machineries and low yield of the crop causes constraints in the rice market.

Climate change poses a serious risk to rice production. Uneven weather cycles, droughts, and floods can result in lower yields of crops or total crop failure – and these issues present a real challenge for the entire rice market. Rice market research indicates that the rice industry faces difficult decisions concerning the limited availability of water and land, as cultivating rice requires vast amounts of water. It is paramount that sustainable management practices are adopted to surmount these issues and guarantee long-term success for this sector.

## Market Forecast and Opportunities:

- **Projected growth rate and market size:** Over the next decade, the global rice market is projected to steadily grow due to factors such as population growth, urbanization, and shifting consumer tastes. As a result of this expansion in size, numerous opportunities await stakeholders looking for ways to expand their operations and further increase their overall market share.
- **Emerging markets:** With the increasing demand for rice, emerging markets in Africa and Latin America represent an incredible opportunity for those involved in the industry – from producers to traders.
- **Instant and ready-to-eat rice products:** With the booming urban population and lifestyle transformation comes an incredible demand for ready-to-eat rice products. Capitalizing on this trend, stakeholders should focus their attention on product innovation, creating new instant and convenient rice options as well as expanding their distribution channels to reach a greater audience in need of convenience food solutions.
- **Sustainable farming practices:** As worries about global climate change and resource restrictions rapidly increase, there is an escalating demand for environmentally friendly farming practices in the rice sector. Stakeholders now have a chance to embrace and promote sustainable strategies such as water-saving technologies, precision agriculture, and integrated pest management that will guarantee prolonged growth while preserving ecological sustainability.
- **Public-private partnerships:** By partnering with governments, research institutions, and non-governmental organizations, stakeholders can strive to solve industry challenges including climate change, resource scarcity, and food security. Through public-private partnerships, innovation is encouraged along with the exchange of knowledge – leading to sustainable growth in the rice market through best practices.

**Source:** <https://www.sisinternational.com/>

## ➤ WHEAT:

### Global Wheat Market Outlook:

The global wheat market size reached a consumption value of around USD 161.32 billion in 2023. The consumption is expected to grow at a CAGR of 5.3% in the forecast period of 2024-2032.

Wheat is an essential type of cereal cultivated in temperate regions, the grain of which is crushed to produce flour for making products like bread, pasta, and pastry, among others. Wheat is cultivated in a larger area when compared to other crops and is also a major source of carbohydrates. In addition, it is rich in major nutrients like protein, dietary fibre, manganese, phosphorus, and vitamin B.

Wheat belongs to the genus *Triticum* and includes several species, the most commonly cultivated being common wheat (*Triticum aestivum*). It is an annual plant, typically harvested in the temperate regions of the world. Wheat has been cultivated for over 10,000 years and was one of the first crops to be domesticated in the Near East's Fertile Crescent. It played a key role in the development of ancient civilisations.

Wheat is rich in carbohydrates, making it an important energy source. It also contains protein, dietary fibre, and various vitamins and minerals like B vitamins, iron, and magnesium. As a major food crop, wheat is crucial to the global food supply. It is traded internationally and has a significant impact on the world's economy. The price and availability of wheat can affect food prices and security worldwide.

### China, India, and Russia are Leading the Market in Terms of Wheat Production:

The major wheat-producing regions include the European Union, China, India, Russia, and the United States, with the European Union accounting for a fifth of the total global wheat output. Russia, along with the European Union, the United States, Canada, and Australia exports large volumes of the crop to other regions. Russia is the leading exporter of the crop, accounting for nearly 18.5% of the total global exports of the crop. The output level especially in Russia and the European Union is rising owing to consumption growth and low harvest in the United States. The growing end-use sectors in Southeast Asia and potential export growth in Russia are providing a push to production growth and boosting the supply share globally.

The major consuming regions for wheat include the European Union, accounting for nearly 45% of the global consumption. Other major consumers of wheat include China, India, Russia, and the United States. The European Union also imports wheat to meet the regional wheat demand. Egypt, Indonesia, Brazil, and Algeria are among the major importing regions.

The global wheat market demand is being aided by the growing wheat starch market, which reached a volume of around 5 million metric tons in 2020. The starch market is likely to witness steady growth in the coming years, which is expected to further propel the demand for wheat. The major wheat starch-producing regions are France, the United States, the Netherlands, the United Kingdom, Australia, Belgium, Canada, China, and Japan.

## Global Wheat Market Segmentation:

The market for wheat, based on type, is divided into:

- Whole/Raw
- Flour
- Others

Flour occupies a substantial portion of the wheat market share. As the global population increases, the demand for basic food items like wheat flour typically rises. This is because wheat flour is a staple ingredient in many diets around the world. Changes in dietary trends can significantly impact wheat flour demand. For instance, a rise in the popularity of baking or an increased preference for wheat-based products can drive up demand.

The supply of wheat is heavily dependent on agricultural conditions, such as weather patterns, climate change, and farming practices. A good harvest can lead to increased supply and potentially lower prices, boosting demand. Government decisions regarding agriculture can also increase the overall wheat flour demand.

## Global Wheat Market Analysis:

The wheat market is a critical segment of the global agricultural economy, influenced by a range of factors. Wheat is one of the world's most produced cereals, alongside rice and maize. The top wheat-producing countries typically include China, India, Russia, the United States, and France. These countries' production levels significantly influence global supply.

Wheat is a staple food for over a third of the world's population, making its consumption patterns crucial to global food security. It is primarily used for human consumption, in forms like bread, pasta, noodles, and other processed foods. A smaller proportion is used for animal feed and industrial purposes.

Major exporters of wheat typically include Russia, the United States, Canada, France, and Ukraine. Many countries, especially in the Middle East and Africa, rely heavily on wheat imports to meet their consumption needs.

Source: <https://www.expertmarketresearch.com/>

The global wheat market is being driven by the demand from the food sector, which is proliferating with increasing disposable income of the population across all regions, especially in developing countries such as India and China. Due to globalization, the prevalence of processed food has increased rapidly, and thus the demand for wheat has increased.

In other Asian countries, especially India, the crop is the main food crop in many areas. The increasing import and export of wheat are accelerating the market's growth. Also, the market is expanding due to government initiatives to boost wheat production to make the country self-reliant and improve food security. Efforts to provide new and improved crop production technologies and distribution of high-yielding varieties/hybrid seeds are expected to drive market growth over the forecast period.

### ➤ MUSTARD:

Mustard oil refers to a type of vegetable oil that is naturally extracted from the seeds of black, brown, and white mustard. In India, it is widely available in different forms, including refined mustard oil, Grade I (Kachchi Ghani) mustard oil, and Grade II (non-edible) mustard oil. Some of the key factors driving the demand of mustard oil in India include rising disposable incomes, health benefits, strong demand from both urban and rural regions and diversified applications in both food and non-food applications.

India is among the biggest consumers of mustard oil based on its high consumption in various culinary practices, such as cooking, frying, poaching, dressing, etc. Additionally, the expanding agriculture sector contributes to the increasing availability of high yielding mustard seeds, thereby catalyzing the mustard oil production. Furthermore, the Indian government has launched several initiatives for enhancing the production of oilseeds in the country to reduce imports and achieve self-sufficiency in edible oil production. Moreover, the wide presence of brick-and-mortar retail centers, including convenience stores, grocery stores, supermarkets, hypermarkets, etc., is also propelling the demand for mustard oil in the country. In line with this, the increasing sales of mustard oil over e-commerce platforms supported by several discounted offers, cashback, doorstep delivery options, etc., are also catalyzing the market for mustard oil in India. Moreover, the market is further driven by the growing demand for mustard oil in the personal care sector in India.

The India mustard oil market size is expected to exhibit a growth rate (CAGR) of 4.1% during 2024-2032.

Report Attribute	Key Statistic
Base Year	2023
Forecast Years	2024-2032
Historical Years	2018-2023
Market Growth Rate 2024-2032	4.1%

Source: <https://www.imarcgroup.com/>

### **Mustard oil Market Segment Analysis – By Application:**

Based on Application, Mustard Oil Market is segmented into food, personal care, pharmaceuticals, aromatherapy, and other. Food segment is accounted for the largest revenue market share in 2020. When compared to sunflower and other oils, mustard oil, which is high in alpha-linolenic acid (an important fatty acid that has been demonstrated to decrease cholesterol levels and reduce the risk of heart disease), was associated to a two-fold decreased risk. Moreover, monounsaturated fatty acids, that is found in foods like nuts, seeds, and plant-based oils, are plentiful in mustard oil. Monounsaturated fatty acids have been related to a number of health advantages, including heart health. In fact, research suggests that they may help decrease triglyceride, blood pressure, and blood sugar levels, all of which are heart disease risk factors. Personal Care segment anticipated to grow with the fastest **CAGR of 4.5%** in the forecast period 2021-2026. This is majorly attributed to the Mustard oil is used in both cooking and personal care. It is high in Linolic Acid or omega-3 and Alpha Linolenic Acid or omega-6 fatty acids, as well as low in saturated fats. Although the use of pure mustard oil as a vegetable oil is prohibited in the United States, Canada, and Europe, it is frequently used topically as a massage oil, skin serum, and hair treatment. Pure mustard oil is frequently used topically to improve the health of hair and skin. It's also often used to provide oil massages on babies in places like Bangladesh, which is supposed to strengthen the skin barrier.

### **Mustard oil Market Segment Analysis – By Product Type:**

Based on Product Type, Mustard Oil Market is segmented into, White Mustard, Black Mustard and Brown Mustard. Black Mustard Oil segment is accounted for the largest revenue market share in 2020. This is mainly attributed to the rising client demand for the product and its health advantages on the market. As Mustard oil also contains alpha-linolenic acid (ALA), an omega-3 fatty acid that may aid in the reduction of inflammation and discomfort associated with rheumatoid arthritis. Colds, aching knees, muscular (rheumatism), and arthritis are all treated with black mustard oil. White Mustard Segment is predicted to grow with the fastest CAGR of 4.3% in the forecast period 2021-2026 owing to the increase in consumer demand for white mustard oil across the world. White mustard seed is used to season traditional American yellow mustard, but it is also used to treat stomach congestion, joint discomfort, sore throat, and other ailments. Rapeseed oil and Canola oils are frequently mistaken with mustard seed oil (low erucic acid rapeseed oil). Those oils come from the same plant (Brassica napus), however they are not the same. Rapeseed oil is not utilized in cooking oil until Canola Oil was developed.

### **Mustard oil Market Segment Analysis-Drivers:**

#### **Rising Demand for Mustard Oil in Cooking**

Owing to the growing consumption of food in Asia-Pacific countries such as India, Thailand, and China, consumer demand for mustard oil is increasing. Mustard oil has long been used as a cooking oil and as a substitute for other seed oils that have better skin advantages. The majority of mustard oil is used for frying, with the remainder being used for pickling and directly on the fruit as raw oil. In rural locations, food is cooked at low temperatures to preserve oil sourness, however in urban areas, pungency is less desirable and food is cooked at higher degrees. The amount of vitamin A produced depends on the length and temperature of the cooking process; lower temperatures and one or n minutes of cooking time produce more vitamin A. Mustard oil is abundant in monounsaturated fatty acids and is therefore highly recommended. Our bodies require oil in a 3:1 ratio, with three parts polyunsaturated and one part saturated fatty acids. Polyunsaturated fatty acids (PUFA) include monounsaturated fatty acids (MUFA). Mustard oil is high in MUFAs, which are important for human health. Because it is high in MUFA, it decreases bad cholesterol in the body, lowering blood fat levels and improving circulation. The usage of mustard oil, which is high in alpha-linolenic acid, was linked to a decreased incidence of IHD (Ischemic Heart Disease) than sunflower oil.

Source: <https://www.industryarc.com/Research/>

### **KEY MARKET DRIVERS AND CONSTRAINTS OF MUSTARD:**

Owing to the growing consumption of food in Asia-Pacific countries such as India, Thailand, and China, consumer demand for mustard oil is increasing. Mustard oil has long been used as a cooking oil and as a substitute for other seed oils that have better skin advantages. The wide presence of brick-and-mortar retail centers, including convenience stores, grocery stores, supermarkets, hypermarkets, etc., is propelling the demand for mustard oil in the country. In line with this, the increasing sales of mustard oil over e-commerce platforms supported by several discounted offers, cashback, doorstep delivery options, etc., are also catalyzing the market for mustard oil in India. Mustard oil and organic mustard seeds are the current trends that further boost the global mustard market. In addition, having therapeutic benefits, mustard herb & oil has been in rising demand.

However, complying with stringent regulations and varying standards around the world, growing competition, inflation estimated to remain above the upper band during the short term in key nations, and fluctuating raw material

prices are some of the Mustard Oil market restraints over the forecast period. Mustard oil is prohibited for human consumption in the European Union, the United States, and Canada, owing to its high erucic acid level.

#### ➤ **SOYABEAN:**

The global soybean oil market is projected to grow from \$48.16 billion in 2021 to \$60.08 billion by 2028, exhibiting a CAGR of 3.21% in forecast period. Aisa Pacific dominated the global market with a share of 45.99% in 2020.

According to the analysis, the global market exhibited an increase of 9.49% in 2020. The rise in CAGR is attributable to this market's demand and growth, returning to pre-pandemic levels once the pandemic is over.

The increasing use of soybean oil by food processors and food service operators for baked and fried food products or to sell as cooking oil in packaged bottles fuels the market growth. The recently developed biodiesel industry in various countries has begun to utilize oil to produce environment-friendly renewable fuel. This is further anticipated to drive market growth during the forecast period.

#### **Driving Factors:**

- Increasing Utilization in Production of Biofuel to Drive Market Growth
- Expanding Application Scope in Food Sector to Fuel Market Growth

#### **RESTRAINING FACTORS:**

The market is highly affected by the availability of various other oilseeds that can be used as an alternative or a substitute for soy oil. Palm oil, olive oil, rapeseed oil, sunflower oil, and canola oil are major competitors of this oil. Palm oil is the only vegetable oil in the world that is regularly priced at a discounted price, which significantly hampers the growth of the market. Palm oil has higher saturated fat content than soybean, rapeseed, sunflower, and other oils and tends to be solid at room temperature. Palm oil is preferred for making baked goods with a flaky texture, such as biscuits and pies. Furthermore, the growing awareness regarding nutritional and healthy oils such as olive oil among consumers has considerably affected the utilization of this oil across retail aisles.

Source: <https://www.fortunebusinessinsights.com/>

#### **Indian Market:**

The India soybean oil market is expected to exhibit a growth rate (CAGR) of 5.6% during 2023-2028.

Soybean oil refers to a yellowish vegetable oil that is naturally extracted from the seeds of soybean. Soybean oil currently represents the second most consumed edible in India after palm oil. Some of the key factors driving the demand of soybean oil in India includes its large population, rising disposable incomes, growth of the food services sector and increasing demand in non-food applications.

In India, the changing consumer dietary habits are primarily augmenting the demand for soybean oil based on its neutral taste, high smoke point, and low saturated fat content. Moreover, rising consumer health concerns have led to the introduction of healthy product variants for managing heart health and lowering blood cholesterol levels. Additionally, the high penetration of international food trends in India has led to the increasing utilization of soybean oil in preparing condiments, dressings, mayonnaise, non-dairy creamers, margarine, shortenings, whipped toppings, etc. Besides this, the rising consumer sedentary lifestyles and their hectic work schedules are also augmenting the demand for soybean oil in processed food items. Moreover, soybean oil also finds several applications in the personal care industry based on its high content of vitamin E that prevents skin inflammation and helps in retaining skin moisture. Western and Central India currently represent the biggest markets for soybean oil in the country as they also represent the key regions where the domestic soybean crop is grown. Additionally, there is also a strong household demand for soybean oil in Western and Central India.

#### **KEY MARKET DRIVERS AND CONSTRAINTS OF SOYABEAN:**

Soyabean contains hormone-like substances called phytoestrogens which are associated with beneficial health effects. Eating soybean-based food items reduce the risk of health problems, including cardiovascular disease, stroke, coronary heart disease (CHD) and cancer and improves bone health. The rising awareness about all these advantages is encouraging consumers to opt for low-fat, low-cholesterol soybean feeds. In emerging economies like China and India, the government is introducing initiatives to promote soy-based protein consumption among consumers and its importance for healthy body growth.

The important problem faced by soybean production was severe drought condition or long dry spell during crop season, high cost of chemical fertilizers and plant protection, shattering of pods after maturity, non-availability of credit facility in time, infestation of pests, high labour wages, poor availability of quality seed materials. In soybean marketing the major constraint was commission agents or merchants take unauthorized deduction in produce, high transportation rate, instability in prices.

## **BUSINESS OVERVIEW**

### **OVERVIEW**

Our Company was originally incorporated as “Hindprakash Colourchem Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated September 27, 2010 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The name of our company was changed to “Mangalam Global Enterprise Private Limited” pursuant to shareholders resolution passed at Extra-Ordinary General Meeting of our company held on June 28, 2014 and a fresh Certificate of Incorporation dated July 31, 2014 was issued by Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on September 17, 2019 and the name of our Company was changed to “Mangalam Global Enterprise Limited”. A fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated September 30, 2019 was issued by the Registrar of Companies, Ahmedabad.

The Company has raised funds through Initial Public Offering (IPO) and was listed on the NSE -Emerge on November 27, 2019. The overall issue size proposed was at approx. Rs 21.57 Crores. The overall issue size was 42,30,000 Equity shares @ Rs 51.00 per share. (Face value of Rs 10.00 and premium of Rs 41.00). The Company was migrated to NSE main board on 23<sup>rd</sup> December 2020. Thus, the Company is presently listed on NSE main board. The Corporate Identification Number of the Company is L24224GJ2010PLC062434.

In FY 2019-20, M/s. Mangalam Global Enterprise Ltd. has opened a subsidiary company in Singapore namely M/s. Mangalam Global (Singapore) Pte Ltd. The subsidiary is primarily involved in trade of variety of goods without a dominant of product.

In August 2021, the Company had purchased the Bavla Plant for processing of Wheat and Rice having installed capacity of 150 MT & 125 MT per day respectively. The unit is located at Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka: Sanand, Sub-District: Sanand, District: Ahmedabad, Gujarat having area of 13873 Sq. Mtrs. The installed capacity of the plant for processing of Wheat is 150 MT per day and for processing of Rice is 125 MT per day.

Our Company Mangalam Global Enterprise Limited belongs to Ahmedabad based Mangalam group of Companies set up by Mangal Family and led by the vision of Mr. Vipin Prakash Mangal. In this dynamic and extremely competitive business environment, we have developed a diversified business model with our offerings ranging from castor oil to cotton products. We have been successfully catering to these two different sectors in our business operations.

The Company is mainly engaged into Manufacturing, trading and import of Edible Oil/ Non-edible oil and Agricultural Products i.e. Soya Oil, Soya Meal, Soya De Oiled Cake, Mustard Oil, Mustard Meal, Mustard De Oiled Cake, Refined Soyabean Oil, Refined Vegetable Oil, Pungent Mustard Oil, Refined Castor Oil First Special Grade (FSG), Castor De-Oiled Cake and High Protein Castor De-Oiled Cake, Cotton Bales, Cotton Cake Cattle Feed, Cotton Wash Oil, processing of wheat and rice. Also, the Company is engaged in Trading including domestic and export of Agricultural Products i.e. Wheat, Rice etc.

Furthermore, Our Company availed an opportunity to acquire H.M. Industrial Private Limited, a Company under CIRP, situated at Kapadvanj, Gujarat. The Company submitted a Resolution Plan in the matter of H.M. Industrial Private Limited (HMIPL), alongwith the Composite Scheme of Arrangement in the nature of Demerger and Amalgamation. Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') approved the resolution plan submitted by the Company vide its order dated September 20, 2022 upon Scheme became effective; As per Scheme of Arrangement, Steel division of HMIPL demerged and vested with Mangalam Worldwide Limited ('MWL'), one of the group Company and; HMIPL and the its rest business (i.e. Agri Division) amalgamated into Mangalam Global Enterprise Limited ('MGEL') with effect from Appointed date (i.e. 20<sup>th</sup> September, 2022 - Date of Hon'ble NCLT Order). By this acquisition of Agri Division of H.M. Industrial Private Limited, the Company acquired two units: 1) Castor Oil Unit and 2) Cotton Unit.

Furthermore, the Company has started its Commercial Operations/production by manufacturing the Agri products i.e. Castor De-Oiled Cake, Castor Oil and allied by-products depending on its demand in the market by setting up the Castor Unit at Kapadvanj w.e.f. April 03, 2023.

Castor oil is a yellow viscous liquid free from suspended matter and insoluble in water. It is produced by refining commercial grade Castor Oil after undertaking bleaching and filtering process. Castor oil has multiple industrial applications and is extensively demanded in Lubricants, Paints, Cosmetics, Pharmaceuticals, Cable insulators, Sealants, Inks, Rubber and Textiles etc. It is also used to relief Constipation, Eyelashes grow, Hair grow, Skin moisturiser ad to improve immunity function. It is also used for applying on food grains to protect from the insects/fungus. Castor De-Oil Cake is fertilizer consisting of high content of Nitrogen, Phosphoric Acid, Potash and moisture retention and it is also an organic fertilizer which can be used as alternatives to chemical fertilizer. It is simple manure, which acts progressively

that encourages soil microbial activity. High Protein Castor De Oiled Cake is an organic manure which enhances the fertility of the soil without causing any damage or decay.

Our Castor oil manufacturing facility situated at Kapadvanj, Gujarat is installed with automated machineries having crushing and processing capacity of 500 MT Castor Seeds per day. The said manufacturing unit is equipped with installed capacity of producing 225 MT Castor Refined Oil (F.S.G.) per day; 225 MT Castor De- Oiled Cake per day and 50 MT High Protein DOC per day. In addition to this, the plant is also having 200 MT solvent manufacturing capacity.

Our journey in the Cotton Manufacturing Industry started in the year 2018. With gaining an insight of the industry coupled with an available opportunity, our Company ventured into manufacturing of Cotton Bales (Lint Cotton) and Delineate Cotton Seeds. The main application of ginned cotton referred to as lint is for spinning operations. The cotton moves through the Spinning machines and is then converted into Cotton yarn. Black cottonseeds are crushed into the Oil mill to extract Cotton wash oil to produce cotton seed cake. This cake is used for feeding livestock.

Technology is a crucial aspect of the cotton industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern ginning technology and processing techniques by virtue of which we are able to ensure quality output. At present, we have a manufacturing unit well equipped with requisite ginning and pressing machineries and with a processing capacity of 150 MT per day.

We have our Testing Laboratories within the premises of manufacturing units. Our manufacturing facility has fully equipped quality control department with experienced staff to facilitate smooth manufacturing process. We have in-house testing laboratory and necessary infrastructure to test our raw materials and finished products to match the quality standards and as specified by the relevant customers. All the products are being manufactured strictly as per quality norms using the expertise of our experienced team to provide quality output to our customers at competitive prices.

Our Company has marked its presence in both domestic as well as global markets. We supply our products in states such as Gujarat, Rajasthan, Delhi, Maharashtra, and West Bengal. In order to capture growing demand for Castor Oil in international market and to create a more responsive and cost-effective supply chain, we export our products to countries such as China, Thailand, France, Belgium, Oman, Netherland, Mexico and Turkey. The Company is falling under category of 2 Star Export House.

The promoters of our Company are Mr. Vipin Prakash Mangal, Mr. Chanakya Prakash Mangal and Mr. Chandragupt Prakash Mangal. They have an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. Our Promoters believe in the ideology of continuous improvement and development. Also, we believe role of a management team is equally important as to that of our employees for growth of a business, and accordingly we have placed an experienced management team to look after various facets of operations.

We endeavour to satisfy customers by continuous improvement through process innovation and quality maintenance. We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. We aim to grow our operations on PAN India basis and make our brand as a distinguished name in industry.

We also have a separate business unit at Singapore by incorporating Wholly Owned Subsidiary – Mangalam Global (Singapore) Pte. Ltd. It is engaged in the business of wholesale trading of goods like rice, scrap iron & steel and refined castor oil.

## **OUR LOCATIONAL PRESENCE:**

Registered Office: 101, Mangalam Corporate House, 42, Shrimali Society Netaji Marg, Mithakhali, Ahmedabad-380009, Gujarat, India.

### **Manufacturing Facility:**

Presently, the Company operates three plants located at: (i) Unit Bavla, Sanand- Gujarat- Wheat & Rice Processing, (ii) Unit Kapadvanj, Kheda- Gujarat - Castor Oil, (iii) Unit Kapadvanj, Kheda- Gujarat - Cotton.

<b>Sr. No.</b>	<b>Plant Details</b>	<b>Address</b>
1.	Bavla – Wheat and Rice Processing Plant	Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka: Sanand, Sub-District: Sanand, District: Ahmedabad, Gujarat
2.	Kapadvanj – Castor Plant	Amalgamated New Survey No. 1025/3 Land (including land parcel having old revenue survey no. 1034/2 and 1034/3).



3.	Kapadvanj – Cotton Plant	GIDC Plot no 6 bearing RS no. 1036/p, 1038/p at Modasa Road, Kapadvanj.
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### FINANCIAL SNAPSHOT:

**Financial Snapshot of our Company as per Standalone Financial Information is as under:**

(Amount in Rs. Lakhs)

Particulars	For period ended December 31, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from Operations	119813.80	122584.78	118876.20	90815.31
Total Income	120940.01	123143.82	119693.71	91405.04
EBITDA	3074.1	3011.54	1758.89	1442.81
<b>EBITDA Margin (in %)</b>	<b>2.54%</b>	<b>2.45%</b>	<b>1.47%</b>	<b>1.58%</b>
PAT	837.18	1189.77	391.28	528.68
<b>PAT Margin (in %)</b>	<b>0.69%</b>	<b>0.97%</b>	<b>0.33%</b>	<b>0.58%</b>

**Financial Snapshot of our Company as per Consolidated Financial Information is as under:**

(Amount in Rs. Lakhs)

Particulars	For period ended December 31, 2023	FY 2022-23
Revenue from Operations	129633.19	142519.58
Total Income	130890.85	143044.03
EBITDA	3212.44	3298.2
<b>EBITDA Margin (in %)</b>	<b>2.45%</b>	<b>2.31%</b>
PAT	843.29	1269.64
<b>PAT Margin (in %)</b>	<b>0.64%</b>	<b>0.89%</b>

Note:

1. EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
2. PAT Margin = PAT/ Total Revenue

**Activity wise break-up of our revenue as per Standalone Financial Information is as under:-**

(Amount in Rs. Lakhs)

Particulars	For period ended December 31, 2023	FY 2022-23
Manufacturing	84343.56	57643.78
Trading	36596.45	64941.00
<b>Total Revenue</b>	<b>120940.01</b>	<b>122584.78</b>

**Geographical break-up of our revenue as per Restated Financial Information is as under:-**

(Amount in Rs. Lakhs)

Particulars	For period ended December 31, 2023	FY 2022-23
Domestic Market	112162.02	109536.06
Export Market	7651.78	13048.71
<b>Total Revenue from Sale of products</b>	<b>119813.80</b>	<b>122584.77</b>

**Break-up of Domestic Sales - State wise is detailed as per Restated Financial Statements:-**

(Amount in Rs. Lakhs)

Sr. No	Name of States	For period ended December 31, 2023	FY 2022-23
1	Gujarat	99050.05	32416.90
2	Rajasthan	16851.64	77119.16
3	New Delhi	31.85	-
4	Uttar Pradesh	51.20	-
	<b>Total</b>	<b>115984.74</b>	<b>109536.06</b>

**Break-up of Exports Country wise are detailed as Restated Financial Statements:-**

(Amount in Rs. Lakhs)

Sr. No	Name of Countries	For period ended December 31, 2023	FY 2022-23
1	China	2158.53	4245.22
2	France	3639.05	3972.61
3	Kenya	-	640.16
4	Singapore	0.33	474.24
5	Turkey	337.18	394.85
6	Vietnam	-	1536.75
7	Ivory Coast	-	482.87
8	Belgium	338.40	-
9	United Kingdom	85.90	-
10	Netherlands	866.13	954.05
11	Mexico	0.94	347.96
12	Hong Kong	140.56	-
13	USA	84.76	-
	<b>Total</b>	<b>7651.78</b>	<b>13048.71</b>

**Break-up of our Revenue product wise as per Standalone Financial Statements:-**

(Amount in Rs. Lakhs)

Sr. No	Name of Product Segment	For period ended December 31, 2023	FY 2022-23
1	Castor Oil	60941.07	13485.45
2	Cotton Bales	9316.70	2455.47
3	Cotton Seeds	4.49	14.17
4	DOC	5187.20	23908.99
5	Others	44364.34	82720.70
	<b>Total</b>	<b>119813.80</b>	<b>122584.78</b>

**TOP 5 CUSTOMERS:****Our top 5 customers for the FY 2022-23:-****(Amount in Rs. Lakhs)**


Sr. No.	Customer Name	% of Total Revenue
1	Suguna Foods Private Limited	6.57%
2	Loiret & Haentjens S.A	5.07%
3	Kirti Agrovat Ltd	4.17%
4	Kisan Oleochem & Derivatives Pvt Ltd	3.43%
5	Adani Wilmar Limited	3.36%

**TOP 5 SUPPLIERS:****Our top 5 Suppliers for the FY 2022-23:-****(Amount in Rs. Lakhs)**

Sr. No.	Suppliers Name	% of Total Purchase
1	Gokul Agro Resources Limited	4.49%
2	Jain Traders (Madhorajpura)	2.70%
3	Castrochem Private Limited	2.27%
4	Rajgor Proteins Limited	2.23%
5	Keyaan Agro	2.19%

**OUR PRODUCTS AT MANUFACTURING UNIT II KAPADVANJ: (Castor Oil Unit)**

We manufacture Refined Castor Oil First Special Grade (F.S.G.), Castor De-Oiled Cake and High Protein Castor De-Oiled Cake at our manufacturing unit situated at Kapadvanj, Gujarat. This plant manufacturing facility is installed with high end automated machineries having crushing and processing capacity of 500 MT Castor Seeds per day. The said manufacturing unit is equipped with installed capacity of producing 225 MT Castor Refined Oil (F.S.G.) per day and 220 MT Castor De- Oiled Cake per day. In addition to this, the plant is also having 200 MT solvent manufacturing capacity.

Product	Description
<b><u>REFINED CASTOR OIL FIRST SPECIAL GRADE (F.S.G.)</u></b> 	F.S.G. Castor Oil is Castor Oil bleached to British Standard Specifications. Castor oil is a yellow viscous liquid free from suspended matter and insoluble in water. It is produced by refining commercial grade Castor Oil after undertaking bleaching and filtering process. Bleaching process is carried out using bleaching earth and activated carbon, which helps to reduce colour and moisture content in the final product. It is used in Lubricants, Paints, Pharmaceuticals, Cable insulators, Sealants, Inks, Rubber and Textiles etc. It is also used to relieve Constipation, Grow eyelashes, Grow hair, Skin moisturiser ad to improve immunity function. It is also used for applying on food grains to protect from the insects/fungus.

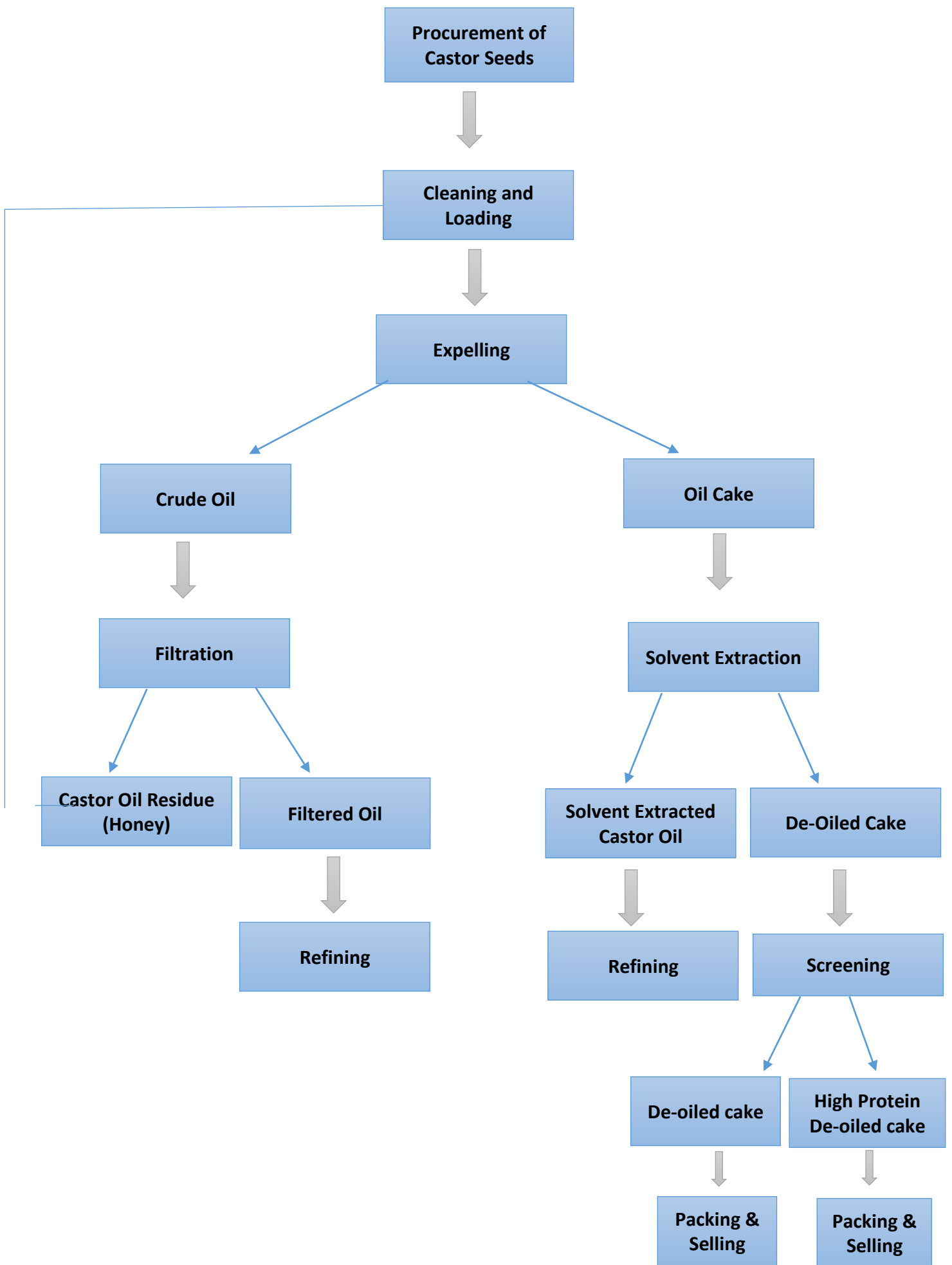
Product	Description
<p><b>CASTOR DE-OIL CAKE</b></p> 	<p>Castor De-Oil Cake is produced by crushing castor seeds in expeller to extract oil from it in a control temperature with help of steam. The residue of expeller process is further processed in solvent extraction plant to remove oil from it. Castor De-Oil Cake is an excellent fertilizer because of high content of Nitrogen, Phosphoric Acid, Potash and moisture retention and it is also the prominent organic fertilizer can be used to as alternatives to chemical fertilizer. It is simple manure, which acts progressively that encourages soil microbial activity.</p>
<p><b>HIGH PROTEIN CASTOR DE-OILED CAKE</b></p> 	<p>High Protein Castor De Oiled Cake is an organic manure which enhances the fertility of the soil without causing any damage or decay. It is enriched with the three big elements vital and conducive to the proper growth of crops - Nitrogen, Phosphorus and Potassium. It also has traces of nutrients like Manganese, Zinc and Copper, thus making it a balanced fertilizer. It has high nutritional value and rich in proteins.</p>
<p><b>COTTON SEED OIL CAKE</b></p> 	<p>Cotton seed oil cake are made from cotton seed after extracting oil from it. This way it is residual part of cotton seed with availability of oil content. Cotton seed oil cake results when Raw cotton goes for ginning process after gin its separate cotton linter from its seed. Then after cotton seed goes in oil mil for removing oil from it. After removing oil from seed some part remains residual which is called Cotton Seed Oil Cake.</p> <p>Cotton seed oil cake is very useful for cattle feed. It is widely use in every nation for animal feed due to its oil content. Sometimes it is useful as an organic fertilizer for soil health to get more crops even.</p>
<p><b>COTTON SEED WASH OIL</b></p> 	<p>Cotton Seeds Wash Oil are the oil expelled mechanically from the cotton seeds through screw and pressing which are non-edible oil. After extraction, the cotton seed wash oil undergoes intensive treatment to reduce the level of gossypol found in cotton seed wash oil, the consumption of which may produce undesirable side-effects. For edible purpose, Refined Cotton Seed Oil is used mainly in salad and cooking oils, shortening, margarine and to a lesser extent in the packing of fish and cured meat. Low grade of this oil is also used in the manufacture of soaps, lubricants and protective coatings.</p> <p>Cotton seed oil is extracted from cottonseed, which carries around 18% oil content. Cottonseed oil is estimated to contribute nearly a fifth of the global vegetable oil production.</p>

**Raw Materials:** Major raw material required for manufacturing Refined Castor Oil and Castor De Oiled Cake is Castor Seeds which we procure from domestic market & farmers.

**End Users:** We supply Refined Castor Oil and De-oil Cake to Brokers, Distributors Merchant Exporters and in certain cases to manufacturers & farmers.

### **MANUFACTURING PROCESS OF REFINED CASTOR OIL AND CASTER DE OIL CAKE:**

The manufacturing process of refined castor oil is divided into two different activities namely Extraction of oil and Refining of oil.



## 1. Extraction of Oil:

The oil is extracted from the Castor Seeds through two different processes as follows:

### a. Pressing:

The castor seeds are fed into a series of expellers consisting of heavy screws working in strong cages. In this process, the seeds are warmed in a steam-jacketed press to remove moisture, and this hardening process will aid in extraction. The cooked seeds are then dried before the extraction process begins. A continuous screw is used to crush the castor oil seeds to facilitate removal of the oil. The machine used in this process is called expeller.

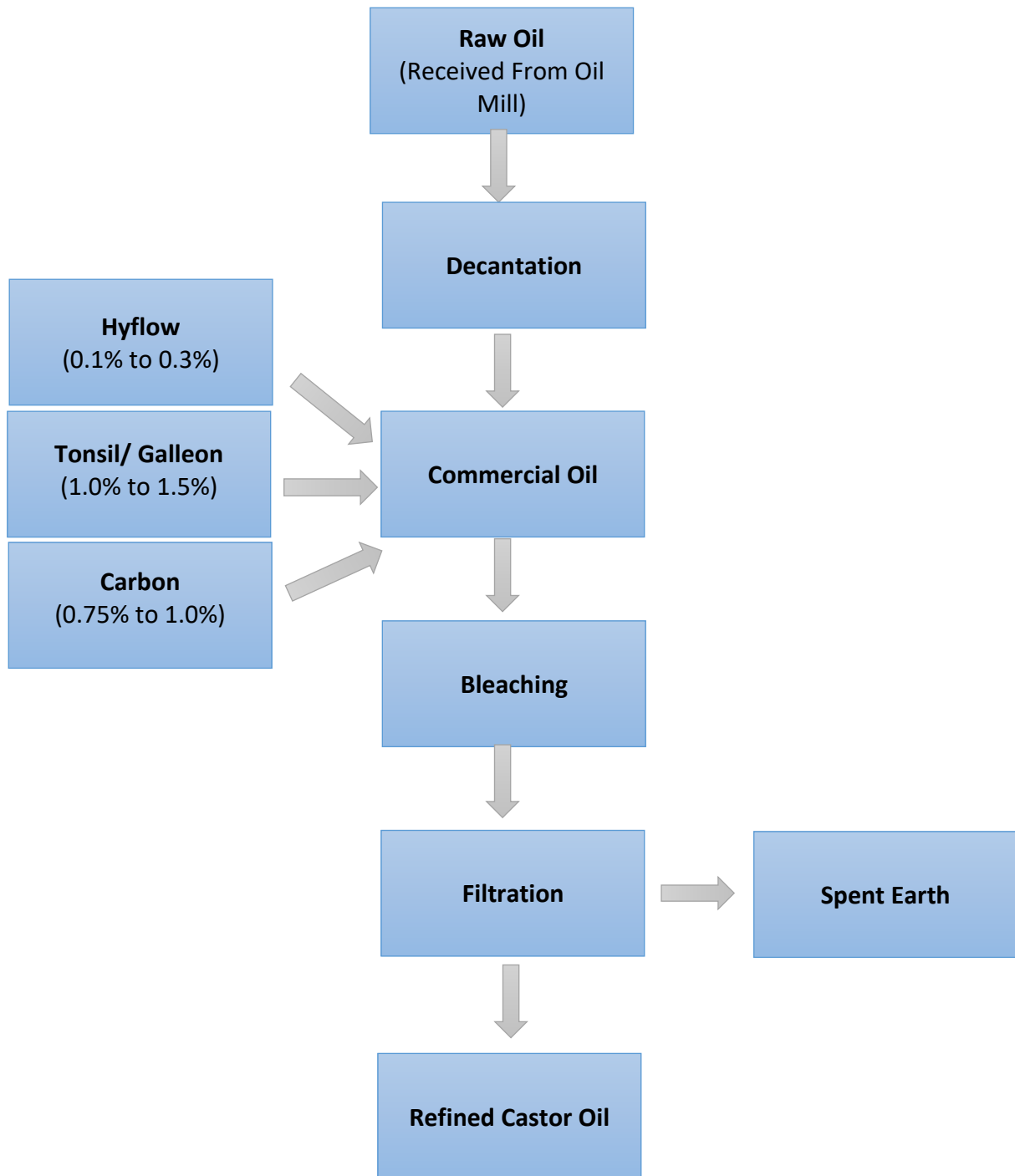
### b. Solvent Extraction:

The process in brief constitutes treating the pressed castor seeds cake with solvent hexane resulting in a solution of solvent and oil. The said solution is further subjected to distillation and stripping to separate the oil and the solvent. The extracted meal containing solvent is made free from its solvent contents by a process called desolventisation and the solvent in vapor form from distillation, oil stripping and meal desolventisation is condensed in condensers, collected and reused for further process.

## 2. Refining of Oil:

Following extraction of the oil through the use of a press, there still remain impurities in the extracted oil. To aid in the removal of the remaining impurities, filtration systems are usually deployed. The filtration systems are able to remove large and small size particulates, any dissolved gases, acids, and even water from the oil. The filtration system equipment normally used for this task is the filter press. Such purified oil is called Castor Crude Oil. The Castor Crude Oil is then refined by “Decantation”, “Bleaching” and “Filtering”.

**PROCESS FLOWCHART FOR PRODUCTION OF REFINING OF CASTOR OIL:**



The first step in the castor oil refining process, called decantation, which is used to reduce the phosphatides and the metal content of the crude oil. Depending upon the quality of Commercial Oil and Final Product required, dosage of Tonsil, Carbon and Hyflow is provided to the raw oil. The resulting product after such dosages is called Commercial Oil.

Castor Oil is used for many applications where the final product's appearance is extremely important. Hence an adsorption process called "bleaching" can be used to remove unrequired colour pigments and remaining phospholipids, using activated earths under moderate vacuum conditions.

Upon completion of Bleaching process the bleached solution is sent for filtration where the purified Castor oil is separated from the residues of the bleaching process called "Spent Earth". The Spent Earth is a waste produce and the same is discarded from the manufacturing unit.

The purified castor oil after filtration is called "Refined Castor Oil". The said oil is stored in the tank and depending upon the orders received, the same is dispatched to the client through trucks.



## **PROCESS OF PRODUCTION OF CASTOR FILTER OIL AND DE-OILED CAKE:**

The Castor seeds are first fed into a series of expellers consisting of heavy screws working in strong cages. They are first cooked in steam-jacketed press and then the cooked castor seeds are squeezed with high pressure. In this pressure, the oil is squeezed out through the slits in the cage. Such squeezed oil is called crude oil. The seeds which are pressed into cakes are called oil cakes. Such Oil Cakes contain about 9 % to 12 % oil. Oil Cakes are discharged through the cage from the Expeller.

The oil cake is further sent to solvent extraction plant. The oil cake is fed into extractor where it is treated with low boiling petroleum solvent called normal hexane. The hexane dissolves the oil from the cake forming a solution and the oil content of cake is reduced. The solution of oil in hexane is distilled in specially designed distillation equipment under vacuum to evaporate the solvent from the oil. The oil thus separated is stored in the tank and then sent for refining.



The crude oil extracted out of the press is then sent for filtering where the impurities like castor seeds residues are removed from the crude oil. Such extracted castor oil residues are called honey. This honey contains oil upto 45%. Such retrieved honey is mixed with new bulk of the seeds to be loaded in the expeller for further process.

Castor seeds cakes are the solid matter that remains once oil has been extracted and pressed from Castor seeds by using "Oil Expellers Machines", these "De-oil cake or cotton seed cakes", are widely used in the industry for feeding cattle or as fertilizers. The left out residual oil cake in the expeller is further completely recovered through solvent extraction process. The De-oiled Cake is further packed and sold in the market.

**OUR PRODUCTS AT MANUFACTURING UNIT III: KAPADVANJ: (COTTON UNIT)**

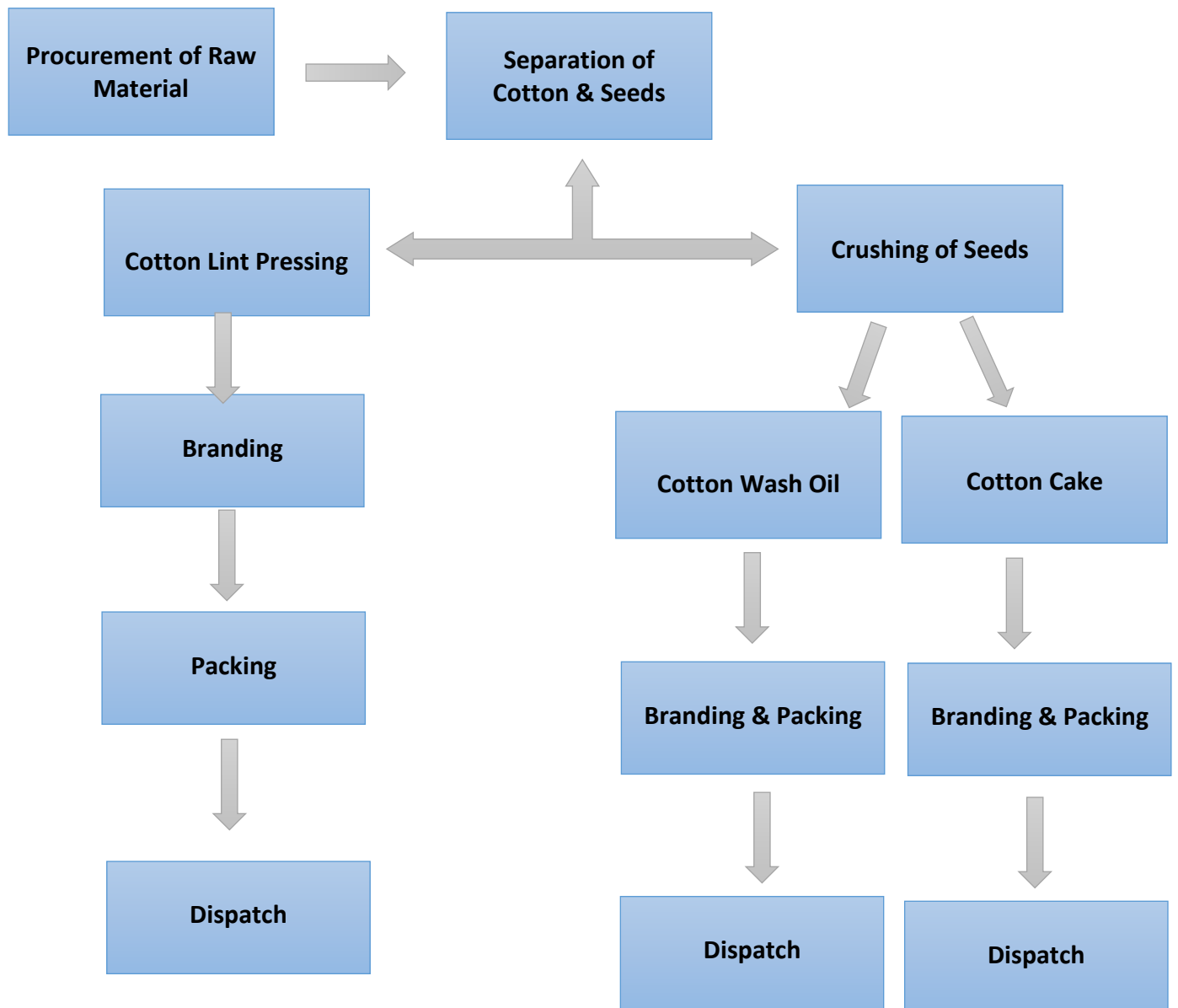
We manufacture Cotton Bales and Cotton wash oil and cotton seed cake at Manufacturing Unit at Kapadvanj which is known as Cotton Unit. Ginning is the first process involved in processing cotton. Ginning mill separates cotton fibres from the seed balls. This separated cotton lint is the raw material for spinning operations, where lint is converted to yarn.

We produce quality cotton in our fully automated Ginning and Pressing Unit located at Kapadvanj, Gujarat. The said plant is equipped with latest quality Ginning and Pressing machineries capable of processing 150 MT of cotton per day. A brief description of our products is as follows:

Product	Description
<p><b>COTTON BALES/ LINT COTTON</b></p> 	<p>Cotton Bales or Lint Cotton are obtained through the process of Ginning. The ginned fibre is pressed together and made into dense bales to be called as Cotton Bales. They are classified according to the parameters such as fibre length (staple), strength, micronaire, colour and cleanness.</p> <p>The main application of ginned cotton referred to as lint is for spinning operations. The cotton moves through the Spinning machines and is then converted into Cotton yarn.</p>
<p><b>BLACK COTTON SEEDS/</b></p>  <p><b>DELINEATE COTTON SEEDS</b></p>	<p>Cotton seeds are processed and crushed to produce cotton wash oil and cake</p>

**MANUFACTURING PROCESS OF COTTON BALES AND COTTON SEED:**

The manufacturing of Cotton bales and cotton seeds involves following steps:



**Step 1: Procurement of Raw Material:**

The major raw material for our manufacturing operation is Raw Kapas (Seed Cotton). Our production process starts with the procurement of raw cotton. This step involves identification of the vendor from whom the material is to be procured and the quantity of the material required. Once the Kapas is received from the vendor, it is tested for quality. The selection of raw material is based on factors like pricing, payment terms, availability, and quality of Kapas. Grading and mixing of the raw material received from the vendor is done to get the desired quality/customized product. Conveyors are used to feed the Kapas into the ginning machines.

**Step 2: Ginning of Raw Cotton:**

A Ginning machine uses the raw cotton (Kapas) received from the conveyors as Raw materials. Ginning is the first mechanical process involved in processing of cotton. Ginning mill separates cotton fibres from the seed bolls and dust particles. The first step in the ginning process is when the cotton is vacuumed into tubes that carry it to a dryer to reduce moisture and improve the fibre quality. The separation process involves equipment such as separator, feeding hopper and fan with tubular air ducts. Separation of cotton and cotton seed from cotton is done with double roller ginning machine.

Cottonseeds are separated from the lint during the ginning process. The separated cotton seeds are then transported out of the ginning Unit to the storage area and lint of cotton received from the ginning machine are transported for further cleaning process through conveyors.



**Ginning**



**Cleaning**

**Step 3: Cleaning:**

The lint cotton received from the ginning machine is sent for further cleaning through conveyor. This process involves cleaning of the impurities like leaf trash, sticks, and other foreign matters.

**Step 4: Cotton Seed and Crushing:**

The Cotton seed received from the cleaning process; then after cotton seeds sent for crushing activity.

**Step 5: Cotton wash oil:**

After Crushing of seeds oil is extracted from the seeds.

**Step 6: Pressing:**

Cotton fibres are pressed to Bales by using the Hydraulic pressing machine. This step involves pressing of Lint cotton. In this process Lint cotton is used as Raw materials. After pressing, the bale is tightened and covered fully with cloth, after which the bale is weighed and kept safely.

**Step 7: Branding, Packaging and Storing:**

Cotton bales are then covered by protective cloth. Label of the company along with the serial number and batch number are affixed on the bales. The packed and labelled bales are then stored on platform for dispatch. Cotton seeds are sold to customers generally packed in sacks. Packed seeds are then stored on platform for dispatch.



**Cotton Bales**



**Cotton Seeds**

**Step 9: Dispatch**

The stored bales and Cotton Seeds are dispatched for delivery through trucks from the storage area depending upon the orders received from the customers.

**Raw Materials:** Raw Cotton is the major raw material required in the manufacturing of Cotton Bales and Cotton Seeds. We source required raw material from domestic market.

**End users of Cotton Bales and Cotton Seeds:** We supply Cotton bales and Cotton Seeds to Brokers, Merchant Exporters, Distributors related textiles and in certain cases to the Textile Manufacturers.

## **OUR COMPETITIVE STRENGTHS:**

### **Experienced Management Team:**

Our management team is experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoter Vipin Prakash Mangal leads the company with his vision. They have an adequate experience in the line of the business undertaken by the Company and look after the strategic as well as day to day business operations. The strength and entrepreneurial vision of our Promoters and management have been instrumental in driving our growth and implementing our strategies.

We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our technical operations at manufacturing facility are being managed by experienced personnel and supervisors who are well versed with our Industry and business undertaken by our Company. We are dedicated to the development of the expertise of employees and continue to invest in them to ensure that they have the necessary training required to be successful in today's challenging environment. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction.

### **Quality Control and Quality Assurance:**

We believe that quality is an ongoing process of building and sustaining relationships. We have the practice of testing the products for quality before they are dispatched to the customers and have the quality control department which looks after the quality, strength and the durability of the products. All the products are being manufactured strictly as per quality norms using the expertise of our experienced team. Our commitment of providing quality products is boasted by our industry knowledge. Our manufacturing facility has fully equipped quality control department with experienced and qualified staff to facilitate smooth manufacturing process. We have in-house testing laboratory and necessary infrastructure to test our raw materials and finished products to match the quality standards and as specified by the relevant customers.

### **Diversified business model and customer base:**

In this dynamic and extremely competitive environment, we have developed a diversified business model with our offerings ranging from cotton to castor oil. We have been successfully catering to these two different sectors in our operations. Our revenue mix also signifies that we have been able to maintain a market in our products. Such diversified business model reduces our dependency on a particular industry and ensures flow of revenues throughout the year. Further a diversified business model gives us a competitive edge over the peers. Also we serve a diverse mix of end markets across industry. We believe that our differentiated product offerings has enables us to build a sustainable business model which is reflected in our growth in revenue.

### **Scalable Business Model:**

We believe that our business model is scalable. Our Business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets both domestic and international by exploring customer needs and by maintaining the consistent quality output.

## **OUR BUSINESS STRATEGIES:**

We envisage long term growth by supplying qualitative products and building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products with specific emphasis on the following factors as business and growth strategy:

### **Increase our Global Presence through Exports:**

Our Company has marked its presence in both domestic as well as global markets. In order to cater increasing demands for Castor oil and to capitalize on the opportunities in the international market, Our Company has decided to foray into export operations. We have recently started exporting our Castor products to countries such as China, France, Belgium, Netherland, Maxico, Thailand and Oman. Our growth strategy for exports will vary from country to country. We may either form important relationships with companies with strong local presence or alternatively appoint local distributors through which we can undertake our business.

### **Leveraging our market skills and relationship:**

The business of our Company is customer oriented and always strives to maintain good relationship with the customers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain.

### **Improving functional efficiency through technology enhancements:**

We understand curtailing cost without compromise on quality is an important factor to be considered. We intend to improve efficiencies to achieve cost reductions and which will give us a competitive edge over our peers. We believe that this can be achieved through detailed analysis of our processes and continuous process improvement along with keeping pace with technology development. We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

### **Brand image:**

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

### **SWOT ANALYSIS:**

<b>Strengths</b> <ul style="list-style-type: none"><li>• Experienced Management</li><li>• Diversified Business</li><li>• Locational Advantage</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>• Increasing Competition</li><li>• Foreign Currency Fluctuations</li><li>• Changes in Government Policies</li></ul>
<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Working Capital Intensive Business</li><li>• Timely Availability of Raw Materials</li><li>• Labour Intensive business</li></ul>	<b>Opportunities</b> <ul style="list-style-type: none"><li>• Enhancing operational efficiency</li><li>• Exploring Export Market</li><li>• Achieving Scale of Business Operations</li></ul>

### **COLLABORATIONS/ TIE UPS/ JOINT VENTURES:**

Our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

### **EXPORT AND EXPORT OBLIGATIONS:**

Our Company does not have any export obligations Export Promotion Capital Goods Scheme (EPCG) or any other scheme of Government of India.

### **HUMAN RESOURCES:**

We believe that our employees are the Key contributors to our business success. We focus on training and retaining the employees. We look for best possible talent with specific qualifications, interests, experience and background. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

As on December 31, 2023 we have 58 employees on payroll at Manufacturing Facility and Registered Office. These employees look after our manufacturing operations including production, quality controls, technical services, stores and administration and also marketing, accounting, secretarial and other functions. Apart from these we also use contract labour services and employ temporary labours on need basis.

### **COMPETITION:**

Our Company operates in the sector which faces competition from domestic as well as international players. Competition emerges from both organized and unorganized sector. With the global demand for our products, there is a growth in the competition level amongst the companies to market in a much faster and more cost-effective manner. The primary competitive factors consist of quality, price, size of product portfolio and customer service. Moreover, as we seek to diversify into new geographical areas globally, we may face competition local companies, multinational corporations and companies from other emerging markets operating in such markets. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

### **SALES AND MARKETING:**

The efficiency of the sales and marketing network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their experience and

good rapport with these clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To get repeat orders from our customers, our team having adequate experience and competencies, regularly interact with them and focus on gaining an insight into the additional needs of customers.

### **Infrastructure Facilities:**

Our registered office and manufacturing facilities are well equipped with computer systems, internet connectivity, other communications equipment, security, drainage, lighting, sanitation, emergency services and other facilities, which are required for our business operations to function smoothly.

### **Power:**

Our Company meets its power requirements for manufacturing facilities by purchasing electricity from Madhya Gujarat Vij Company Limited (MGVCL). It has sanctioned 1700 KVA power load to the company.

### **Fuel:**

We require fuels such as diesel and Furnace oil for our manufacturing processes. We source the same through local vendors.

### **Fire Hydrant:**

Manufacturing facility has Fire Hydrant Systems including all types of Fire Extinguishers, CO2 blanketing system in its entire premises to control the fire hazard.

### **Environment, Health and Safety:**

Environmental requirements are incorporated into the plant design right from the preliminary stage of a process. The Effluent Water Treatment Plants are set up as per the guidance of State Pollution Control Board.

## **INSURANCE:**

Our Company has insurance coverage which we consider reasonably sufficient to cover all risks associated with our operations and to cover our assets, risks and liabilities which we believe is in accordance with the industry standards. We have Burglary Policy, Standard Fire and Special Perils Policy etc. for our assets, stocks etc. at our registered office and manufacturing facilities. Our policies are subject to customary exclusions and customary deductibles. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We will continue to review our policies to ensure adequate insurance coverage is maintained.

## **INTELLECTUAL PROPERTY RIGHTS:**

As on date of filing of Draft letter of offer, our Company does not own any intellectual property rights.

## **LAND AND PROPERTY:**

We have taken below property on lease for the use of Registered office. The details of the same are set out below:

<b>Sr. No.</b>	<b>Location of Property</b>	<b>Licensor/ Licensee</b>	<b>Consideration</b>	<b>Lease Period</b>	<b>Use</b>
1.	101, Mangalam Corporate House, 42 Shrimali Society, Netaji Marg, Mithakhali Ahmedabad - 380009, Gujarat, India	Chanakya Prakash Mangal	Rs. 1,71,735/- Per Month and Interest free Security deposit of Rs. 3,00,000/-	Five years commencing from Oct 21, 2021	Registered Office



## OUR MANAGEMENT

In terms of the Companies Act, 2013 it is require us to have not less than 3 Directors and not more than 15 Directors. Set forth below are details regarding our Board as on the date of this Draft Letter of Offer.

We currently have Seven (7) directors on our Board.

- |                                   |   |                                       |
|-----------------------------------|---|---------------------------------------|
| 1. Mr. Vipin Prakash Mangal       | : | Chairman and Director                 |
| 2. Mr. Chandragupt Prakash Mangal | : | Managing Director                     |
| 3. Mr. Chanakya Prakash Mangal    | : | Managing Director                     |
| 4. Mr. Praveen Kumar Gupta        | : | Non- Executive & Independent Director |
| 5. Ms. Sarika Sachin Modi         | : | Non- Executive & Independent Director |
| 6. Ms. Varsha Biswajit Adhikari   | : | Non- Executive & Independent Director |
| 7. Mr. Anilkumar Shyamlal Agrawal | : | Non- Executive & Independent Director |

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Letter of offer.

<b>MR. VIPIN PRAKASH MANGAL</b>	
<b>Father's Name</b>	Mr. Om Prakash Mangal
<b>Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad – 380006.
<b>Date of Birth</b>	December 25, 1967
<b>Age</b>	56 years
<b>Designation</b>	Chairman and Director
<b>Status</b>	Executive
<b>DIN</b>	02825511
<b>Occupation</b>	Self Employed
<b>Nationality</b>	Indian
<b>Qualification</b>	He holds Bachelor's degree in commerce from the university of Ajmer.
<b>No. of Years of Experience</b>	He is having more than 36 years of experience in manufacturing and trading of various commercial commodities and affiliated consultancy services. He is also having vast experience in business management, formulation of business strategies, planning and implementation.
<b>Date of Appointment</b>	He was originally appointed as Chairman and Executive Director w.e.f. September 3, 2019 by the shareholders of the Company in their Extra Ordinary General Meeting held on the date. Afterwards, he was re-designated as Chairman of the Company with effect from February 14, 2022.
<b>Term of Appointment</b>	He holds the office as Chairman with effect from February 14, 2022.
<b>Other Directorships/ Designated Partner</b>	<ol style="list-style-type: none"> <li>1) Mangalam Finserv Private Limited</li> <li>2) Mangalam Saarloh Private Limited</li> <li>3) Mangalam Dura Jet Technologies Private Limited</li> <li>4) Mangalam Worldwide Limited</li> <li>5) Mangalam Multi Businesses Private Limited</li> <li>6) Mangalam Global (Singapore) Pte. Ltd (Formerly known as Mangalprakash (Singapore) Pte. Ltd)</li> <li>7) Effervescent Trade World LLP</li> <li>8) Agrivolt Trade LLP</li> <li>9) Specific Worldwide LLP</li> <li>10) Paradisal Trade LLP</li> <li>11) Farpoint Enterprise LLP</li> <li>12) Shirshak Exim LLP</li> </ol>

<b>MR. CHANDRAGUPT PRAKASH MANGAL</b>	
<b>Father's Name</b>	Mr. Vipin Prakash Mangal
<b>Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad - 380006
<b>Date of Birth</b>	December 08, 1997
<b>Age</b>	26 years
<b>Designation</b>	Managing Director
<b>Status</b>	Executive
<b>DIN</b>	07408422
<b>Occupation</b>	Self Employed
<b>Nationality</b>	Indian
<b>Qualification</b>	He holds degree in supply Chain Management from Kelley School of Business, Indiana University and also holds Level II badge in CFA from CFA Institute.
<b>No. of Years of Experience</b>	He has been Director of the company since January 18, 2016 & is actively involved in the day-to-day operations of the Company and looks after the finance and overall administration of our Company.
<b>Date of Appointment</b>	He was Appointed as Additional Director on January 18, 2016. He was appointed as Joint Managing Director & Chief Executive Officer on September 18, 2019. At present he is holding position as Managing Director of the Company w.e.f. February 14, 2022.
<b>Term of Appointment</b>	He holds the office as Managing Director of the Company w.e.f. February 14, 2022 liable to retire by rotation.
<b>Other Directorships/ Designated Partner</b>	<ol style="list-style-type: none"> <li>1) Mangalam Dura Jet Technologies Private Limited</li> <li>2) Mangalam Worldwide Limited</li> <li>3) Mangalam Saarloh Private Limited</li> <li>4) Mangalam Logistics Private Limited</li> <li>5) Mangalam Global (Singapore) Pte. Ltd. (Formerly known as Mangalprakash (Singapore) Pte. Ltd)</li> <li>6) Paradisal trade LLP</li> <li>7) Farpoint Enterprise LLP</li> <li>8) Nitex Enterprise LLP</li> </ol>

<b>MR. CHANAKYA PRAKASH MANGAL</b>	
<b>Father's Name</b>	Mr. Vipin Prakash Mangal
<b>Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali, Ahmedabad - 380006
<b>Date of Birth</b>	August 09, 1995
<b>Age</b>	28 years
<b>Designation</b>	Managing Director
<b>Status</b>	Executive
<b>DIN</b>	06714256
<b>Occupation</b>	Self Employed
<b>Nationality</b>	India
<b>Qualification</b>	He holds Bachelor's degree in Commerce from Gujarat University.
<b>No. of Years of Experience</b>	He is Director in the company since January 18, 2016 & is well versed with the day-to-day operations of the Company and looks after the sales and administration department of our Company

<b>Date of Appointment</b>	He was appointed as additional Director w.e.f. Novemebr 15, 2013. Thereafter, he was appointed as Joint Managing Director and COO of the company w.e.f. September 23, 2019. At present he is holding position as Managing Director of the Company w.e.f. February 14, 2022.
<b>Term of Appointment</b>	He holds the offices as Managing Director of the Company w.e.f. February 14, 2022 liable to retire by rotation.
<b>Other Directorships/ Designated Partner</b>	1) Mangalam Worldwide Limited 2) Mangalam Saarloh Private Limited 3) Mangalam Logistics Private Limited 4) Mangalam Global (Singapore) Pte. Ltd. (Formerly known as Mangalprakash (Singapore) Pte. Ltd) 5) Paradisal Trade LLP 6) Nitex Enterprise LLP

<b>MR. PRAVEEN KUMAR GUPTA</b>	
<b>Father's Name</b>	Mr. Chunni Lal Gupta
<b>Address</b>	5, Agarwal Colony, Civil Lines, Near City Palace, Ajmer- 305001, Rajasthan
<b>Date of Birth</b>	June 02, 1968
<b>Age</b>	55 years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>DIN</b>	00415491
<b>Occupation</b>	Self Employed
<b>Nationality</b>	Indian
<b>Qualification</b>	He is a B.E. in Electronics from University of Poona.
<b>No. of Years of Experience</b>	He has an experience of 29 years in stones & marbles industry.
<b>Date of Appointment</b>	He was appointed as an Independent Director of the company w.e.f. September 23, 2019 pursuant to the approval of shareholders in their extraordinary General meeting held on September 23, 2019.
<b>Term of Appointment</b>	He holds the offices as Independent Director of the company w.e.f. September 23, 2019 for a period of 5 years not liable to retire by rotation
<b>Other Directorships/ Designated Partner</b>	Shagun Marbles Private Limited

<b>MS. SARIKA SACHIN MODI</b>	
<b>Father's Name</b>	Mr. Madanlal Bhansali Chunilal
<b>Address</b>	A-201, East Ebony, Opp Mann Bungalow, B/H Rajpath Club, Near GTPL House, Bodakdev, Ahmedabad – 380054, Gujarat
<b>Date of Birth</b>	May 29, 1979
<b>Age</b>	44 years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>DIN</b>	08320453

<b>Occupation</b>	Self Employed
<b>Nationality</b>	Indian
<b>Qualification</b>	She holds Bachelor's degree in Arts from Mumbai University.
<b>No. of Years of Experience</b>	She is having more than 9 years of experience in Business administration and operation etc.
<b>Date of Appointment</b>	She was appointed as Non-executive Director of the company w.e.f. September 23, 2019. Afterwards, her designation was changed from Non-Executive Director to Non-Executive Independent Director w.e.f. August 04, 2022.
<b>Term of Appointment</b>	She holds office as Non- Executive Independent Director w.e.f. August 04, 2022 for a period of 5 years not liable to retire by rotation.
<b>Other Directorships/ Designated Partner</b>	1) Mangalam Worldwide Limited 2) Nitex Enterprise LLP

<b>MS. VARSHA BISWAJIT ADHIKARI</b>	
<b>Father's Name</b>	Mr. Maheswar Panda
<b>Address</b>	A/082, Orchid Wood, B/h. Divya Bhaskar Press, Near Vodafone Tower, Prahladnagar Makarba, Ahmedabad- 380015, Gujarat, India
<b>Date of Birth</b>	October 02, 1980
<b>Age</b>	43 years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>DIN</b>	08345677
<b>Occupation</b>	Self Employed
<b>Nationality</b>	Indian
<b>Qualification</b>	She holds the degree of Company Secretary from the Institute of Company Secretaries of India & executive program in applied Finance from IIM Calcutta
<b>No. of Years of Experience</b>	She is having more than 18 years of experience in Global Strategies and business development, Project and Financial Planning, Compliance, and Sustainability programmes.
<b>Date of Appointment</b>	She was appointed as an Additional Independent Director of the company w.e.f. September 10, 2022. Thereafter she was regularized as an Independent Director of the company for the period of five (5) years w.e.f. September 10, 2022 authorised via Postal ballot resolution dated October 30, 2022.
<b>Term of Appointment</b>	She holds the office for as an Independent Director of the company of the company for the period of five (5) years w.e.f. September 10, 2022, not liable to retire by rotation.
<b>Other Directorships/ Designated Partner</b>	1) Mangalam Worldwide Limited 2) Diamond Power Infrastructure Limited 3) Advait Infratech Limited 4) Crescentia Consulting Private Limited 5) Vikshar Enterprises LLP

<b>MR. ANILKUMAR SHYAMLAL AGRAWAL</b>	
<b>Father's Name</b>	Mr. Shyamlal Agarwal
<b>Address</b>	43/44, Green Park Bungalows, Ambali Bopal Road, Nr. Ambali Bopal, Ahmedabad – 380058, Gujarat
<b>Date of Birth</b>	March 30, 1962
<b>Age</b>	61 years
<b>Designation</b>	Independent Director
<b>Status</b>	Non-Executive
<b>DIN</b>	00528512
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Qualification</b>	He holds Bachelor's degree in Commerce
<b>No. of Years of Experience</b>	He is having almost 27 years of experience in the field of Non-Banking Finance Business, manufacturing, Infrastructure and trading of chemicals. He is promoter and Whole Time Director of Non-Banking Financial Company since last 27 years.
<b>Date of Appointment</b>	He was appointed as an Additional Independent Director of the Company w.e.f. November 01, 2020. Thereafter he was regularized as an Independent Director of the company for the period of five (5) years w.e.f. November 01, 2020.
<b>Term of Appointment</b>	He holds the office for as an Independent Director of the company of the company for the period of five (5) years w.e.f. w.e.f. November 01, 2020, not liable to retire by rotation.
<b>Other Directorships/ Designated Partner</b>	1) Hindprakash Overseas Private Limited 2) Suman Finstock Pvt Ltd 3) Mangalam Worldwide Limited

## **BRIEF BIOGRAPHIES OF DIRECTORS**

### **1. Vipin Prakash Mangal, Chairman and Executive Director**

Vipin Prakash Mangal, aged 56 years, is the Promoter, Chairman and Director of our company. He has been appointed as Director of the company w.e.f. September 03, 2019. He holds Bachelor's degree in Commerce from University of Ajmer. He is having more than 36 years of business experience in manufacturing, trading of various commercial commodities and affiliated consultancy services. He is also having vast experience and plays vital role in business management, formulation of business strategies, effective planning and implementation. He is responsible for expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

### **2. Chandragupt Prakash Mangal, Managing Director**

Chandragupt Prakash Mangal, aged 26 years, is Promoter and Managing Director of our company. He has been appointed as Additional Director of our company w.e.f. January 18, 2016 and was designated as Managing Director and CEO of our company w.e.f. September 18, 2019. He holds degree in Supply Chain Management from Kelley School of Business, Indiana University and also holds level II badge in CFA from CFA Institute. He is having more than 7 years of experience in operations, finance, marketing and administration. Under his leadership our company has established good public relations.

### **3. Chanakya Prakash Mangal, Managing Director**

Chanakya Prakash Mangal, aged 28 years, is Promoter and - Managing Director - of our company. He has been appointed as Additional Director of our company w.e.f. November 15, 2013 and was designated as Joint Managing Director and COO of our company w.e.f. September 18, 2019. He holds Bachelor's degree in Commerce from Gujarat University. He has been actively involved in the day-to-day operations and finance of the Company and also looks after the sales and administration department of the Company. Under his leadership our Company has established good public relations.

**4. Praveen Kumar Gupta, Non-Executive Independent Director**

Praveen Kumar Gupta, aged 55 years, is Non-Executive Independent Director of our company. He has been appointed as Independent Director of our company w.e.f. September 23, 2019. He is a B.E. in Electronics from University of Poona. He has an experience of 25 years in stones & marbles industry. He was associated with Shagun Marbles Private Limited as a Managing Director since 1994.

**5. Sarika Modi, Non-Executive Independent Director**

Sarika Modi, aged 41 years, is Non-Executive Director of our company. She has been appointed as Non-Executive Director of our company w.e.f. September 23, 2019. She holds Bachelor's degree in Arts from Mumbai University. . She is having more than 9 years of experience in business administration and operation etc. She is responsible for providing his expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

**6. Varsha Biswajit Adhikari, Non-Executive Independent Director**

Varsha Biswajit Adhikari, aged 43 years is Non-Executive Director of our company w.e.f. September 10, 2022. She holds the degree of Company Secretary from the Institute of Company Secretaries of India & executive program in applied Finance from IIM Calcutta. She is having more than 18 years of experience in Global Strategies and business development, Project and Financial Planning, Compliance, and Sustainability programmes. She is responsible for providing her expertise & Inputs, for ensuring that the board adheres to the required corporate governance requirements.

**7. Anilkumar Shyamlal Agrawal, Non-Executive Independent Director**

Mr. Anilkumar Shyamlal Agrawal, aged 61 years, is Non-Executive Independent Director of our Company w.e.f. November 1, 2020. He is having over all experience of 27 Years in the field of Non-Banking Finance Business, manufacturing and trading of chemicals and Infrastructures. He is associated with Non-Banking Financial Company since last 27 years. He is responsible for providing his expertise & inputs, for ensuring that the board adheres to the required corporate governance requirements.

## CONFIRMATION

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Letter of Offer, during the term of his/her directorship in such company.

None of our Director is or was a director of any listed company which has been or was delist from any stock exchange, during the term of their directorship in such company, in the last five years immediately preceding the date of filing of this Draft Letter of Offer.

## CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

In addition to the committees of our Board detailed below, our board may from time to time constitute committees for various functions.

1. **Audit Committee.**
2. **Nomination and Remuneration Committee.**
3. **Stakeholders Relationship Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder.

#### 1. **Audit Committee:**

The present constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Anilkumar Shyamlal Agrawal	Chairman	Non- Executive Independent Director
Mr. Praveen Kumar Gupta	Member	Non- Executive Independent Director
Mrs. Sarika Sachin Modi	Member	Non- Executive Independent Director
Mr. Chandragupt Prakash Mangal	Member	Managing Director

Our Company Secretary and Compliance officer act as the secretary of the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **Role of Committee:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;

- e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation or proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. approval or any subsequent modification of transactions of the listed entity with related parties;
  9. scrutiny of inter-corporate loans and investments;
  10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. evaluation of internal financial controls and risk management systems;
  12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. discussion with internal auditors of any significant findings and follow up there on;
  15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
  17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. to review the functioning of the whistle blower mechanism;
  19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  21. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
  22. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
  23. Further, the Audit committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

**REVIEW OF INFORMATION BY THE COMMITTEE: -**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee and



6. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
8. Examination of the financial statement and auditors' report thereon;
9. Approval or any subsequent modification of transactions of the Company with related parties;
10. Scrutiny of inter-corporate loans and investment;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Monitoring the end use of funds raised through public offers and related matters;
14. Any other matters as prescribed by law from time to time.

**POWERS OF COMMITTEE: -**

1. May call for comments of auditors about internal control system, scope of audit, including observations of auditors and review of financial statement before their submission to board;
2. May discuss any related issues with internal and statutory auditors and management of the Company;
3. To investigate into any matter in relation to above items or referred to it by Board;
4. To obtain legal or professional advice from external sources and have full access to information contained in the records of the Company;
5. To seek information from any employee;
6. To secure attendance of outsiders with relevant expertise, if it considers necessary;
7. Any other power may be delegated to the Committee by way of operation of law.

**Quorum and Meetings**

The audit committee shall meet at least 4 times in a year and as & when required to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

**2. Nomination and Remuneration Committee:**

The present constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Praveen Kumar Gupta	Chairman	Non- Executive Independent Director
Mr. Anilkumar Shyamlal Agrawal	Member	Non- Executive Independent Director
Ms. Sarika Sachin Modi	Member	Non- Executive Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

**Terms of reference**

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.

3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

### **Quorum and Meetings**

The Committee is required to meet at least once a year. Additional meetings are held for the purpose of recommending appointment/re-appointment of Directors and Key Managerial Personnel and their remuneration. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

### **3. Stakeholder Relationship Committee:**

The present constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Ms. Sarika Sachin Modi	Chairman	Non- Executive Independent Director
Mr. Anilkumar Shyamlal Agrawal	Member	Non- Executive Independent Director
Mr. Chanakya Prakash Mangal	Member	Managing Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

### **Terms of Reference**

The role of the committee shall *inter-alia* include the following:

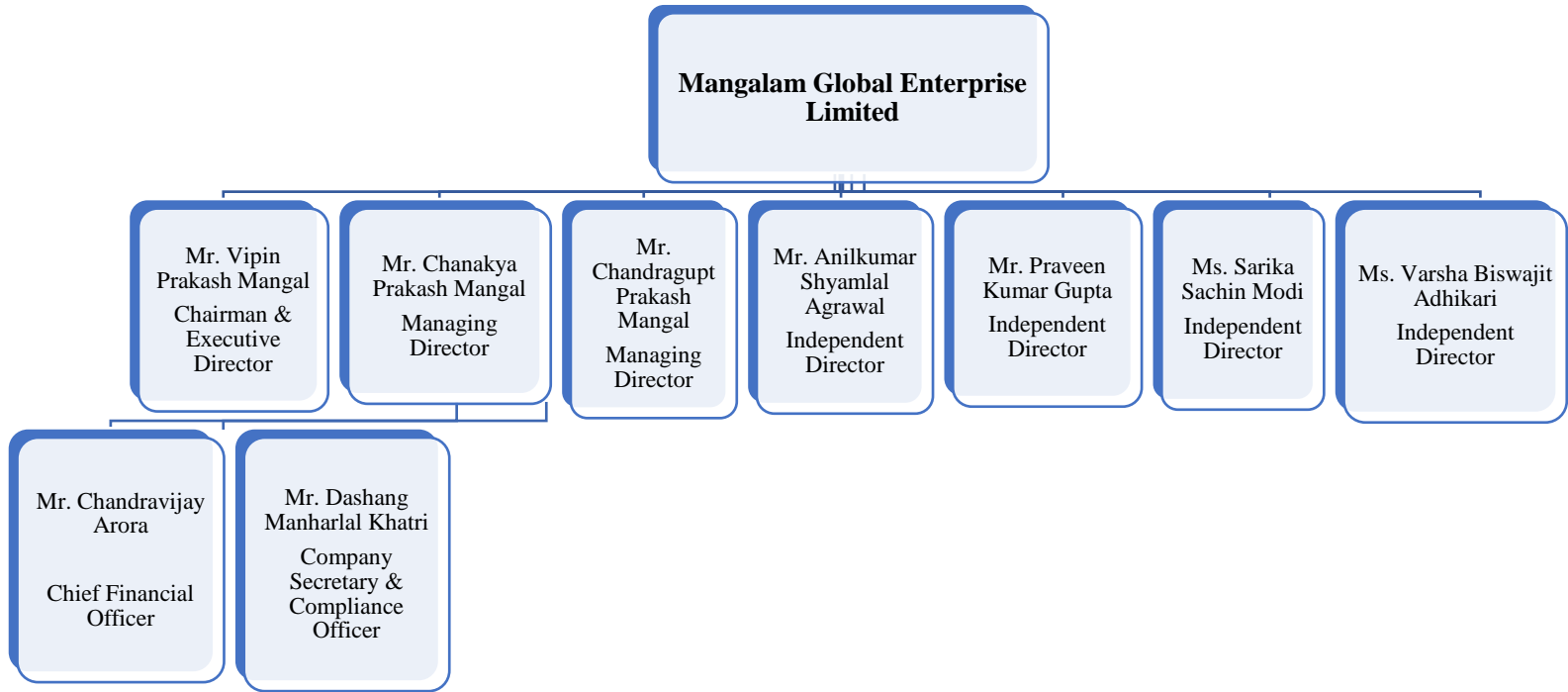
1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### **Quorum and Meetings**

The Stakeholders Relationship Committee shall meet at least once in a year and further as & when require to discuss and approve the items included in its role. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

**MANAGEMENT ORGANIZATION STRUCTURE**

The Management Organization Structure of the company is depicted from the following chart:



### Our Key Management Personnel:

The Key Managerial Personnel of our Company other than our Executive Director are as follows: -

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2022-23 (₹in Lakhs)
Name	Mr. Chandravijay Arora	Chartered Accountant	Umaid Heritage	8
Designation	Chief Finance Officer			
Date of Appointment	February 07, 2023			
Overall Experience	He is member of The Institute of Chartered Accountants of India and having Multi-tasking experience in the field of Finance, Accounts, Budgeting & Costing, Taxation, legal and Administrative for more than three decades in India and overseas having extensive expertise in achieving revenue, profit, business growth and turnaround in a rapidly changing environment.			
Name	Mr. Dashang Manharlal Khatri	Hold the Degree of the Company Secretary from Institute of Company Secretary of India	Vraj Integrated Textile Park Limited	1.97
Designation	Company Secretary and Compliance Officer			
Date of Appointment	December 05, 2022			
Overall Experience	He is and Associate Member of Institute of Company Secretaries of India and having overall 8 years of experience in the Secretarial and Legal department.			

### BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel.

### CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing of this Draft Letter of offer, otherwise than by way of retirement in due course.


Name of Directors	Date of Event	Nature of Events	Reason for the changes in the board
Mr. Vipin Prakash Mangal	February 14, 2022	Change of Designation	Change in designation from Chairman and Executive Director to Chairman of the Company
Mr. Chanakya Prakash Mangal	February 14, 2022	Change of Designation	Change in designation from Joint Managing Director and COO to Managing Director of the Company.
Mr. Chandragupt Prakash Mangal	February 14, 2022	Change of Designation	Change in designation from Joint Managing Director and CEO to Managing Director of the Company.
Mr. Chandravijay Arora	August 04, 2022	Appointment	Appointed as Wholetime Director of the Company.
Ms. Vrunda Patel	December 05, 2022	Cessation	Ceased to be Company Secretary & Compliance Officer of the Company.
Mr. Dashang M. Khatri	December 05, 2022	Appointment	Appointed to be Company Secretary & Compliance Officer of the Company.
Mr. Ashutosh Kumudchandra Mehta	February 06, 2023	Cessation	Ceased to be Chief Financial Officer of the Company.
Mr. Chandravijay Arora	February 07, 2023	Appointment	Appointed as Chief Financial Officer of the Company.
Mr. Chandravijay Arora	September 01, 2023	Cessation	Ceased to be Wholetime Director of the Company.


## OUR PROMOTERS AND PROMOTER GROUP


### Our Promoters

The following Individuals are our Promoters.

1. Mr. Vipin Prakash Mangal
2. Mr. Chanakya Prakash Mangal
3. Mr. Chandragupt Prakash Mangal

	<p><b>MR. VIPIN PRAKASH MANGAL</b></p> <p>Vipin Prakash Mangal, aged 56 years, is the Promoter, Chairman and Director of our Company. He holds Bachelor's degree in Commerce from University of Ajmer. He is having more than 36 years of experience in manufacturing and trading of various commercial commodities and affiliated consultancy services. He is also having vast experience in business management, formulation of business strategies, planning and implementation. He is a third -generation industrialist and has played a significant role in the development of our business. He plays a vital role in formulating business strategies and effective implementation of the same. He is also responsible for expansion and overall management of the business of our company.</p>
<b>Date of Birth</b>	December 25, 1967
<b>Age</b>	56 years
<b>Educational Qualification</b>	He holds Bachelor's degree in Commerce from University of Ajmer.
<b>Present Residential Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali Ahmedabad – 380006, Gujarat, India.
<b>Position/posts held in the past</b>	He was originally appointed as Chairman and Executive Director w.e.f. September 3, 2019 by the shareholders of the company in their Extra Ordinary General Meeting held on the date. Afterwards, he was re-designated as Chairman of the Company with effect from February 14, 2022.
<b>Directorship held</b>	<ol style="list-style-type: none"> <li>1) Mangalam Finserv Private Limited</li> <li>2) Mangalam Saarloh Private Limited</li> <li>3) Mangalam Dura Jet Technologies Private Limited</li> <li>4) Mangalam Worldwide Limited</li> <li>5) Mangalam Multi Businesses Private Limited</li> <li>6) Mangalam Global (Singapore) Pte. Ltd (Formerly known as Mangalprakash (Singapore) Pte. Ltd)</li> </ol>
<b>Other Ventures</b>	<p><b>Designated Partner:</b></p> <ol style="list-style-type: none"> <li>1) Shirshak Exim LLP</li> <li>2) Farpoint Enterprise LLP</li> <li>3) Paradisal Trade LLP</li> <li>4) Effervescent Tradeworld LLP</li> <li>5) Agrivolt Trade LLP</li> <li>6) Specific Worldwide LLP</li> </ol> <p><b>Individual Partner:</b></p> <ol style="list-style-type: none"> <li>1) Nitex Enterprise LLP</li> </ol>

	<p><b>MR. CHANAKYA PRAKASH MANGAL</b></p> <p>Chanakya Prakash Mangal, aged 28 years is the Promoter &amp; Managing Director of our Company. He holds Bachelor's degree in Commerce from Gujarat University. He has been actively involved in the day-to-day operations and finance of our Company and also looks after the sales and administration department of our Company. Under his leadership our Company has established good public relations.</p>
<b>Date of Birth</b>	August 09, 1995
<b>Age</b>	28 years
<b>Educational Qualification</b>	He holds Bachelor's degree in Commerce from Gujarat University.
<b>Present Residential Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali Ahmedabad - 380006, Gujarat, India.
<b>Position/posts held in the past</b>	He was appointed as additional Director w.e.f. November 15, 2013. Thereafter, he was appointed as Joint Managing Director and COO of the Company w.e.f. September 23, 2019. At present he is holding position as Managing Director of the Company w.e.f. February 14, 2022.
<b>Directorship held</b>	<ol style="list-style-type: none"> <li>1) Mangalam Worldwide Limited</li> <li>2) Mangalam Saarloh Private Limited</li> <li>3) Mangalam Logistics Private Limited</li> <li>4) Mangalam Global (Singapore) Pte. Ltd.</li> </ol> (Formerly known as Mangalprakash (Singapore) Pte. Ltd)
<b>Other Ventures</b>	<p><b>Designated Partner:</b></p> <ol style="list-style-type: none"> <li>1) Paradisal Trade LLP</li> <li>2) Nitex Enterprise LLP</li> </ol>

	<p><b>MR. CHANDRAGUPT PRAKASH MANGAL</b></p> <p>Chandragupt Prakash Mangal, aged 26 years is the Promoter &amp; Managing Director our Company. He holds degree in Supply Chain Management from Kelley School of Business, Indiana University and also holds level II badge in CFA from CFA Institute. He is having more than 7 years of experience in operations, finance, marketing and administration. Under his leadership our company has established good public relations</p>
<b>Date of Birth</b>	December 08, 1997
<b>Age</b>	26 years
<b>Educational Qualification</b>	He holds degree in Supply Chain Management from Kelley School of Business, Indiana University and also holds level II badge in CFA from CFA Institute.
<b>Present Residential Address</b>	Bungalow No. 1, Bharti Society, Near Nagri Hospital, Mithakhali Ahmedabad - 380006, Gujarat.
<b>Position/posts held in the past</b>	Earlier He was Appointed as Additional Director on January 18, 2016. Thereafter, he was designated as Joint Managing Director & Chief Executive Officer on September 18, 2019. At present he is holding position as Managing Director of the Company

	w.e.f. February 14, 2022.
<b>Directorship held</b>	1) Mangalam Dura Jet Technologies Private Limited 2) Mangalam Worldwide Limited 3) Mangalam Saarloh Private Limited 4) Mangalam Logistics Private Limited 5) Mangalam Global (Singapore) Pte. Ltd. (Formerly known as Mangalprakash (Singapore) Pte. Ltd)
<b>Other Ventures</b>	<b>Designated Partner:</b> 1) Farpoint Enterprise LLP 2) Paradisal Trade LLP  <b>Individual Partner:</b> 1) Nitex Enterprise LLP

### OUR INDIVIDUAL PROMOTERS:

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter' Group:

**a. The following individuals form a part of the Promoter' Group:**

Relationship with Promoter	Mr. Vipin Prakash Mangal	Mr. Chanakya Prakash Mangal	Mr. Chandragupt Prakash Mangal
Father	Mr. Omprakash Mangal**	Mr. Vipin Prakash Mangal	Mr. Vipin Prakash Mangal
Mother	Late Hemlata Omprakash Mangal	Mrs. Rashmi Vipin Prakash Mangal	Mrs. Rashmi Vipin Prakash Mangal
Spouse	Mrs. Rashmi Vipin Prakash Mangal	Mrs. Honey Mangal	-
Brother	Mr. Sanjay Prakash Mangal**	Mr. Chandragupt Prakash Mangal	Mr. Chanakya Prakash Mangal
Sister	-	-	-
Son/s	Mr. Chanakya Prakash Mangal	-	-
	Mr. Chandragupt Prakash Mangal	-	-
Daughter	-	-	-
Spouse's Father	-	-	-
Spouse's Mother	-	-	-
Spouse's Brother	-	-	-
Spouse's Sister	-	-	-

\*\*Mr. Om Prakash Mangal and Mr. Sanjay Prakash Mangal, Members of Promoter Group have applied for re-classification from 'Member of Promoter Group' to 'Public' under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has filed application to NSE and the same is pending for approval/approval is awaited.

**b. Companies, Firms, Entities and HUFs forming part of Promoter/ Promoter Group:**

Sr. No.	Name of Entities
1.	Mangalam Worldwide Limited
2.	Specific Worldwide LLP

## DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

### **Dividends paid on Equity Shares:**

The dividends paid by the Company on the Equity Shares in each of the Financial Years ending 2021, 2022 and 2023, and for the period commencing from April 01, 2023 until the date of this Draft letter of offer are given below:

Particulars	From April 1, 2023 to the date of this Draft Letter of Offer	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
Face value of Equity Shares (in ₹)	2	2	10	10
Dividend amount (in ₹ crore)	-	0.27	0.8418 <sup>#</sup>	0.5229 <sup>#</sup>
Number of Equity Shares (in crore)	14.41	13.86	2.602	2.508
Total dividend per Equity Share (₹)	-	0.02	1	1
Rate of dividend on Equity Share (%)*	-	1%	10%	10%
Mode of payment	-	Cash	Cash	Cash
Tax deducted as source (in ₹ crore)	-	0.0811	0.0811	0.0456

\*Calculated on the face Value of Equity Shares.

# Post considering request from shareholders to waive dividend for the year 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements” on page 37.



**SECTION VII**  
**FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Numbers</b>
1.	Unaudited Consolidated Financial Results for quarter and nine months ended December 31, 2023	<b>F1-F5</b>
2.	Unaudited Standalone Financial Results for quarter and nine months ended December 31, 2023	<b>F6-F8</b>
3.	Unaudited Consolidated Financial Results for quarter and nine months ended December 31, 2022	<b>F9-F13</b>
4.	Unaudited Standalone Financial Results for quarter and nine months ended December 31, 2022	<b>F14-F16</b>
5.	FY 2023 Audited Consolidated Financial Statements	<b>F17-F97</b>
6.	FY 2023 Audited Standalone Financial Statements	<b>F98-F178</b>
7.	FY 2022 Audited Consolidated Financial Statements	<b>F179-F244</b>
8.	FY 2022 Audited Standalone Financial Statements	<b>F245-F312</b>

**Independent Auditor's Limited Review Report on the Quarterly Unaudited Consolidated Financial Results of the Mangalam Global Enterprise Limited, for the Quarter ended 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To,  
The Board of Directors of,  
MANGALAM GLOBAL ENTERPRISE LIMITED**

We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Mangalam Global Enterprise Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the Quarter ended 31st December, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

1. Mangalam Global (Singapore) Pte. Limited ("Subsidiary")
2. Mangalam Global (UK) Limited("Subsidiary")( Refer Note no (b)).

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the statement provided by the Management related to subsidiary, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The accompanying Statement includes the unaudited interim financial results/ financial information in respect of:

- a) One subsidiary, located in Singapore, which has not been reviewed by us, whose interim financial results reflect total revenue of Rs. 3101.18 Lakhs, total profit/(Loss) after tax of Rs.(117.33) Lakhs and total comprehensive income/(Loss) of Rs. (116.79) Lakhs for the quarter ended 31 December 2023, as considered in the Statement. These interim financial results have been reviewed by the subsidiary's independent auditors under generally accepted auditing standards applicable in the respective country and their review report has been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph 3 above.
- b) One subsidiary, located in United Kingdom, which has not been reviewed by us, whose interim financial information till the date of 14" November 2023, is considered in the Statement as it has been strike off w.e.f.14" November,2023. As a result for the same, Mangalam Global (UK) Limited ceases to be the Wholly Owned Subsidiary of the company w.e.f 14th November, 2023. Our conclusion opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, is based solely on unaudited financial information and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matter:

In case of aforesaid subsidiary located outside India, the interim financial results/ financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries. The Parent Company's management has converted the financial results/ financial information of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent Company's Management. Our conclusion on the Statement, in so far as it relates to the financial results/ financial information of such subsidiary located outside India is based on the review report of other auditors and the conversion adjustments prepared by the Holding Company's Management and reviewed by us.

**For, Keyur Shah & Co.**  
**Chartered Accountants**  
**F.R.No. 141173W**

**Sd/-**  
**Keyur Shah**  
**Proprietor**  
**M. No. 153774**  
**UDIN: - 24153774BKBNSX2167**

**Date: - 2<sup>nd</sup> February, 2024**  
**Place: - Ahmedabad**

# MANGALAM GLOBAL ENTERPRISE LIMITED

CIN : L24224GJ2010PLC062434

Registered Office: 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat (India)

Email: info@groupmangalam.com Contact: +91 79 6161 5000 Website: www.groupmangalam.com

## Consolidated Financial Results for the Quarter / Nine Months ended 31<sup>st</sup> December, 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-2023	30-Sep-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Mar-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b>	<b>Income</b>						
	a) Revenue from Operations	53,197.18	44,040.42	57,342.78	129,633.19	109,206.93	142,519.58
	b) Other Income	457.86	556.40	94.27	1,257.66	391.54	524.45
	<b>Total Income</b>	<b>53,655.04</b>	<b>44,596.82</b>	<b>57,437.05</b>	<b>130,890.85</b>	<b>109,598.47</b>	<b>143,044.03</b>
<b>II</b>	<b>Expenses</b>						
	a) Cost of Materials Consumed	5,772.71	17,157.43	21,931.68	42,647.95	36,468.54	51,151.81
	b) Purchase of Stock-in-Trade	43,021.97	29,684.50	32,376.16	83,123.08	66,151.62	81,813.72
	c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3,208.22	(4,500.49)	403.88	(1,163.50)	1,100.54	1,064.19
	d) Employee Benefit Expense	140.70	172.95	208.12	528.08	550.09	738.91
	e) Finance Costs	631.73	676.58	378.68	1,962.86	975.89	1,378.80
	f) Depreciation and Amortisation Expense	52.68	93.30	76.37	243.19	222.52	312.44
	g) Other Expenses	479.71	1,098.29	1,528.07	2,542.81	3,437.17	4,921.91
	<b>Total Expenses</b>	<b>53,307.72</b>	<b>44,382.57</b>	<b>56,902.95</b>	<b>129,884.46</b>	<b>108,906.37</b>	<b>141,381.78</b>
<b>III</b>	<b>Profit / (Loss) before Exceptional Item &amp; Tax (I-II)</b>	<b>347.32</b>	<b>214.25</b>	<b>534.10</b>	<b>1,006.39</b>	<b>692.10</b>	<b>1,662.25</b>
<b>IV</b>	Exceptional Items	-	-	51.28	-	-	(55.29)
<b>V</b>	<b>Profit / (Loss) before tax (after exceptional items) (III+IV)</b>	<b>347.32</b>	<b>214.25</b>	<b>585.38</b>	<b>1,006.39</b>	<b>692.10</b>	<b>1,606.96</b>
<b>VI</b>	<b>Tax Expense</b>						
	a) Current Tax	-	-	136.00	-	169.51	31.81
	b) Deferred Tax Charge / (Credit)	57.29	119.59	(3.22)	163.10	(29.08)	300.17
	c) Income Tax (Prior Period)	-	-	1.75	-	1.77	5.34
	<b>Total Tax Expense</b>	<b>57.29</b>	<b>119.59</b>	<b>134.53</b>	<b>163.10</b>	<b>142.20</b>	<b>337.32</b>
<b>VII</b>	<b>Net Profit / (Loss) after tax for the period (V-VI)</b>	<b>290.03</b>	<b>94.66</b>	<b>450.85</b>	<b>843.29</b>	<b>549.90</b>	<b>1,269.64</b>
<b>VIII</b>	<b>Other Comprehensive Income / (Loss)</b>						
	a) Items that will not be reclassified to profit & loss	4.64	6.96	20.70	36.35	160.61	5.09
	Income tax relating to items that will not be reclassified to profit & loss	(1.16)	(1.75)	0.73	(9.15)	(3.57)	(1.28)
	b) Items that will be reclassified to profit & loss	2.24	(138.30)	1.89	9.46	(4.27)	139.80
	Income tax relating to items that will be reclassified to profit & loss	(0.44)	(0.04)	(0.47)	(0.43)	1.07	1.14
	<b>Total Other Comprehensive Income / (Loss) (After Tax)</b>	<b>5.27</b>	<b>(133.13)</b>	<b>22.84</b>	<b>36.23</b>	<b>153.84</b>	<b>144.75</b>
<b>IX</b>	<b>Total Other Comprehensive Income / (Loss) (After Tax)</b>	<b>295.30</b>	<b>(38.47)</b>	<b>473.69</b>	<b>879.52</b>	<b>703.74</b>	<b>1,414.39</b>
<b>X</b>	<b>Net Profit / (Loss) After Tax for the Period Attributable to:</b>						
	- Owners of the Company	290.03	94.66	450.85	843.29	549.90	1,269.64
	- Non-Controlling Interests	-	-	-	-	-	-
<b>XI</b>	<b>Total Other Comprehensive Income / (Expense) Attributable to:</b>						
	- Owners of the Company	5.27	(133.13)	22.84	36.23	153.84	144.75

	- Non-Controlling Interests	-	-	-	-	-	-
XII	<b>Total Comprehensive Income / (Expense) for the Period Attributable to:</b>						
	- Owners of the Company	295.30	(38.47)	473.69	879.52	703.74	1,414.39
	- Non-Controlling Interests	-	-	-	-	-	-
XIII	Paid-up Equity Share Capital (Face Value of Rs.2 each)	2,883.61	2,883.61	2,771.11	2,883.61	2,771.11	2,771.11
XIV	<b>Other Equity</b>						8,670.56
XV	<b>Earnings Per Share (Not Annualised)</b>						
	Basic (In Rs.)	<b>0.20</b>	<b>0.07</b>	<b>0.33</b>	<b>0.59</b>	<b>0.42</b>	<b>0.98</b>
	Diluted (In Rs.)	<b>0.20</b>	<b>0.07</b>	<b>0.32</b>	<b>0.59</b>	<b>0.39</b>	<b>0.90</b>

See Accompanying Notes to the Financial Results

**Notes to statement of unaudited consolidated financial results for the quarter and nine months ended 31<sup>st</sup> December, 2023:**

- The above Unaudited Consolidated Financial Results (Consolidated Statement) of Mangalam Global Enterprise Limited (the “Holding Company”) and its subsidiaries (together referred as the “Group”) for the quarter and nine months ended on 31<sup>st</sup> December, 2023 were reviewed and recommended by the Audit committee and approved by the Board of Directors, at their respective meeting held on Friday, February 02, 2024. These results have been reviewed by the Statutory Auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR) (as amended).
- List of Entities Consolidated in the Statement:**

Name of the Subsidiary Companies	Status
Mangalam Global (Singapore) Pte. Ltd.	Wholly Owned Subsidiary
Mangalam Global (UK) Limited ( <i>Refer note no 4</i> )	Wholly Owned Subsidiary

- The above Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Mangalam Global (UK) Limited (Wholly Owned Subsidiary) has applied for strike off during the previous quarter and application for strike off is processed. The Company was dissolved from the date of 14<sup>th</sup> November, 2023. As a result for the same, Mangalam Global (UK) Limited ceases to be the Wholly Owned Subsidiary of the company w.e.f 14<sup>th</sup> November, 2023.
- Segment Reporting is attached herewith.
- The status of investor's complaints of the parent company, during the quarter ended on 31st December, 2023 are as under:

Complaints Pending at the beginning of the period (i.e. 01 <sup>st</sup> October, 2023)	NIL
Complaints received during the period (i.e. during 01 <sup>st</sup> October, 2023 to 31st December, 2023)	NIL
Complaints Disposed of during the period (i.e. during 01 <sup>st</sup> October, 2023 to 31st December, 2023)	NIL
Complaints unresolved at the end of the period (i.e. 31st December, 2023)	NIL

- The consolidated financial results are available at the Company’s website [www.groupmangalam.com](http://www.groupmangalam.com) and on the website of the stock exchange [www.nseindia.com](http://www.nseindia.com).
- Previous year’s/ period’s figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

**For, Mangalam Global Enterprise Limited**

**Sd/-**

**Vipin Prakash Mangal**  
(Chairman)  
DIN: 02825511

**Place: Ahmedabad**  
**Date: 02<sup>nd</sup> February, 2024**

## Mangalam Global Enterprise Limited

### Consolidated Segment Reporting

(Rs. in Lakhs)

Sr. No	Segments	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-2023	30-Sep-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Mar-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment Revenue</b>						
	Indian Operations	50,096.00	41,196.81	53,026.93	119,813.80	94,804.02	122,584.78
	Foreign Operations	3,101.18	2,843.61	4,315.85	9,819.39	14,402.91	19,934.80
	Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>Total Segment Revenue (Revenue from Operations)</b>	<b>53,197.18</b>	<b>44,040.42</b>	<b>57,342.78</b>	<b>129,633.19</b>	<b>109,206.93</b>	<b>142,519.58</b>
2	<b>Segment Results</b>						
	Indian Operations	464.65	144.18	565.87	1,000.30	530.28	1,439.97
	Foreign Operations	(117.33)	70.07	19.51	6.09	161.82	166.99
	Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>Total Segment Results (PBT)</b>	<b>347.32</b>	<b>214.25</b>	<b>585.38</b>	<b>1,006.39</b>	<b>692.10</b>	<b>1,606.96</b>
3	<b>Segment Assets</b>						
	Indian Operations						38,309.03
	Foreign Operations						6,733.96
	Less: Inter Segment Assets						(1,126.43)
	<b>Total Segment Assets</b>						<b>43,916.56</b>
4	<b>Segment Liabilities</b>						
	Indian Operations						27,180.67
	Foreign Operations						5,329.82
	Less: Inter Segment Liabilities						(35.60)
	<b>Total Segment Liabilities</b>						<b>32,474.89</b>

**Independent Auditor's limited Review Report on the Quarter Unaudited Standalone Financial Results of the Mangalam Global Enterprise limited, for the quarter ended 31 December 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To,  
The Board of Directors of,  
MANGALAM GLOBAL ENTERPRISE LIMITED**

We have reviewed the accompanying the statement of unaudited Standalone financial results of **Mangalam Global Enterprise Limited** for the Quarter ended **December 31, 2023** attached herewith, being submitted by the company pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement, which is the responsibility of the Company Management and approved by the Company Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information performed by the independent Auditor of the Entity", issued by the institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primary to inquire of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Standalone financial results prepared in accordance with applicable Indian Accounting standard ("Ind AS") and other recognized accounting practices and policies as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information require to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For, Keyur Shah & Co.  
Chartered Accountants  
F.R.No. 141173W**

**Sd/-  
Keyur Shah  
Proprietor  
M. No. 153774  
UDIN: - 24153774BKBNSX2167**

**Date: - 2<sup>nd</sup> February, 2024  
Place: - Ahmedabad**

# MANGALAM GLOBAL ENTERPRISE LIMITED

CIN : L24224GJ2010PLC062434

Registered Office: 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009,  
Gujarat (India)

Email: info@groupmangalam.com Contact: +91 79 6161 5000 Website: www.groupmangalam.com

**Standalone Financial Results for the Quarter / Nine Months ended 31<sup>st</sup> December, 2023**

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-2023	30-Sep-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Mar-2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I</b>	<b>Income</b>						
	a) Revenue from Operations	50,096.00	41,196.81	53,026.93	119,813.80	94,804.02	122,584.78
	b) Other Income	405.20	470.92	100.28	1,126.21	419.80	559.04
	<b>Total Income</b>	<b>50,501.20</b>	<b>41,667.73</b>	<b>53,127.21</b>	<b>120,940.01</b>	<b>95,223.82</b>	<b>123,143.82</b>
<b>II</b>	<b>Expenses</b>						
	a) Cost of Materials Consumed	5,757.95	17,172.18	21,931.68	42,647.95	36,468.54	51,151.81
	b) Purchase of Stock-in-Trade	39,987.17	26,876.95	28,150.08	73,464.66	52,171.87	62,401.66
	c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3,208.22	(4,500.49)	403.88	(1,163.50)	1,100.54	1,064.19
	d) Employee Benefit Expense	121.17	158.09	197.39	478.92	518.47	690.77
	e) Finance Costs	574.06	628.77	323.96	1,843.88	864.24	1,213.78
	f) Depreciation and Amortisation Expense	48.19	88.77	72.08	229.94	216.78	302.50
	g) Other Expenses	339.79	1,099.27	1,533.56	2,437.88	3,353.10	4,823.85
	<b>Total Expenses</b>	<b>50,036.55</b>	<b>41,523.55</b>	<b>52,612.63</b>	<b>119,939.73</b>	<b>94,693.54</b>	<b>121,648.56</b>
<b>III</b>	<b>Profit / (Loss) before Exceptional Item &amp; Tax (I-II)</b>	<b>464.65</b>	<b>144.18</b>	<b>514.58</b>	<b>1,000.28</b>	<b>530.28</b>	<b>1,495.26</b>
<b>IV</b>	Exceptional Items	-	-	-	-	-	-
<b>V</b>	<b>Profit / (Loss) before tax (after exceptional items) (III-IV)</b>	<b>464.65</b>	<b>144.18</b>	<b>514.58</b>	<b>1,000.28</b>	<b>530.28</b>	<b>1,495.26</b>
<b>VI</b>	<b>Tax Expense</b>						
	a) Current Tax	-	-	136.00	-	169.51	-
	b) Deferred Tax Charge / (Credit)	57.29	119.59	(3.22)	163.10	(29.08)	300.17
	c) Income Tax (Prior Period)	-	-	1.75	-	1.75	5.32
	<b>Total Tax Expense</b>	<b>57.29</b>	<b>119.59</b>	<b>134.53</b>	<b>163.10</b>	<b>142.18</b>	<b>305.49</b>
<b>VII</b>	<b>Net Profit / (Loss) after tax for the period (V-VI)</b>	<b>407.36</b>	<b>24.59</b>	<b>380.05</b>	<b>837.18</b>	<b>388.10</b>	<b>1,189.77</b>
<b>VIII</b>	<b>Other Comprehensive Income / (Loss)</b>						
	a) Items that will not be reclassified to profit & loss	4.63	6.96	(2.92)	36.35	14.20	5.09
	Income tax relating to items that will not be reclassified to profit & loss	(1.16)	(1.75)	0.73	(9.15)	(3.57)	(1.28)
	b) Items that will be reclassified to profit & loss	1.69	0.02	1.89	1.54	(4.27)	(4.52)
	Income tax relating to items that will be reclassified to profit & loss	(0.44)	(0.04)	(0.47)	(0.43)	1.07	1.14
	<b>Total Other Comprehensive Income / (Loss) (After Tax)</b>	<b>4.72</b>	<b>5.19</b>	<b>(0.77)</b>	<b>28.31</b>	<b>7.44</b>	<b>0.43</b>
<b>IX</b>	<b>Total Comprehensive Income / (Loss) After Tax for the Period (VII + VIII)</b>	<b>412.08</b>	<b>29.78</b>	<b>379.28</b>	<b>865.49</b>	<b>395.54</b>	<b>1,190.20</b>
<b>X</b>	<b>Paid-up Equity Share Capital (Face Value of Rs.2 each)</b>	2,883.61	2,883.61	2,771.11	2,883.61	2,771.11	2,771.11
<b>XI</b>	Other Equity						8,357.25
<b>XII</b>	<b>Earnings Per Share (Not Annualised)</b>						
	Basic (In Rs.)	0.28	0.02	0.28	0.58	0.29	0.89
	Diluted (In Rs.)	0.28	0.02	0.27	0.58	0.27	0.84

See Accompanying Notes to the Financial Results



**Notes to statement of unaudited standalone financial results for the quarter and nine months ended 31<sup>st</sup> December, 2023:**

1. The above Unaudited Standalone Financial Results of Mangalam Global Enterprise Limited (the Company) for the quarter and nine months ended on 31<sup>st</sup> December, 2023 were reviewed and recommended by the Audit committee and approved by the Board of Directors, at their respective meeting held on Friday, 02<sup>nd</sup> February, 2024. These results have been reviewed by the Statutory Auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR) (as amended).
2. The above Standalone Financial Results are prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended) and other recognized accounting practices and policies to the extent applicable.
3. The Company is mainly engaged in Agro based Commodities and which is considered as only reportable primary business segment as per Indian Accounting Standard "Operating Segment" (Ind AS - 108). As such, no separate disclosure for Segment Reporting is made.
4. The status of investor's complaints of the company during the quarter ended on 31<sup>st</sup> December, 2023 are as under:

Complaints Pending at the beginning of the period (i.e. 01 <sup>st</sup> October, 2023)	NIL
Complaints received during the period (i.e. during 01 <sup>st</sup> October, 2023 to 31 <sup>st</sup> December, 2023)	NIL
Complaints Disposed of during the period (i.e. during 01 <sup>st</sup> October, 2023 to 31 <sup>st</sup> December, 2023)	NIL
Complaints unresolved at the end of the period (i.e. 31 <sup>st</sup> December, 2023)	NIL

5. The standalone financial results are available at the Company's website [www.groupmangalam.com](http://www.groupmangalam.com) and on the website of the stock exchange [www.nseindia.com](http://www.nseindia.com).
6. Previous year's/ period's figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

**For, Mangalam Global Enterprise Limited**

**Place: Ahmedabad**  
**Date: 02<sup>nd</sup> February, 2024**

**Vipin Prakash Mangal**  
**(Chairman)**  
**DIN: 02825511**

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Mangalam Global Enterprise Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Mangalam Global Enterprise Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2022 and year to date from 01 April 2022 to 31 December 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 as amended (the "Act"), read with relevant rules issued there under and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations, including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable

4. The Statement includes the results of the following subsidiaries:
  - (a) Mangalam Global (Singapore) Pte. Ltd.
  - (b) Mangalam Global (UK) Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34, prescribed under Section 33 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contain any material misstatement.
6. The accompanying Statement includes the unaudited interim financial results/ financial information in respect of:
  - a) One subsidiary, located in Singapore, which has not been reviewed by us, whose interim financial results reflect total revenue of Rs.4,321.52 Lakhs and Rs. 14,410.06 Lakhs, total net profit after tax of Rs. 19.49 Lakhs and Rs. 161.80 Lakhs and total comprehensive income of Rs.42.00 Lakhs and Rs.305.87 Lakhs for the quarter ended 31 December 2022 and year to date from 01 April 2022 to 31 December 2022 respectively, as considered in the Statement. These interim financial results have been reviewed by the subsidiary's independent auditors under generally accepted auditing standards applicable in the respective country and their review report has been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph 3 above.
  - b) One subsidiary, located in United Kingdom, which has not been reviewed, whose interim financial information reflect total revenue of Rs. Nil and Rs. Nil, total net profit/ loss after tax of Rs. Nil and Rs. Nil and total

comprehensive income/ loss of Rs. Nil and Rs. Nil for the quarter ended 31 December 2022 and year to date from 01 April 2022 to 31 December 2022 respectively, as considered in the Statement. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, is based solely on unaudited financial information and the procedures performed by us as stated in paragraph 3 above. According to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors

In case of aforesaid subsidiaries located outside India, the interim financial results/ financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial results/ financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's Management. Our conclusion on the Statement, in so far as it relates to the financial results/ financial information of such subsidiaries located outside India is based on the review report of other auditors and the conversion adjustments prepared by the Holding Company's Management and reviewed by us.

Sd/-

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 23149403BGXDSY9662

Ahmedabad; 07 February 2023

# MANGALAM GLOBAL ENTERPRISE LIMITED

CIN : L24224GJ2010PLC062434

Registered Office: 101, Mangalam Corporate House, 42, Shramali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat (India)

Email: info@groupmangalam.com Contact: +91 79 6161 5000 Website: www.groupmangalam.com

## Consolidated Financial Results for the Quarter / Nine Months Ended 31st December, 2022

Sr. No.	Particulars	Rs. In Lakhs (Unless Otherwise Stated)					
		Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
<b>I</b>	<b>Income</b>						
	a) Revenue from Operations	57,323.08	22,112.65	25,617.02	107,888.47	68,313.25	127,727.63
	b) Other Income (Refer Note No. 6)	113.96	1,046.50	149.68	1,710.00	495.00	594.40
	<b>Total Income</b>	<b>57,437.04</b>	<b>23,159.15</b>	<b>25,766.70</b>	<b>109,598.47</b>	<b>68,808.25</b>	<b>128,322.03</b>
<b>II</b>	<b>Expenses</b>						
	a) Cost of Materials Consumed	42,530.80	5,076.52	21,005.72	61,904.51	44,747.99	68,435.50
	b) Purchase of Stock-In-Trade	14,409.22	14,613.43	7,335.12	40,698.18	26,854.15	56,553.18
	c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	(2,228.31)	1,860.47	(4,089.94)	1,118.01	(6,319.02)	(2,625.77)
	d) Employee Benefit Expense	208.12	172.91	153.67	550.09	552.59	705.21
	e) Finance Costs	378.68	327.16	277.06	975.89	787.28	1,054.31
	f) Depreciation and Amortisation Expense	76.37	74.38	109.41	222.52	291.41	375.45
	g) Other Expenses	1,528.07	491.03	839.46	3,437.17	2,076.17	3,644.49
	<b>Total Expenses</b>	<b>56,902.95</b>	<b>22,615.90</b>	<b>25,630.50</b>	<b>108,906.37</b>	<b>68,990.57</b>	<b>128,142.37</b>
<b>III</b>	<b>Profit / (Loss) Before Exceptional Item &amp; Tax (I-II)</b>	<b>534.09</b>	<b>543.25</b>	<b>136.20</b>	<b>692.10</b>	<b>(182.32)</b>	<b>179.66</b>
<b>IV</b>	<b>Exceptional Items</b>	51.28	-	-	-	-	270.24
<b>V</b>	<b>Profit / (Loss) Before Tax (After Exceptional Items) (III+IV)</b>	<b>585.37</b>	<b>543.25</b>	<b>136.20</b>	<b>692.10</b>	<b>(182.32)</b>	<b>449.90</b>
<b>VI</b>	<b>Tax Expense</b>						
	a) Current Tax	136.00	33.51	22.60	169.51	22.60	195.87
	b) Deferred Tax	(3.22)	67.70	7.64	(29.08)	(68.25)	(91.66)
	c) Income Tax (Prior Period)	1.75	0.02	-	1.77	(0.14)	(15.77)
	<b>Total Tax Expense</b>	<b>134.53</b>	<b>101.23</b>	<b>30.24</b>	<b>142.20</b>	<b>(45.79)</b>	<b>88.44</b>
<b>VII</b>	<b>Net Profit / (Loss) After Tax for the Period (V-VI)</b>	<b>450.84</b>	<b>442.02</b>	<b>105.96</b>	<b>549.90</b>	<b>(136.53)</b>	<b>361.46</b>
<b>VIII</b>	<b>Other Comprehensive Income / (Loss)</b>						
<b>I</b>	Items that will not be Reclassified to Profit & Loss (Net of Tax)	21.43	78.60	1.56	157.03	15.76	44.66
	Items that will be Reclassified to Profit & Loss (Net of Tax)	1.41	3.03	(1.20)	(3.19)	(1.20)	3.51
	<b>Total Other Comprehensive Income / (Loss) (After Tax)</b>	<b>22.84</b>	<b>81.63</b>	<b>0.36</b>	<b>153.84</b>	<b>14.56</b>	<b>48.17</b>
<b>IX</b>	<b>Total Comprehensive Income / (Loss) After Tax for the Period (VII + VIII)</b>	<b>473.68</b>	<b>523.65</b>	<b>106.32</b>	<b>703.74</b>	<b>(121.97)</b>	<b>409.63</b>
<b>X</b>	<b>Net Profit / (Loss) After Tax for the Period Attributable to:</b>						
	- Owners of the Company	450.84	442.02	132.40	549.90	(67.85)	430.29
	- Non-Controlling Interests	-	-	(26.44)	-	(68.68)	(68.83)
		<b>450.84</b>	<b>442.02</b>	<b>105.96</b>	<b>549.90</b>	<b>(136.53)</b>	<b>361.46</b>
<b>XI</b>	<b>Other Comprehensive Income / (Loss) (After Tax) Attributable to:</b>						
	- Owners of the Company	22.84	81.63	0.36	153.84	14.56	48.17
	- Non-Controlling Interests	-	-	-	-	-	-
		<b>22.84</b>	<b>81.63</b>	<b>0.36</b>	<b>153.84</b>	<b>14.56</b>	<b>48.17</b>
<b>XII</b>	<b>Total Comprehensive Income / (Loss) After Tax for the Period Attributable to:</b>						
	- Owners of the Company	473.68	523.65	132.76	703.74	(53.29)	478.46
	- Non-Controlling Interests	-	-	(26.44)	-	(68.68)	(68.83)
		<b>473.68</b>	<b>523.65</b>	<b>106.32</b>	<b>703.74</b>	<b>(121.97)</b>	<b>409.63</b>

XII I	<b>Details of Equity Share Capital</b>						
	Paid-Up Equity Share Capital	2,771.11	2,602.36	2,508.61	2,771.11	2,508.61	2,602.36
	Face Value of Equity Share Capital (Per Share)	Rs 2/-	Rs 2/-	Rs 10/-	Rs 2/-	Rs 10/-	Rs 10/-
XIV	<b>Other Equity</b>						5,360.43
	<b>Earnings Per Share</b>						
XV	<b>Earnings Per Share (Not Annualised for Quarter/ Year / Period Ended)</b>						
	Basic (In Rs.)	<b>0.33</b>	<b>0.34</b>	<b>0.08 #</b>	<b>0.42</b>	<b>-0.11 #</b>	<b>0.29 #</b>
	Diluted (In Rs.)	<b>0.32</b>	<b>0.31</b>	<b>0.08 #</b>	<b>0.39</b>	<b>-0.11 #</b>	<b>0.28 #</b>

See Accompanying Notes to the Financial Results

# Adjusted for Split of Equity Shares

### Notes – Consolidated Financial Results for the Quarter and Nine Months ended 31 December 2022

1. The above Unaudited Consolidated Financial Results (Consolidated Statement) of Mangalam Global Enterprise Limited (the “Holding Company”) and its subsidiaries (together referred as the “Group”) for the quarter and Nine Months ended on 31 December 2022 were reviewed and recommended by the Audit committee and approved by the Board of Directors, at their respective meeting held on 7 February 2023. These results have been subject to limit review by the Statutory Auditors.

#### 2. List of Entities Consolidated in the Statement:

Name of the Subsidiary Companies	Status
Mangalam Global (Singapore) Pte. Ltd.	Wholly Owned Subsidiary
Mangalam Global (UK) Limited	Wholly Owned Subsidiary

3. The above Consolidated Financial Results are prepared in accordance with the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

4. The comparative figures for the previous periods are not comparable with that of the current quarter, due to following:

#### Divestment in subsidiaries:

Sr. No.	Name of Entity	Nature of Entity	With effect from
1	Rajgor Castor Derivatives Private Limited (formerly known as Hindprakash Castor Derivatives Private Limited)	Subsidiary	01 <sup>st</sup> January, 2022
2	Farpoint Enterprise LLP	Subsidiary	01 <sup>st</sup> April, 2022

5. Segment Reporting is attached herewith.

6. Other income includes:

Particulars	Rs. In Lakhs (Unless Otherwise Stated)					
	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
Interest Income	19.14	28.44	44.97	73.14	218.12	271.80
Gain on Foreign Exchange Fluctuation (Net)	29.03	30.55	19.14	86.59	63.39	75.33
Gain on Lease Termination (Net)	-	-	-	-	-	11.74
Corporate Guarantee Commission Income	-	-	-	-	1.01	1.01
Lease Rental Income	5.35	5.35	5.35	16.04	24.66	32.17
Compensation on Order Cancellation	19.70	494.67	72.28	993.39	164.27	167.02
Sundry Balances Written Off / (Written Back)	21.01	142.40	-	163.41	-	-
Commission Income	-	325.07	-	325.07	-	-
Other Income	19.73	20.03	7.94	52.36	23.55	35.33
<b>Total</b>	<b>113.96</b>	<b>1,046.51</b>	<b>149.68</b>	<b>1,710.00</b>	<b>495.00</b>	<b>594.40</b>

7. Previous year’s/ period’s figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

For, Mangalam Global Enterprise Limited

Sd/-  
Vipin Prakash Mangal  
(Chairman)  
DIN: 02825511

## Mangalam Global Enterprise Limited

### Consolidated Segment Reporting

(Rs. In Lakhs)

Sr. No	Segments	Quarter Ended			Nine Months Ended		Year Ended
		31-12-22	30-09-22	31-12-21	31-12-22	31-12-21	31-03-22
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	<b>Segment Revenue</b>						
	Indian Operations	53,007.23	16,678.00	22,157.06	93,485.56	61,819.63	119,014.58
	Foreign Operations	4,315.85	5,434.65	3,459.96	14,402.91	6,873.67	9,754.83
	Less: Inter Segment Revenue	-	-	-	-	(380.05)	(1,041.78)
	<b>Total Segment Revenue (Revenue from Operations)</b>	<b>57,323.08</b>	<b>22,112.65</b>	<b>25,617.02</b>	<b>107,888.47</b>	<b>68,313.25</b>	<b>127,727.63</b>
2	<b>Segment Results</b>						
	Indian Operations	565.87	388.76	97.92	530.28	(192.01)	515.19
	Foreign Operations	19.50	154.49	38.28	161.82	9.69	(65.29)
	<b>Total Segment Results (PBT)</b>	<b>585.37</b>	<b>543.25</b>	<b>136.20</b>	<b>692.10</b>	<b>(182.32)</b>	<b>449.90</b>
3	<b>Segment Assets</b>						
	Indian Operations						24,010.15
	Foreign Operations						4,437.53
	Less: Inter Segment Assets						(1,358.41)
	<b>Total Segment Assets</b>						<b>27,089.27</b>
4	<b>Segment Liabilities</b>						
	Indian Operations						16,132.75
	Foreign Operations						3,263.63
	Less: Inter Segment Liabilities						(273.91)
	<b>Total Segment Liabilities</b>						<b>19,122.47</b>

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To  
The Board of Directors of  
Mangalam Global Enterprise Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Mangalam Global Enterprise Limited (the "Company") for the quarter ended 31 December 2022 and year to date from 01 April 2022 to 31 December 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ("Ind AS34") "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 as amended (the "Act"), read with relevant rules issued there under and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations, including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Sd/-

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO**

Chartered Accountants

FRN: 148674W

UDIN: 23149403BGXDSX9293

Ahmedabad; 07 February 2023

# MANGALAM GLOBAL ENTERPRISE LIMITED

CIN : L24224GJ2010PLC062434

Registered Office: 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009, Gujarat (India)

Email: info@groupmangalam.com Contact: +91 79 6161 5000 Website: www.groupmangalam.com

## Standalone Financial Results for the Quarter / Nine Months Ended 31st December, 2022

Sr. No.	Particulars	Rs. In Lakhs (Unless Otherwise Stated)					
		Quarter Ended			Nine Months Ended		Year Ended
		31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
<b>I</b>	<b>Income</b>						
	a) Revenue from Operations	53,007.23	16,678.00	22,155.99	93,485.56	61,815.31	118,876.20
	b) Other Income (Refer Note No. 8)	119.98	1,059.26	209.57	1,738.26	624.50	817.51
	<b>Total Income</b>	<b>53,127.21</b>	<b>17,737.26</b>	<b>22,365.56</b>	<b>95,223.82</b>	<b>62,439.81</b>	<b>119,693.71</b>
<b>II</b>	<b>Expenses</b>						
	a) Cost of Materials Consumed	21,931.68	2,654.66	21,408.82	36,468.54	47,516.66	71,204.17
	b) Purchase of Stock-In-Trade	28,150.08	12,670.85	3,526.53	52,171.87	17,672.71	45,120.90
	c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	403.88	944.01	(4,090.38)	1,100.54	(6,310.45)	(2,607.99)
	d) Employee Benefit Expense	197.39	161.35	140.76	518.47	518.07	656.83
	e) Finance Costs	323.96	291.32	241.60	864.24	679.08	926.62
	f) Depreciation and Amortisation Expense	72.08	72.96	90.47	216.78	234.67	311.30
	g) Other Expenses	1,533.56	553.35	852.54	3,353.10	2,114.22	3,560.78
	<b>Total Expenses</b>	<b>52,612.63</b>	<b>17,348.50</b>	<b>22,170.34</b>	<b>94,693.54</b>	<b>62,424.96</b>	<b>119,172.61</b>
<b>III</b>	<b>Profit / (Loss) Before Exceptional Item &amp; Tax (I-II)</b>	<b>514.58</b>	<b>388.76</b>	<b>195.22</b>	<b>530.28</b>	<b>14.85</b>	<b>521.10</b>
<b>IV</b>	<b>Exceptional Items</b>	-	-	-	-	-	0.13
<b>V</b>	<b>Profit / (Loss) Before Tax (After Exceptional Items) (III-IV)</b>	<b>514.58</b>	<b>388.76</b>	<b>195.22</b>	<b>530.28</b>	<b>14.85</b>	<b>520.97</b>
<b>VI</b>	<b>Tax Expense</b>						
	a) Current Tax	136.00	33.51	22.60	169.51	22.60	188.00
	b) Deferred Tax	(3.22)	67.70	26.39	(29.08)	(19.29)	(42.68)
	c) Income Tax (Prior Period)	1.75	-	-	1.75	-	(15.63)
	<b>Total Tax Expense</b>	<b>134.53</b>	<b>101.21</b>	<b>48.99</b>	<b>142.18</b>	<b>3.31</b>	<b>129.69</b>
<b>VII</b>	<b>Net Profit / (Loss) After Tax for the Period (V-VI)</b>	<b>380.05</b>	<b>287.55</b>	<b>146.23</b>	<b>388.10</b>	<b>11.54</b>	<b>391.28</b>
<b>VIII</b>	<b>Other Comprehensive Income / (Loss)</b>						
	Items that will not be Reclassified to Profit & Loss (Net of Tax)	(2.18)	3.96	1.20	10.63	5.08	7.07
	Items that will be Reclassified to Profit & Loss (Net of Tax)	1.41	3.03	(1.20)	(3.19)	(1.20)	3.51
	<b>Total Other Comprehensive Income / (Loss) (After Tax)</b>	<b>(0.77)</b>	<b>6.99</b>	<b>-</b>	<b>7.44</b>	<b>3.88</b>	<b>10.58</b>
<b>IX</b>	<b>Total Comprehensive Income / (Loss) After Tax for the Period (VII + VIII)</b>	<b>379.28</b>	<b>294.54</b>	<b>146.23</b>	<b>395.54</b>	<b>15.42</b>	<b>401.86</b>
<b>X</b>	<b>Details of Equity Share Capital</b>						
	Paid-Up Equity Share Capital	2,771.11	2,602.36	2,508.61	2,771.11	2,508.61	2,602.36
	Face Value of Equity Share Capital (Per Share)	Rs 2/-	Rs 2/-	Rs 10/-	Rs 2/-	Rs 10/-	Rs 10/-
<b>XI</b>	<b>Other Equity</b>						5,271.06
<b>XII</b>	<b>Earnings Per Share</b>						
	<b>Earnings Per Share (Not Annualised for Quarter/ Year / Period Ended)</b>						
	Basic (In Rs.)	<b>0.28</b>	<b>0.22</b>	<b>0.12 #</b>	<b>0.29</b>	<b>0.01 #</b>	<b>0.32 #</b>
	Diluted (In Rs.)	<b>0.27</b>	<b>0.21</b>	<b>0.11 #</b>	<b>0.27</b>	<b>0.01 #</b>	<b>0.31 #</b>

See Accompanying Notes to the Financial Results

# Adjusted for Split of Equity Shares



**Notes - Standalone Financial Results for the Quarter and Nine Months ended 31 December 2022**

1. The above Unaudited Standalone Financial Results of Mangalam Global Enterprise Limited (the company) for the quarter and Nine Months ended on 31 December 2022 were reviewed and recommended by the Audit committee and approved by the Board of Directors, at their respective meeting held on 7 February 2023. These financial results have been subject to limited review by the Statutory Auditors.
2. The above Unaudited Standalone Financial Results are prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
3. The Company is mainly engaged in Agro based Commodities and which is considered as only a reportable primary business segment as per Indian Accounting Standard "Operating Segment" (Ind AS - 108). As such, no separate disclosure for Segment Reporting is made.
4. During the Quarter ended on 31 December 2022, the Company has undertaken activity of Cotton Ginning, Cotton Oil Mill (cotton seed crushing).
5. During the quarter warrant holders have exercised their right to convert 1687500 convertible warrants and paid balance 75% (Rs. 39/- per warrant) of the issue price of the warrants, aggregating to Rs. 6,58,12,500/- and the Board of Directors of the Company, at their meeting held on 5 November 2022 allotted 8437500 equity shares of face value of Rs. 2/- each (premium of Rs 8.40 per equity share) pursuant to exercise of option.
6. The Hon'ble NCLT Ahmedabad has approved the resolution plan vide order dated 20 September 2022 in respect of H. M. Industrial Private Limited (HMIPL). As per approved plan submitted alongwith the composite scheme of arrangement, Steel Division of HMIPL is to be demerged and to be vested into Mangalam Worldwide Limited (MWL) a group company; and HMIPL and its rest business (i.e. Agro Business- Castor and Cotton) is to be amalgamated with Mangalam Global Enterprise Limited (MGEL) with effect from appointed date, i.e. 20 September 2022 - date of order by Hon'ble NCLT Ahmedabad subject to payment to be made as per resolution plan. Out of total obligation of payment by MGEL of Rs. 1,100 Lakhs, MGEL has paid Rs. 446.28 Lakhs and balance amount of Rs. 653.72 Lakhs is pending to be paid. The Company has filed Interlocutory Application (IA) for extension for making payment, which is pending before Hon'ble NCLT, Ahmedabad.
7. As mentioned above company is in the process of acquiring Castor and Cotton unit, under resolution process, as a project to setup modern Castor and Cotton unit. During the quarter company has accounted for Project Expenses Rs. 347.48 Lakhs, Project preoperative expenses of Rs. 40.82 Lakhs, borrowing cost Rs. 9.68 Lakhs, as Capital Work in Progress (CWIP).
8. Other income includes:

**Rs. In Lakhs (Unless Otherwise Stated)**

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2022	30-09-2022	31-12-2021	31-12-2022	31-12-2021	31-03-2022
Interest Income	15.79	26.55	97.37	66.41	311.39	371.02
Gain on Foreign Exchange Fluctuation (Net)	26.23	33.52	12.10	86.59	62.43	95.80
Gain on Lease Termination (Net)	-	-	-	-	-	67.25
Corporate Guarantee Commission Income	12.17	11.88	14.53	35.41	43.41	56.40
Lease Rental Income	5.35	5.35	5.35	16.04	24.66	30.01
Compensation on Order Cancellation	19.70	494.67	72.28	993.39	164.27	167.02
Sundry Balances Written Off / (Written Back)	21.01	142.26	-	163.27	-	-
Commission Income	-	325.07	-	325.07	-	-
Other Income	19.73	19.96	7.94	52.08	18.34	30.01
<b>Total</b>	<b>119.98</b>	<b>1,059.26</b>	<b>209.57</b>	<b>1,738.26</b>	<b>624.50</b>	<b>817.51</b>

9. Previous year's/ period's figures have been regrouped/ rearranged/ reclassified wherever considered necessary.

**For, Mangalam Global Enterprise Limited**

Sd/  
Vipin Prakash Mangal  
(Chairman)  
DIN: 02825511

Date: 7 February 2023  
Place: Ahmedabad

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
MANGALAM GLOBAL ENTERPRISE LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

1. We have audited the consolidated financial statements of Mangalam Global Enterprise Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 Group as at 31st March 2023, and their consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.
4. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was address in our audit
<p><b>Revenue Recognition:</b></p> <p>Revenue of the Company mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each contract/customer purchase order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessing the Holding Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>• Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>• Performed testing on selected samples of customer contracts/customer purchase orders. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/customer purchase orders.</li> </ul>

The key audit matter	How the matter was address in our audit
<p><b>Carrying value of trade receivables and advances:</b></p> <p>The collectability of the Company’s trade receivables and advances (including trade advances), the valuation of allowance for impairment of trade receivables and provision for bad and doubtful debt require significant management judgement. As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company believes that there is no indication of any material impact on the carrying value.</p> <p>The management considers such information to determine whether a provision for impairment or for bad debt is required either for a specific transaction or for a customer’s balance overall. Accordingly, it has been determined as a key audit matter.</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessing the Holding Company’s policies for recognizing loss allowance for trade receivable and advances to determine the carrying value of trade receivables and advances.</li> <li>• Assessing trade receivables and advances on sample basis, based on its ageing along with historical trend/ pattern of collections received from the customers including the same received subsequent to year end, up to the date of completion of audit procedures.</li> <li>• Evaluating management’s assessment of recoverability of outstanding receivables through inquiry with the management regarding disputes between the parties involved, attempts by the management to recover the amounts outstanding and on the credit status of significant counterparties wherever available.</li> <li>• Assessing the appropriateness of the loss allowance for trade receivables and advances made by the Holding Company.</li> <li>• Assessing the disclosures made by the Company in this regard in the consolidated financial statements.</li> </ul>
<p><b>Business Combination - Amalgamation Accounting pursuant to composite scheme of arrangement along with resolution plan under CIRP in respect of H. M. Industrial Private Limited:</b></p> <p>[Refer Note 1.3.29, 56 and 57 to the consolidated financial statements]</p> <p>Vide order dated 20th September 2022, Hon’ble NCLT Ahmedabad (the adjudicating authority) has allowed, u/s 30(6) of the Insolvency and Bankruptcy Code, 2016 (“IBC, 2016”), the resolution plan submitted by Mangalam Global Enterprise Limited (MGEL) in respect of corporate debtor M/s H. M. Industrial Private Limited (HMIPL) (under Corporate Insolvency Resolution Process (CIRP)).</p> <p>As per the composite scheme of arrangement submitted along with the approved plan, Steel Division of HMIPL is to be demerged and to be vested into Mangalam Worldwide Limited (MWL) a group company; and HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20th September 2022.</p> <p>The Company has accounted for the business combination using the pooling of interest method in accordance with Appendix C of Ind AS 103 Business Combination.</p> <p>Considering the magnitude and complex accounting involved, the aforesaid business combination treatment in consolidated financial statements has been determined as a key audit matter.</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Understanding from the management, assessed and tested the design and operating effectiveness of the Company’s key controls over the accounting of business combination.</li> <li>• Reading the scheme and the NCLT order documents to understand the key terms and conditions of the composite scheme.</li> <li>• Tracing assets, liabilities, tax losses of HMIPL from the audited financial statements as on (appointed date) 20th September 2022.</li> <li>• Testing management’s assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Appendix C of Ind AS 103 Business Combination.</li> <li>• Assessing the adequacy and appropriateness of disclosures made in the consolidated financial statements.</li> </ul>

### **Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

6. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the consolidated financial statements and our auditor's report thereon) and the rest of the Annual Report (the "Other Information"). The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibility of Management and those charged with governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. Further, in terms of the provisions of the respective applicable laws in India/ other countries, the respective Board of Directors of the companies, as may be applicable, included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ applicable laws, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the respective companies in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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 Consolidated Financial Statements.
11. 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 Holding Company has adequate internal financial controls system 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 Board of Directors;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated 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 Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information/ financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors, 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Matter**

16. The accompanying consolidated financial statements includes the financial statements/ financial information in respect of:
- a) One subsidiary, located in Singapore, whose annual financial statements reflect total assets of Rs. 6,733.97 Lakhs as at 31st March 2023, total revenue of Rs. 19,934.81 Lakhs, and net cash inflow of Rs. 80.04 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These annual financial statements of the subsidiary have been audited by its respective independent auditor.
- The independent auditor's report on the financial statements of the aforesaid subsidiary have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such auditor.
- b) One subsidiary, located in United Kingdom, whose unaudited annual financial statements and unaudited annual other financial information reflect total assets of Rs. 0.12 Lakhs as at 31st March 2023, total revenue of Rs. NIL and net cash flow of Rs. NIL for the year ended on that date, as considered in the consolidated financial statements.
- The unaudited annual financial statements and unaudited annual other financial information have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on unaudited annual financial statements and unaudited annual other financial information as provided by the Management. In our opinion, and according

to the information and explanations given to us by the management, these financial statement and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

17. In case of subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, as noted in "Other Matter" section, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report, which is based on the auditors' report of holding company. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act;
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in "Other Matter" section:
  - i. The Group does not have any pending litigations which would impact its financial position.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.
  - iv. (a) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in Note 58(n) to the consolidated financial statements, 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 Holding Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.

(b) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in Note 58(o) to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.

(c) Based on such audit procedures as 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 18(g)(iv)(a) and 18(g)(iv)(b) contain any material misstatement.

v. The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.

19. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTY2275**

**Place : Ahmedabad**

**Date : 15th May 2023**

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

### **MANGALAM GLOBAL ENTERPRISE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

(Referred to in para 18 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of  
our report of even date)

#### **Independent Auditors’ Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (I) Of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

##### **Opinion**

1. In conjunction with our audit of the Consolidated Financial Statements of Mangalam Global Enterprise Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) as at and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company, as at that date. As at 31st March 2023, subsidiaries included in the Group are not covered under the Act.
2. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, has in all material respects, adequate internal financial controls over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting with reference to the consolidated financial statements were operating effectively as at 31st March 2023, based on the internal controls over financial reporting with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such 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 (the “Guidance Note”).

##### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

3. The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting established by the Holding Company considering the essential components of internal controls stated in the Guidance Note. 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 Company’s 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 Act.

##### **Auditors’ Responsibility**

4. Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to financial statements. 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 with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company.

##### **Other Matter**

7. Since, as at 31st March 2023, subsidiaries included in the Group are not covered under the Act, our aforesaid report does not apply to them. Accordingly, our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating



effectiveness of the internal financial controls over financial reporting with reference to the consolidated financial statements relates to the Holding Company alone.

**Meaning of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

8. A company's internal financial controls over financial reporting with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to the consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and payments 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

9. Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTY2275**

**Place : Ahmedabad**

**Date : 15th May 2023**

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT  
OF EVEN DATE TO THE MEMBERS OF**

**MANGALAM GLOBAL ENTERPRISE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2023**

(Referred to in paragraph 19 under ‘Report on Other Legal and Regulatory Requirements’ section of  
our report of even date)

**Report on the Matters Specified Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”/ “the Order”)  
Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given in their reports under the Order:

Sr. No.	Name	CIN	Holding Company/ Subsidiary	Clause number of the CARO Report which is unfavourable or qualified or adverse
1	Mangalam Global Enterprise Limited	L24224GJ2010PLC062434	Holding	3(i)(c) & 3(ii)(b)

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTY2275**

**Place : Ahmedabad**

**Date : 15th May 2023**

## Consolidated Balance Sheet as at 31st March, 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>I</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-Current Assets</b>			
a)	Property Plant & Equipment	2	4,745.42	2,043.13
b)	Right of Use Assets	2	1,704.34	1,730.99
c)	Intangible Assets	2	7.37	3.22
d)	Capital Work-In-Progress	2	1,030.54	-
e)	Financial Assets			
-	Investments	3	305.60	297.67
-	Other Financial Assets	4	119.05	115.99
f)	Other Tax Assets (Net)	5	91.34	18.72
g)	Deferred Tax Assets (Net)	6	1,722.38	46.31
h)	Other Non-Current Assets	7	53.72	46.80
	<b>Total Non-Current Assets</b>		<b>9,779.76</b>	<b>4,302.83</b>
<b>B</b>	<b>Current Assets</b>			
a)	Inventories	8	6,893.83	11,824.36
b)	Financial Assets			
-	Trade Receivables	9	20,969.31	7,881.74
-	Cash and Cash Equivalents	10	258.55	179.73
-	Bank Balances Other than Cash and Cash Equivalents	11	883.75	1,434.97
-	Loans	12	257.56	38.15
-	Other Financial Assets	13	77.00	185.41
c)	Other Current Assets	14	4,796.80	1,242.08
	<b>Total Current Assets</b>		<b>34,136.80</b>	<b>22,786.44</b>
	<b>TOTAL ASSETS</b>		<b>43,916.56</b>	<b>27,089.27</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
a)	Equity Share Capital	15	2,771.11	2,602.36
b)	Other Equity - attributable to owners of the Company	16	8,670.56	5,360.43
c)	Non-Controlling Interest		-	4.01
	<b>Total Equity</b>		<b>11,441.67</b>	<b>7,966.80</b>
<b>2</b>	<b>LIABILITIES</b>			
<b>A</b>	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
-	Long Term Borrowings	17	1,632.23	865.92
-	Long Term Lease Liabilities	18	1,412.45	1,561.28
-	Other Long Term Financial Liabilities	19	14.20	14.20
b)	Long Term Provisions	20	49.78	29.14
c)	Deferred Tax Liabilities (Net)		-	0.12
	<b>Total Non-Current Liabilities</b>		<b>3,108.66</b>	<b>2,470.66</b>
<b>B</b>	<b>Current Liabilities</b>			
a)	Financial Liabilities			
-	Short Term Borrowings	21	22,198.62	11,127.78
-	Short Term Lease Liabilities	22	148.84	133.49
-	Trade Payables			
(i)	Total outstanding dues of Micro Enterprise and Small Enterprises	23	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprise	23	6,878.49	4,286.24
-	Other Short Term Financial Liabilities	24	113.99	1,089.28
b)	Short Term Provisions	25	26.29	12.02
c)	Current Tax Liabilities (Net)	26	-	3.00
	<b>Total Current Liabilities</b>		<b>29,366.23</b>	<b>16,651.81</b>
	<b>Total Liabilities</b>		<b>32,474.89</b>	<b>19,122.47</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43,916.56</b>	<b>27,089.27</b>
The Accompanying Notes are Integral Part of these Consolidated Financial Statements		1-61		

This is the Consolidated Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 15th May 2023

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandravijay Arora**  
Whole Time Director & Chief Financial Officer (DIN:07228580)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

Place : Ahmedabad  
Date : 15th May 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Consolidated Statement of Profit & Loss for the year ended on 31st March, 2023**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>I</b>	<b>Income</b>			
a)	Revenue from Operations	27	142,519.58	127,894.65
b)	Other Income	28	524.45	427.38
	<b>Total Income</b>		<b>143,044.03</b>	<b>128,322.03</b>
<b>II</b>	<b>Expenses</b>			
a)	Cost of Materials Consumed	29	51,151.81	68,435.50
b)	Purchase of Stock-In-Trade	30	81,813.72	56,553.18
c)	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	31	1,064.19	(2,625.77)
d)	Employee Benefit Expenses	32	738.91	705.21
e)	Finance Costs	33	1,378.80	1,054.31
f)	Depreciation and Amortization Expense	34	312.44	375.45
g)	Other Expenses	35	4,921.91	3,644.49
	<b>Total Expenses</b>		<b>141,381.78</b>	<b>128,142.37</b>
<b>III</b>	<b>Profit Before Exceptional Item &amp; Tax (I-II)</b>		<b>1,662.25</b>	<b>179.66</b>
<b>IV</b>	<b>Exceptional Items</b>	36	(55.29)	270.24
<b>V</b>	<b>Profit Before Tax (PBT) (After Exceptional Item) (III+IV)</b>		<b>1,606.96</b>	<b>449.90</b>
<b>VI</b>	<b>Tax Expense</b>	37		
a)	Current Tax		31.81	195.87
b)	Deferred Tax		300.17	(91.66)
c)	Income Tax (Prior Period)		5.34	(15.77)
	<b>Total Tax Expenses</b>		<b>337.32</b>	<b>88.44</b>
<b>VII</b>	<b>Profit After Tax (PAT) (V-VI)</b>		<b>1,269.64</b>	<b>361.46</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
a)	Items that will not be reclassified to Profit or Loss			
	Remeasurement Gain/(Loss) on Defined Benefit Plan		5.09	9.45
	Income tax in respect of above		(1.28)	(2.38)
b)	Items that will be reclassified to Profit or Loss			
	Cash Flow Hedge Reserve / Foreign Currency Translation Reserve		139.80	42.28
	Income tax in respect of above		1.14	(1.18)
	<b>Total Other Comprehensive Income</b>		<b>144.75</b>	<b>48.17</b>
<b>IX</b>	<b>Total Comprehensive Income for the Year (VII+VIII)</b>		<b>1,414.39</b>	<b>409.63</b>
<b>X</b>	<b>Net Profit/ (Loss) after tax for the period attributable to:</b>			
-	Owners of the Company		1,269.64	430.29
-	Non-Controlling Interests		-	(68.83)
			<b>1,269.64</b>	<b>361.46</b>
<b>XI</b>	<b>Total Other Comprehensive Income/ (Expense) attributable to:</b>			
-	Owners of the Company		144.75	48.17
-	Non-Controlling Interests		-	-
			<b>144.75</b>	<b>48.17</b>
<b>XII</b>	<b>Total Comprehensive Income/ (Expense) for the period attributable to:</b>			
-	Owners of the Company		1,414.39	478.46
-	Non-Controlling Interests		-	(68.83)
			<b>1,414.39</b>	<b>409.63</b>
<b>XIII</b>	<b>Earnings per Equity Share of Rs. 2/- each</b>			
a)	Basic (in Rs.)	38	0.98	0.29
b)	Diluted (in Rs.)	38	0.90	0.28
	The Accompanying Notes are Integral Part of these Consolidated Financial Statements	1-61		

This is the Consolidated Balance Sheet referred to in our report of even date

**Kunal Kedia**  
 (M. No.: 149403), Partner  
 For & on behalf of  
**K K A K & Co**  
 Chartered Accountants  
 FRN: 148674W

Place : Ahmedabad  
 Date : 15th May 2023

 For and on behalf of the Board of Directors,  
 Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
 Chairman (DIN:02825511)

**Chandravijay Arora**  
 Whole Time Director & Chief Financial Officer (DIN:07228580)

**Dashang Manharlal Khatri**  
 Company Secretary (M. No.: A47946)

Place : Ahmedabad  
 Date : 15th May 2023

**Chanakya Prakash Mangal**  
 Managing Director (DIN:06714256)

## Notes to the Consolidated Statement of changes in Equity for the year ended on 31st March, 2023

### A. Equity Share Capital

Current reporting period		(Rs. in Lakhs)
Particulars	Amount	
As at 1 April 2022	2,602.36	
Changes in Equity Share Capital during the year	168.75	
<b>As at 31 March 2023</b>	<b>2,771.11</b>	
Previous reporting period		
Particulars	Amount	
As at 1 April 2021	2,508.61	
Changes in Equity Share Capital during the year	93.75	
<b>As at 31 March 2022</b>	<b>2,602.36</b>	

### B. Other Equity

Current Reporting Period							(Rs. in Lakhs)
Particulars	Reserves & Surplus			Other Comprehensive Income	Money received against share warrants	Attributable Non Controlling Interests	Total
	Securities Premium	Amalgamation Reserve	Retained Earnings				
<b>Balance as at 1 April, 2022</b>	<b>3,454.96</b>	-	<b>1,473.94</b>	<b>65.90</b>	<b>365.63</b>	<b>4.01</b>	<b>5,364.44</b>
Net Profit/ (Loss) during the Year	-	-	1,269.64	-	-	-	1,269.64
Remeasurement Gain/(Loss) on defined benefit plan (Net of Tax)	-	-	-	3.81	-	-	3.81
Movement in Cash Flow Hedge Reserve / Foreign Currency Translation Reserve (Net of Tax)	-	-	-	140.94	-	-	140.94
<b>Total Comprehensive Income/ (Expense)</b>	-	-	<b>1,269.64</b>	<b>144.75</b>	-	-	<b>1,414.39</b>
Dividend paid on Equity Shares	-	-	(84.18)	-	-	-	(84.18)
Adjustment on Disposal of Subsidiary	-	-	-	-	-	(4.01)	(4.01)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Securities Premium on issue of Equity Share Capital	708.75	-	-	-	-	-	708.75
Utilized Towards Issue of Bonus Shares	-	-	-	-	-	-	-
Upfront Money Received during the year Against Share Warrants Issued	-	-	-	-	-	-	-
Allotment Money Received during the year Against Share Warrants	-	-	-	-	658.12	-	658.12
Allotment of Equity Shares on Conversion Share Warrants	-	-	-	-	(877.50)	-	(877.50)
Reserve on Amalgamation (Refer Note No. 56 and 57)	-	1,948.37	(457.56)	-	-	-	1,490.81
Other Adjustments	-	-	(0.26)	-	-	-	(0.26)
<b>Balance as at 31 March, 2023</b>	<b>4,163.71</b>	<b>1,948.37</b>	<b>2,201.58</b>	<b>210.65</b>	<b>146.25</b>	-	<b>8,670.56</b>

## Notes to the Consolidated Statement of changes in Equity for the year ended on 31st March, 2023

### B. Other Equity (Contd.)

Previous Reporting Period

(Rs. in Lakhs)

Particulars	Reserves & Surplus			Other Comprehensive Income	Money received against share warrants	Attributable Non Controlling Interests	Total
	Securities Premium	Amalgamation Reserve	Retained Earnings				
<b>Balance as at 1 April, 2021</b>	<b>3,259.24</b>	-	<b>1,096.07</b>	<b>17.73</b>	-	<b>77.73</b>	<b>4,450.77</b>
Net Profit/ (Loss) during the Year	-	-	430.29	-	-	(68.83)	361.46
Remeasurement Gain/(Loss) on defined benefit plan (Net of Tax)	-	-	-	7.07	-	-	7.07
Movement in Cash Flow Hedge Reserve / Foreign Currency Translation Reserve (Net of Tax)	-	-	-	41.10	-	-	41.10
<b>Total Comprehensive Income/ (Expense)</b>	-	-	<b>430.29</b>	<b>48.17</b>	-	<b>(68.83)</b>	<b>409.63</b>
Dividend paid on Equity Shares	-	-	(52.28)	-	-	-	(52.28)
Adjustment on Disposal of Subsidiary	(198.03)	-	-	-	-	(4.89)	(202.92)
Transfer to Retained Earnings	-	-	-	-	-	-	-
Securities Premium on Issue of Equity Share Capital	393.75	-	-	-	-	-	393.75
Utilized towards Issue of Bonus Shares	-	-	-	-	-	-	-
Upfront Money Received during the year Against Share Warrants Issued	-	-	-	-	487.50	-	487.50
Allotment Money Received during the year Against Share Warrants	-	-	-	-	365.63	-	365.63
Allotment of Equity Shares on Conversion Share Warrants	-	-	-	-	(487.50)	-	(487.50)
Other Adjustments	-	-	(0.14)	-	-	-	(0.14)
<b>Balance as at 31 March, 2022</b>	<b>3,454.96</b>	-	<b>1,473.94</b>	<b>65.90</b>	<b>365.63</b>	<b>4.01</b>	<b>5,364.43</b>

#### Nature and Purpose of Reserves

- (a) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) **Amalgamation Reserve:** Amalgamation reserves represents the difference between the consideration paid and net assets received. It can be utilised in accordance with the provisions of the 2013 Act.
- (c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The Accompanying Notes are Integral Part of these Consolidated Financial Statements

This is the Consolidated Balance Sheet referred For and on behalf of the Board of Directors,  
to in our report of even date

Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Kunal Kedia**  
(M. No.: 149403), Partner

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

**Chandravijay Arora**  
Whole Time Director & Chief Financial Officer (DIN:07228580)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

Place : Ahmedabad  
Date : 15th May 2023

Place : Ahmedabad  
Date : 15th May 2023

**Consolidated Statement of Cash Flows for the year ended on 31st March, 2023**

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Exceptional Items & Tax	1,606.96	449.90
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	91.83	175.98
Depreciation on ROU Assets	220.61	199.47
Dividend Income	(0.89)	(4.50)
Interest Income	(141.71)	(271.80)
Finance Costs	1,378.80	1,054.31
Non-Cash Items	22.77	6.04
(Gain) / Loss on Sale of Investments (Net)	42.95	(2.30)
Unrealised Foreign Exchange (Gain) / Loss (Net)	16.30	(1.27)
(Increase)/Decrease in Foreign Currency Translation Reserve (Net)	144.32	44.66
Other Expenses Related to Financing Activities	-	12.03
Allowance for Doubtful Debts	81.73	271.75
Loss Distributed by Subsidiary (LLP)	-	52.16
<b>Operating Profit/ (Loss) before working capital changes</b>	<b>3,463.69</b>	<b>1,986.43</b>
<b>Changes in working capital:</b>		
<b>Adjustments for:</b>		
(Increase) / Decrease Trade Receivables	(13,185.36)	1,669.47
(Increase) / Decrease Inventories	4,930.52	(9,580.41)
(Increase) / Decrease Other Financial Assets	114.91	243.72
(Increase) / Decrease Other Non-Current Assets	0.86	1.42
(Increase) / Decrease Other Current Assets	(3,554.62)	298.15
Increase / (Decrease) Trade Payables	2,592.24	1,434.24
Increase / (Decrease) Provisions	16.74	3.17
Increase / (Decrease) Other Liabilities	(989.05)	1,041.62
<b>Cash generated from operations</b>	<b>(6,610.06)</b>	<b>(2,902.19)</b>
Income taxes paid (Net of refunds)	(112.74)	43.01
<b>Net cash flow from/ (utilised in) operating activities (A)</b>	<b>(6,722.80)</b>	<b>(2,859.18)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase and Construction of CWIP, Property, Plant & Equipment, Including Capital Advances, Intangible Assets (Including Goodwill).	(4,518.79)	1,806.93
(Increase) / Decrease in Lease Deposits	-	(214.50)
(Increase) / Decrease in Long-Term Investments in Subsidiaries/Contribution in LLP	336.70	-
Loss Distributed from Subsidiary (LLP)	-	(52.16)
Long-Term Investments in Other Securities	-	30.00
(Increase) / Decrease in Investment in Mutual Funds	4.42	3.76
Loans to Others	(615.41)	238.98
Interest Received	132.15	289.61
Bank Balances not considered as Cash and Cash Equivalents	551.22	1,311.97
Dividend Received	0.89	4.50
<b>Net Cash Flow from / (Used In) Investing Activities (B)</b>	<b>(4,108.82)</b>	<b>3,419.09</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Shares, Securities Premium & Convertible Equity Warrants	658.13	655.10
Share Issue Expenses	-	(12.03)
Increase / (Decrease) in Long Term Borrowings	824.41	(791.14)
Increase / (Decrease) in Short Term Borrowings	11,010.92	651.14
Payment of Lease Liability	(294.53)	(265.33)
Payment of Dividend	(84.18)	(52.28)
Interest Paid / Finance Cost	(1,204.31)	(892.27)
<b>Net Cash Flow from / (Used In) Financing Activities (C)</b>	<b>10,910.43</b>	<b>(706.81)</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>78.82</b>	<b>(146.90)</b>
<b>E. Add: Cash and Cash Equivalents at the beginning of the year</b>	<b>179.73</b>	<b>326.63</b>
<b>F. Less: (Loss) / Gain on restatement of foreign currency Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>G. Cash and Cash Equivalents at the end of the year</b>	<b>258.55</b>	<b>179.73</b>

## Consolidated Statement of Cash Flows for the year ended on 31st March, 2023 (Contd..)

Notes:

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
<b>Cash and Cash Equivalents includes</b>	<b>258.55</b>	<b>179.73</b>
(a) Cash on Hand	5.81	6.77
(b) Balances with Banks		
(i) In Current Accounts	252.74	172.96
(ii) In Fixed Deposit Accounts	-	-
(iii) In Cash Credit/ Bank Overdraft Accounts	-	-

2 The Consolidated statement of cash flows has been prepared in accordance with the "Indirect method" as set out in the Ind AS - 7 : 'Statement of Cash Flows'.

3 Movement in Financial Liabilities arising from Financing Activities

**Current reporting period**

Particulars	Long Term Borrowings **	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2022</b>	<b>989.64</b>	<b>11,004.06</b>	<b>1,694.77</b>	<b>4.90</b>	-	-
Payment of Lease Liabilities	-	-	(294.53)	-	-	-
Increase / (Decrease) in Short Term Borrowings	-	11,010.92	-	-	-	-
Increase / (Decrease) in Long Term Borrowings	824.41	-	-	-	-	-
Interest Expense Paid	-	-	-	(1,204.31)	-	-
Dividend Paid	-	-	-	-	(84.18)	-
<b>Net Cash Movement during the year</b>	<b>824.41</b>	<b>11,010.92</b>	<b>(294.53)</b>	<b>(1,204.31)</b>	<b>(84.18)</b>	-
Lease Liabilities Recognised during the year	-	-	-	-	-	-
Finance Cost Accrued	-	-	161.04	-	-	-
Lease Liabilities Reversed during the year	-	-	-	-	-	-
Interest on Fixed Loan Amortisation	1.82	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	1,378.81	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(162.84)	-	-
<b>Balance as at 31 March 2023</b>	<b>1,815.87</b>	<b>22,014.98</b>	<b>1,561.29</b>	<b>16.56</b>	-	-

**Previous reporting period**

Particulars	Long Term Borrowings **	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2021</b>	<b>1,777.00</b>	<b>10,352.92</b>	<b>51.54</b>	<b>1.73</b>	-	-
Payment of Lease Liabilities	-	-	(265.33)	-	-	-
Increase/ (Decrease) in Short Term Borrowings	-	651.14	-	-	-	-
Increase/ (Decrease) in Long Term Borrowings	(791.14)	-	-	-	-	-
Interest / Expenses Paid	-	-	-	(892.27)	-	(12.03)
Dividend Paid	-	-	-	-	(52.28)	-
<b>Net Cash Movement during the year</b>	<b>(791.14)</b>	<b>651.14</b>	<b>(265.33)</b>	<b>(892.27)</b>	<b>(52.28)</b>	<b>(12.03)</b>
Lease Liabilities recognised during the year	-	-	1,795.21	-	-	-
Finance Cost Accrued	-	-	148.69	-	-	-
Lease Liabilities reversed during the year	-	-	(35.34)	-	-	-
Interest on fixed loan amortisation	3.78	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	1,054.31	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(158.87)	-	-
<b>Balance as at 31 March 2022</b>	<b>989.64</b>	<b>11,004.06</b>	<b>1,694.77</b>	<b>4.90</b>	-	-

\*\* Long Term borrowings includes current maturity of long term debts

This is the Consolidated Balance Sheet referred to in our report of even date  
**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W  
Place : Ahmedabad  
Date : 15th May 2023

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)  
**Vipin Prakash Mangal**  
Chairman (DIN:02825511)  
**Chandravijay Arora**  
Whole Time Director & Chief Financial Officer (DIN:07228580)  
**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)  
Place : Ahmedabad  
Date : 15th May 2023



## NOTE - 1 - Notes to the Consolidated Financial Statements for the year ended on March 31, 2022

### 1.1 Corporate Information:

Mangalam Global Enterprise Limited ('the Company' / 'the Holding Company') is a public listed limited Company domiciled and incorporated in India. The registered office of the Company is located at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad -380009 Gujarat, India. Its Equity Shares are listed on Main Board of National Stock Exchange of India Limited (NSE). These Consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the "Group") (individually referred to as the "Entity") for the year ended 31 March 2022.

The Group is engaged in activity of manufacturing/dealing/trading of Edible/Non-edible Oil/Seeds and its derivatives, Rice, Wheat and other Agro commodities, other merchandise and agency service activity.

Following are the details of the subsidiaries consolidated in these Financial statements:

Name of the Entity	Principal Activities	Country of Incorporation	% Equity Interest	
			31 March 2023	31 March 2022
Mangalam Global (Singapore) Pte Ltd	Dealing in variety of goods without dominant product	Singapore	100%	100%
Rajgor Castor Derivatives Private Limited (Formerly known as Hindprakash Castor Derivatives Private Limited)	Manufacturing /Dealing in Agro based commodities etc.	India	N.A.	51.01% (upto 31 Dec, 2021)
Farpoint Enterprise LLP	General Trading	India	N.A.	99% (upto 31 Mar, 2022)
Mangalam Global UK Ltd (operation not yet started)	-	United Kingdom	100%	100%

### 1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the separate financial statements of the Group (also called as consolidated financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under The Companies Act, 2013 ("The Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### 1.3 Significant Accounting Policies:

#### 1.3.1 Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Certain Financial Assets and Liabilities (including derivative instruments), and
- Defined Benefit Plans – Plan Assets

The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

#### Basis of consolidation

The consolidated financial statements have comprised financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.

- Derecognises the cumulative translation differences recorded in equity.
- recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

### 1.3.2 Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 1.3.3 Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current/ Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.3.4 Property, Plant and Equipment

#### (a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost

and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

#### Depreciation

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II / as per technical evaluation as given below:

Name of Property, Plants and Equipment	Useful Life*
Factory Building	30 - 40 Years
Building (Other than Factory Building)	60 Years
Plant and Machineries (Including Continuous Process Plant)	8 - 30 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer and Other Data Processing units	3 Years
Motor Vehicles	8 Years
Electrical Installation and Other Equipment	5 - 10 Years

\* The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case of one subsidiary Farpoint Enterprise LLP, depreciation is calculated using Written Down Value method at the rates prescribed under Income Tax Act,1961. The Details is given below:

Name of Property, Plants and Equipment	% applied
Factory Building	10%
Plant and Machineries (Including Continuous Process Plant)	15%
Electrical Installation and Other Equipment	15%

#### Derecognition

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

#### (c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

#### **Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

<b>Particulars</b>	<b>Useful Life</b>
Accounting and Antivirus Software	3 Years
Other Firewall and Operating Software	6 Years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

The Entity assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.3.6 Lease**

#### **(a) As a Lessee**

The Entity, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Entity has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Entity measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Entity uses incremental borrowing rate.

#### **(b) As a Lessor**

Leases for which the Entity is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection

is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably.

### **1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

### **1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

### **1.3.10 Employee Benefits**

#### **(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### **(B) Post-Employment Benefits**

##### **(i) Defined Contribution Plans**

The Entity recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

##### **(ii) Defined Benefit Plans**

(a) Gratuity Scheme: The Entity pays gratuity to the employees who have completed five years of service with the Entity at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

##### **(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees.

### **1.3.11 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Entity is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Entity has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Entity expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

#### **Export Incentives**

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

#### **Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

#### **Dividend Income**

Dividend Income is recognised when the Entity's right to receive the amount has been established.

#### **Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments**

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Entity, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

#### **Rental Income**

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### **Insurance Claim**

Claim receivable on account of insurance is accounted for to the extent the Entity is reasonably certain of their ultimate collections.

#### **Other Income**

Revenue from other income is recognized when the payment of that related income is received or credited.

### **1.3.12 Foreign Currency Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

### **1.3.13 Government Grants and Subsidies**

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Entity will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Entity will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Entity recognizes interest expense corresponding to such grants.

### **1.3.14 Financial Instruments – Financial Assets**

#### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**(B) Subsequent Measurement**

**a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Entity, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Entity has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Entity recognizes dividend income from such instruments in the Statement of Profit and Loss.

**c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Entity changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under “Current Investments” under “Current portion of Non-Current Investments” in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, “Financial Instruments” is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

**(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Entity has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Entity uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

**1.3.15 Financial Instruments – Financial Liabilities**

**(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Entity enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Entity formally establishes a hedge relationship between such forward currency contracts (‘hedging instrument’) and recognised financial assets (‘hedged item’) through a formal documentation at the inception of the hedge relationship in line with the Entity’s Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, ‘Financial Instruments’.

#### Recognition and measurement of cash flow hedge:

The Entity strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

#### Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

#### Fair Value Hedge:

The Entity designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### 1.3.17 Derecognition of Financial Instruments

The Entity derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Entity's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 1.3.18 Financial Instruments – Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Entity has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 1.3.19 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

#### (a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

#### (b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### Presentation

The Entity offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Entity has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Entity.



### 1.3.20 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Group has considered as Business Segments as Primary Segments.

#### Segments Accounting Policies

The Group prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

#### Inter - Segment Transfer

The Group generally accounts the Inter - Segment transfers at an agreed value of the transactions.

#### Allocation of Common Costs

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

#### Unallocated Items

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

### 1.3.21 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

### 1.3.22 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

### 1.3.23 Provisions, Contingent Liabilities

Provisions are recognised when the Entity has 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

### 1.3.24 Events after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 1.3.25 Non – Current Assets Held For Sales

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

### 1.3.26 Cash Flows Statement

Cash Flows Statements are reported using the method set out in the Ind AS – 7, “Cash Flow Statements”, whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual 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 of the Group are segregated.

### 1.3.27 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.3.28 Recent Pronouncements

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

- (a) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- (b) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- (c) Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statement

### 1.3.29 Business Combination:

Business combinations involving entities that are controlled by the Group are accounted for using the 'pooling of interests method', as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised, if required. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements in the same form in which they appeared in the separate standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

## 1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:

The preparation of the Group's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

### 1.4.1 Income Tax

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

### 1.4.2 Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Entity's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

### 1.4.3 Defined Benefits Obligations

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

### 1.4.4 Fair value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

### 1.4.5 Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **1.4.7 Impairment of Financial and Non – Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Entity uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Entity's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets Entity estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### **1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Entity uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress

#### A. PROPERTY, PLANT & EQUIPMENTS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land	Building	Computer Equip. ments	Electrical Insta- llation	Furniture & Fixture	Plant & Machinery	Office Equip- ments	Vehicle	Total
<b>Cost as at 1 April 2022</b>	<b>1,110.57</b>	<b>593.42</b>	<b>27.82</b>	<b>37.39</b>	<b>129.18</b>	<b>238.07</b>	<b>69.84</b>	<b>69.14</b>	<b>2,275.43</b>
Pursuant to Amalgamation (Refer Note No.56 and 57)	13.61	156.30	-	-	-	27.34	2.79	38.99	239.03
Addition	1,642.14	1,041.73	6.64	8.60	28.42	102.63	26.22	63.67	2,920.05
Disposals/ Adjustments	(33.42)	(252.05)	-	-	-	(109.83)	-	-	(395.30)
<b>Cost as at 31 March 2023</b>	<b>2,732.90</b>	<b>1,539.40</b>	<b>34.46</b>	<b>45.99</b>	<b>157.60</b>	<b>258.21</b>	<b>98.85</b>	<b>171.80</b>	<b>5,039.21</b>
<b>Accumulated Depreciation as at 1 April 2022</b>	<b>-</b>	<b>87.01</b>	<b>19.87</b>	<b>0.47</b>	<b>17.93</b>	<b>44.98</b>	<b>26.47</b>	<b>35.57</b>	<b>232.30</b>
Pursuant to Amalgamation (Refer Note No.56 and 57)	-	52.40	-	-	-	-	2.07	28.67	83.14
Depreciation Charge for the Year	-	27.64	4.69	1.77	13.58	10.84	15.88	14.63	89.03
Reversal on Disposal/Adjustments	-	(68.30)	-	-	-	(42.38)	-	-	(110.68)
<b>Accumulated Depreciation as at 31 March 2023</b>	<b>-</b>	<b>98.75</b>	<b>24.56</b>	<b>2.24</b>	<b>31.51</b>	<b>13.44</b>	<b>44.42</b>	<b>78.87</b>	<b>293.79</b>
<b>Net Carrying Amount as at 31 March 2023</b>	<b>2,732.90</b>	<b>1,440.65</b>	<b>9.90</b>	<b>43.75</b>	<b>126.09</b>	<b>244.77</b>	<b>54.43</b>	<b>92.93</b>	<b>4,745.42</b>

##### Previous reporting period

Particulars	Land	Building	Computer Equip. ments	Electrical Insta- llation	Furniture & Fixture	Plant & Machinery	Office Equip- ments	Vehicle	Total
<b>Cost as at 1 April 2021</b>	<b>665.72</b>	<b>924.78</b>	<b>26.70</b>	<b>-</b>	<b>125.95</b>	<b>1,835.94</b>	<b>43.50</b>	<b>81.70</b>	<b>3,704.29</b>
Addition	582.79	199.45	1.12	37.39	72.83	128.24	26.96	-	1,048.78
Disposals / Adjustments	(137.94)	(530.81)	-	-	(69.60)	(1,726.11)	(0.62)	(12.56)	(2,477.64)
<b>Cost as at 31 March 2022</b>	<b>1,110.57</b>	<b>593.42</b>	<b>27.82</b>	<b>37.39</b>	<b>129.18</b>	<b>238.07</b>	<b>69.84</b>	<b>69.14</b>	<b>2,275.43</b>
<b>Accumulated Depreciation as at 1 April 2021</b>	<b>-</b>	<b>103.68</b>	<b>14.04</b>	<b>-</b>	<b>19.04</b>	<b>310.27</b>	<b>17.57</b>	<b>30.41</b>	<b>495.01</b>
Depreciation charge for the year	-	36.81	6.48	0.47	(1.11)	102.56	20.13	9.32	174.66
Reversal on Disposal / Adjustments	-	(53.48)	(0.65)	-	-	(367.85)	(11.23)	(4.16)	(437.37)
<b>Accumulated Depreciation as at 31 March 2022</b>	<b>-</b>	<b>87.01</b>	<b>19.87</b>	<b>0.47</b>	<b>17.93</b>	<b>44.98</b>	<b>26.47</b>	<b>35.57</b>	<b>232.30</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>1,110.57</b>	<b>506.41</b>	<b>7.95</b>	<b>36.92</b>	<b>111.25</b>	<b>193.09</b>	<b>43.37</b>	<b>33.57</b>	<b>2,043.13</b>

Refer Note No. - 43

#### B - RIGHT OF USE ASSETS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land & Building	Plant & Machinery	Total
<b>Cost as at 1 April 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
Addition	193.96	-	193.96
Disposals / Adjustments	-	-	-
<b>Cost as at 31 March 2023</b>	<b>274.74</b>	<b>1,833.98</b>	<b>2,108.72</b>
<b>Accumulated Ammortisation as at 1 April 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
Ammortization charge for the year	16.73	203.88	220.61
Reversal on Disposal / Adjustments	-	-	-
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>23.46</b>	<b>380.92</b>	<b>404.38</b>
<b>Net Carrying Amount as at 31 March 2023</b>	<b>251.28</b>	<b>1,453.06</b>	<b>1,704.34</b>

##### Previous reporting period

Particulars	Land & Building	Plant & Machinery	Total
<b>Cost as at 1 April 2021</b>	<b>72.70</b>	<b>1.17</b>	<b>73.87</b>
Addition	80.78	1,836.17	1,916.95
Disposals / Adjustments	(72.70)	(3.36)	(76.06)
<b>Cost as at 31 March 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
<b>Accumulated Ammortisation as at 1 April 2021</b>	<b>29.08</b>	<b>0.53</b>	<b>29.61</b>
Ammortization charge for the year	15.21	184.25	199.46
Reversal on Disposal / Adjustments	(37.56)	(7.74)	(45.30)
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>74.05</b>	<b>1,656.94</b>	<b>1,730.99</b>

Refer Note No. - 46

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### C. INTANGIBLE ASSETS

Current reporting period			(Rs. in Lakhs)	
Particulars	Software	Total		
<b>Cost as at 1 April 2022</b>	<b>6.66</b>	<b>6.66</b>		
Addition	6.95	6.95		
Disposals / Adjustments	-	-		
<b>Cost as at 31 March 2023</b>	<b>13.61</b>	<b>13.61</b>		
<b>Accumulated Ammortisation as at 1 April 2022</b>	<b>3.44</b>	<b>3.44</b>		
Ammortization charge for the year	2.80	2.80		
Reversal on Disposal / Adjustments	-	-		
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>6.24</b>	<b>6.24</b>		
<b>Net Carrying Amount as at 31 March 2023</b>	<b>7.37</b>	<b>7.37</b>		
Previous reporting period				
Particulars	Software	Total		
<b>Cost as at 1 April 2021</b>	<b>5.03</b>	<b>5.03</b>		
Addition	1.63	1.63		
Disposals / Adjustments	-	-		
<b>Cost as at 31 March 2022</b>	<b>6.66</b>	<b>6.66</b>		
<b>Accumulated Ammortisation as at 1 April 2021</b>	<b>2.11</b>	<b>2.11</b>		
Ammortization charge for the year	1.33	1.33		
Reversal on Disposal / Adjustments	-	-		
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>3.44</b>	<b>3.44</b>		
<b>Net Carrying Amount as at 31 March 2022</b>	<b>3.22</b>	<b>3.22</b>		

#### D. CAPITAL WORK-IN-PROGRESS

Current reporting period				(Rs. in Lakhs)	
Particulars	CWIP	Expenses Directly Attributable to Construction Period	Total		
<b>Balance as at 1 April 2022</b>	-	-	-		
Pursuant to Amalgamation	388.54	-	388.54		
Addition	488.27	153.73	642.00		
Capitalised During the year	-	-	-		
<b>As at 31 March 2023</b>	<b>876.81</b>	<b>153.73</b>	<b>1,030.54</b>		
Previous reporting period					
Particulars	CWIP	Expenses Directly Attributable to Construction Period	Total		
<b>Balance as at 1 April 2021</b>	-	-	-		
Pursuant to Amalgamation	-	-	-		
Addition	-	-	-		
Capitalised During the year	-	-	-		
<b>As at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>		

**Note:** As the castor unit acquired pursuant to the a resolution plan is not in operating condition and requires major rehauling/modernisation the same has been identified as project under construction.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### D. CAPITAL WORK-IN-PROGRESS

Details of Expenses directly attributable to construction period:

Current reporting period		(Rs. in Lakhs)
Particulars		As at 31st March, 2023
<b>Balance as at 1 April 2022</b>		-
Employee Benefits Expenses		39.98
Finance Costs		20.39
Operating and Other Expenses		93.36
Capitalised during the year		-
<b>As at 31 March 2023</b>		<b>153.73</b>

Previous reporting period		(Rs. in Lakhs)
Particulars		As at 31st March, 2022
<b>Balance as at 1 April 2021</b>		-
Employee Benefits Expenses		-
Finance Costs		-
Operating and Other Expenses		-
Capitalised during the year		-
<b>As at 31 March 2022</b>		<b>-</b>

Capital Work-In-Progress Ageing Schedule					(Rs. in Lakhs)
Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Projects in Progress</b>					
As at 31 March 2023	1,030.54	-	-	-	<b>1,030.54</b>
As at 31 March 2022	-	-	-	-	-

**Note:** There are no projects which are overdue or has exceeded its cost compared to its original plan.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 3 - Investments- Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>UNQUOTED INVESTMENTS</b>		
<b>Investment in Others (Measured at FVTOCI)#</b>		
(i) 8,08,510 (PY - 8,08,510) Equity Shares of Mangalam ECS Environment Private Limited (Formerly known as ECS Environment Private Limited) - (Fully Paidup) of Rs 10 each. (#)	242.55	242.55
(ii) 1,05,500 (PY - Nil) Equity Shares - S E Investments Limited (of Rs. 10/- each Fully Paidup) Net of Impairment in value of Investments of Rs 10.55 Lakhs (PY - Nil) (##)		
<b>Investment in Mutual Funds (measured at FVTPL)</b>		
Edelweiss Infrastructure Yield Plus	63.05	55.12
<b>Total - Unquoted Investments</b>	<b>305.60</b>	<b>297.67</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	305.60	297.67
Aggregate amount of impairment in value of investments	-	-

# The company has considered cost is representing the fair value.

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

### Note - 4 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non Current - Unsecured Considered Good</b>		
Security Deposits	118.94	106.99
Bank Deposits with more than 12 months maturity	0.11	0.10
Others	-	8.90
<b>Non Current - Credit Impaired (##)</b>		
Security Deposits	56.08	-
Less: Allowance for doubtful Security Deposits	(56.08)	-
<b>Total</b>	<b>119.05</b>	<b>115.99</b>

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above includes due from:</b>		
Directors (Rent Deposit)	2.16	2.16
Other Officers of the Company	-	-
Firm in which any director is partner:	-	-
Private Company in which director is director or member:	-	-

### Note - 5 - Other Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Prepaid Income Tax/ TDS (Net of Prov, if any)	91.34	18.72
<b>Total</b>	<b>91.34</b>	<b>18.72</b>

**Note - 6 - Deferred Tax Assets (Net)**

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>		
Provision for Employee Benefits	21.06	13.46
Preliminary Expenditure	5.92	10.38
Disallowances for Items to be Allowed in Subsequent Period	-	1.18
Allowance for Doubtful Debts / Receivables / Deposit	-	42.95
Lease Liability and Deposit Created Under Ind AS 116	1,696.1	454.65
Property Plant & Equipments & Intangible Assets	8	-
<b>Total DTA</b>	<b>418.65</b>	
<b>Deferred Tax Liabilities (DTL)</b>	<b>12.81</b>	
Property Plant & Equipments & Intangible Assets	<b>2,154.62</b>	<b>522.62</b>
Deferred Tax on Amorisation of Expenses	-	38.25
Deferred Tax on ROU Asset created under Ind AS 116	-	2.52
<b>Total DTL</b>	<b>3.3</b>	<b>435.66</b>
<b>Net DTA / (DTL)</b>	<b>0</b>	
Deferred Tax Liabilities	428.94	
Deferred Tax Assets	<b>432.24</b>	<b>476.43</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>1,722.38</b>	<b>46.19</b>
	0.14	0.12
	1,722.52	46.31
	<b>1,722.38</b>	<b>46.19</b>

**Movement in Deferred Tax Assets / Liabilities:**
**Current reporting period**

Particulars	As at 1st April, 2022	Pursuant to Amalga- mation	Deferred Tax Charge/Credit to Statement of Profit & Loss	DeferredT ax Charge/Credit to other Comprehensive Income	As at 31st March, 2023
<b>Deferred Tax Assets (DTA)</b>					
Provision for Employee Benefits	13.46	-	8.88	(1.28)	21.06
Preliminary Expenditure	10.38	-	(4.46)	-	5.92
Disallowances for Items to be Allowed in Subsequent Period	1.18	-	(2.32)	1.14	-
Allowance for Doubtful Debts / Receivables / Deposit	42.95	1,910.68	(257.45)	-	1,696.18
Lease Liability and Deposit Created Under Ind AS 116	454.65	-	(36.00)	-	418.65
Property Plant & Equipments & Intangible Assets	(38.25)	65.84	(14.76)	-	12.81
<b>Deferred Tax Liabilities (DTL)</b>					
Deferred tax on Amorisation of Expenses	2.52	-	0.78	-	3.30
Deferred tax on ROU Asset Created Under Ind AS 116	435.66	-	(6.72)	-	428.94
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>46.19</b>	<b>1,976.52</b>	<b>(300.17)</b>	<b>(0.14)</b>	<b>1,722.38</b>
Tax on Exceptional Item			-	-	-
<b>Net Charged / Credited to Statement of Profit or Loss</b>			<b>(300.17)</b>	<b>(0.14)</b>	-

**Previous reporting period**

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2021	Deferred Tax charge/credit to Statement of Profit & Loss	DeferredT ax charge/credit to other Comprehensive Income	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	8.13	7.71	(2.38)	13.46
Preliminary Expenditure	13.05	(2.67)	-	10.38
Disallowances for Items to be Allowed in Subsequent Period	-	2.36	(1.18)	1.18
Allowance for Doubtful Debts / Receivables / Deposit	0.60	42.35	-	42.95
Lease Liability and Deposit Created Under Ind AS 116	182.72	271.93	-	454.65
Unabsorbed Loss/ Business Loss	194.89	(194.89)	-	-
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	134.76	(96.51)	-	38.25
Deferred tax on Amorisation of Expenses	2.89	(0.37)	-	2.52
Deferred tax on ROU Asset Created Under Ind AS 116	171.53	264.13	-	435.66
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>90.21</b>	<b>(40.46)</b>	<b>(3.56)</b>	<b>46.19</b>
Tax on Exceptional Item		(51.20)		
<b>Net Charged / Credited to Statement of Profit or Loss</b>		<b>(91.66)</b>	<b>(3.56)</b>	



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 7 - Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances (Unsecured Considered Good)	53.60	45.82
Prepaid Expenses	-	0.86
Other Advances / Receivables	0.12	0.12
<b>Total</b>	<b>53.72</b>	<b>46.80</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above includes due from:</b>		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-

### Note - 8 - Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials	931.35	6,945.90
Work-in-Progress	628.76	581.87
Finished Goods/ Stock in Trade	2,919.33	4,039.62
Inventories lying at Project under Implementation (RM/WIP/FG)	2,103.76	-
Packing Materials	163.82	93.07
Consumable, Stores and Spares	146.81	163.90
<b>Total</b>	<b>6,893.83</b>	<b>11,824.36</b>

**Note:** Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No -1.3.8.

Inventories are hypothecated to secured working capital facilities from Bank (Refer Note No - 43)

### Note - 9 - Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current - Unsecured - Considered Good</b>	21,277.69	8,049.00
Less: Allowance for Doubtful Debts	(308.38)	(167.26)
<b>Current - Credit Impaired (Refer Foot Note 3 Below)</b>	5,521.46	-
Less: Allowance for Credit Impaired (Refer Foot Note 3 Below)	(5,521.46)	-
<b>Total</b>	<b>20,969.31</b>	<b>7,881.74</b>

**Note:** 1. Trade Receivables are Hypothecated to Secured Working Capital Facilities from Bank (Refer Note No - 43)

2. Trade Receivables Ageing Schedule (Refer Note No - 53)

3. Pursuant to amalgamation (Refer Note No. 55 and 56)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Trade Receivable include due from:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Farpoint Enterprise LLP	465.16	-
Paradisal Trade LLP	381.47	-
Shirshak Exim LLP	351.80	194.58
Private Company in which director is director or member		
Mangalam ECS Environment Private Limited (Formerly known as ECS Environment Private Limited)	10.81	10.78
Mangalam Worldwide Limited	-	122.49
Mangalam Multi Businesses Private Limited	969.94	0.17

**Note - 10 - Cash and Cash Equivalents****(Rs. in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in Hand	5.81	6.77
Bank Balance		
In Current Accounts	252.74	172.96
In Deposit Accounts (maturity within 3 months from reporting date)	-	-
<b>Total</b>	<b>258.55</b>	<b>179.73</b>

**Note - 11 - Bank Balances other than Cash and Cash Equivalents****(Rs. in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with bank in Fixed Deposit accounts (Refer Note below)	883.75	1,434.97
<b>Total</b>	<b>883.75</b>	<b>1,434.97</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from SBI Consortium (Refer Note No - 43) (MGEL)	402.17	-
Other bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees / working capital facilities from SBI Bank (Refer Note No - 43) (MGEL)	-	115.13
Other bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees / working capital facilities from PNB Bank (Refer Note No - 43) (MGEL)	-	168.79
Other bank balances in fixed deposit accounts includes pledged as margin money / as security for bank guarantees/ working capital facilities from Indian Bank, Singapore (Refer Note No - 43) (MGSPPL)	54.91	768.56
Other bank balances in fixed deposit accounts includes pledged as margin money / as security for bank guarantees/ working capital facilities from IOB Bank, Singapore (Refer Note No - 43) (MGSPPL)	426.67	382.49

**Note - 12 - Loans****(Rs. in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured Considered Good</b>		
Loans to Related Parties	-	-
Loans to Others	257.56	38.15
<b>Credit Impaired (##)</b>		
Loans to Others	26.37	-
Less: Allowance for Doubtful Loans	(26.37)	-
<b>Total</b>	<b>257.56</b>	<b>38.15</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director / Company is partner	-	-
Private Company in which director is director or member	-	-

# The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan has been utilized for the purpose it was granted.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 13 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current - Considered Good</b>		
Export Incentives Receivables	16.59	40.86
Other Receivables	124.51	251.03
Less: Allowance for Doubtful Receivable	(64.10)	(106.48)
<b>Current - Credit Impaired (##)</b>		
Other Receivables	33.28	-
Less: Allowance for doubtful Receivable	(33.28)	-
<b>Total</b>	<b>77.00</b>	<b>185.41</b>

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

### Note - 14 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured Considered Good</b>		
Advance to Supplier (Other than Capital Advances)	4,150.19	314.98
Less: Allowance for doubtful Receivable (On Advance to Supplier)	(16.11)	-
	<b>4,134.08</b>	<b>314.98</b>
Balances with Government Authorities	381.46	776.49
Prepaid Expenses	95.92	59.46
Others	185.34	91.15
<b>Total</b>	<b>4,796.80</b>	<b>1,242.08</b>

### Note - 15 - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised</b>		
52,27,00,000 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 5,00,00,000 Equity Shares of Rs. 10/- each)	10,454.00	5,000.00
<b>Issued</b>		
13,85,55,575 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 2,60,23,615 Equity Shares of Rs. 10/- each)	2,771.11	2,602.36
<b>Subscribed &amp; Paid up</b>		
13,85,55,575 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 2,60,23,615 Equity Shares of Rs. 10/- each)	2,771.11	2,602.36
<b>Total</b>	<b>2,771.11</b>	<b>2,602.36</b>

#### 15.1 Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of Rs 2/- each post effect of share split (PY Rs.10/- each). each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**15.2** Company issued and allotted 80,28,705 bonus shares (as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of one shares for every two share held on 2nd September 2020.

Company issued and allotted 93,01,928 bonus shares (as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of four shares for every one share held on 3rd December 2019.

**15.3** (a) During the year ended 31st March 2023, pursuant to exercise by warrant holder of 16,87,500 convertible warrants the company has made allotment of 84,37,500 equity shares having face value of Rs 2/- each fully paidup for cash at a price of Rs 10.40/- per equity share (including share premium of Rs 8.40/- per equity share) aggregating to Rs 168.75 Lakhs (Face Value) & Rs 708.75 Lakhs (Share Premium). the aforementioned equity shares were allotted on 05 November 2022. the aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

(b) During the year ended 31st March 2022, pursuant to exercise by warrant holder of 9,37,500 convertible warrants the company has made allotment of 9,37,500 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 52/- per equity shares (including share premium of Rs 42/- per equity share) aggregating to Rs 93.75 Lakhs (Face Value) & Rs 393.75 Lakhs (Share Premium). The aforementioned equity shares were allotted on 22 March 2022. The aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

15.4 The shareholders of the Company in their meeting held on 25th July 2022, approved sub-division/ split of 1 (one) equity share of Rs. 10/- each into 5 (five) equity shares of Rs. 2/- each fully paid up. The effective date for sub division of Equity shares was 19th August 2022. Consequently the split of equity shares is been effected from 19th August 2022.

**15.5 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

**Current reporting period (Rs. in Lakhs)**

Particulars	As at 31st March, 2023	
	Number	Amount
<b>Equity Shares of Rs. 2/- each:</b>		
Shares Outstanding at the beginning of the Year (Rs.10/- each before effect of Share Split)	26,023,615	2,602.36
Add: Increase in the Number of Shares on Account of Share Split (Refer Note No - 15.4)	104,094,460	-
Add: Bonus Shares Issued during the Year	-	-
Add: Shares Issued during the Year	8,437,500	168.75
Less: Shares bought back during the Year	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>138,555,575</b>	<b>2,771.11</b>

**Previous reporting period (Rs. in Lakhs)**

Particulars	As at 31st March, 2022	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares Outstanding at the beginning of the Year	25,086,115	2,508.61
Add: Bonus Shares Issued during the Year	-	-
Add: Shares Issued during the Year	937,500	93.75
Less: Shares bought back during the Year	-	-
<b>Shares Outstanding at the end of the Year</b>	<b>26,023,615</b>	<b>2,602.36</b>

**15.6 Shares in the company held by each shareholder holding more than 5 percent shares**

**Current reporting period**

Name of Shareholder	As at 31st March, 2023	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 2/- each: (Refer Note No - 15.4)</b>		
Chanakya Prakash Mangal	19,761,125	14.26%
Chandragupt Prakash Mangal	20,929,100	15.11%
Om Prakash Mangal	10,714,350	7.73%
Rashmi Mangal	13,989,175	10.10%
Vipin Prakash Mangal	12,489,550	9.01%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	9,004,995	6.50%
Specific Worldwide LLP	15,107,700	10.90%

**Previous reporting period**

Name of Shareholder	As at 31st March, 2022	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,489,725	13.41%
Chandragupt Prakash Mangal	3,623,320	13.92%
Om Prakash Mangal	2,142,870	8.23%
Rashmi Mangal	2,797,835	10.75%
Vipin Prakash Mangal	1,935,410	7.44%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	1,983,934	7.62%
Specific Worldwide LLP	3,021,540	11.61%

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### 15.7 Shareholding of Promoters

#### Current reporting period

Name of Promoters	As at 31 st March, 2023		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 2/- each: (Refer Note No. 15.4)</b>			
Vipin Prakash Mangal	12,489,550	9.01%	1.58%
Chanakya Prakash Mangal	19,761,125	14.26%	0.85%
Chandragupt Prakash Mangal	20,929,100	15.11%	1.18%
<b>Total</b>	<b>53,179,775</b>	<b>38.38%</b>	<b>3.61%</b>

#### Previous reporting period

Name of Promoters	As at 31 st March, 2022		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each:</b>			
Vipin Prakash Mangal	1,935,410	7.44%	0.12%
Chanakya Prakash Mangal	3,489,725	13.41%	0.31%
Chandragupt Prakash Mangal	3,623,320	13.92%	(0.52%)
<b>Total</b>	<b>9,048,455</b>	<b>34.77%</b>	<b>(0.09%)</b>

### 15.8 Share Warrants

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Share Warrants outstanding at the beginning of the year	365.63	-
Add: Upfront Money Received during the year against Share Warrants Issued	0.00	487.50
Add: Allotment Money Received during the year against Share Warrants	658.12	365.63
Less: Allotment of Equity Shares on Conversion of Share Warrants	(877.50)	(487.50)
<b>Share Warrants Outstanding at the end of the Year</b>	<b>146.25</b>	<b>365.63</b>

- (a) The Company has issued 37,50,000 convertible equity warrants on 22nd November 2021 at an issue price of Rs. 52/- per warrant on preferential basis to the promoters and person belonging to Promoters' Group on receipt of the subscription money Rs. 487.50 Lakhs being 25% of the issue price. Such warrants are convertible into equivalent number of fully paid up equity shares of face value of Rs.10/- at a premium of Rs. 42/- each, at an option of the warrant holders, at any time, in one or more tranches, within 18 Months from the date of issue of warrants on the payment of balance 75% amount due on warrants.
- (b) During the year ended 31st March 2022, on receipt of Rs. 365.63 Lakhs being 75% of the issue price due on warrants from one warrant holder, the company had converted 9,37,500 convertible warrants and allotted equivalent number of equity shares on 22nd March 2022.
- (c) During the year ended 31st March 2023, on receipt of Rs. 658.13 Lakhs being 75% of the issue price due on warrants from three warrant holders, the company has converted 16,87,500 convertible warrants and allotted 5 equity shares per warrant (post sub-division/ split of 1 (one) equity share into 5 (five) equity shares) on 5th November 2023.

**Note - 16 - Other Equity****(Rs. in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Securities Premium Reserve</b>		
Balance at the beginning of the Year	3,454.96	3,259.24
Add: Premium on Share Issue Pursuant to Conversion of Share Warrants	708.75	393.75
Less: Adjustment of Disposal of Subsidiary	-	(198.03)
<b>Balance at the end of the Year</b>	<b>4,163.71</b>	<b>3,454.96</b>
<b>Amalgamation Reserve</b>		
Balance at the beginning of the Year	-	-
Add: Pursuant to Amalgamation	1,948.37	-
<b>Balance at the end of the Year</b>	<b>1,948.37</b>	<b>-</b>
<b>Retained Earning</b>		
Balance at the beginning of the Year	1,473.94	1,096.07
Add: Net Profit/(Net Loss) For the Year	1,269.64	430.29
Other Adjustments	(0.26)	(0.14)
Less: Pursuant to Amalgamation	(457.56)	-
Less: Dividend on Equity Shares #	(84.18)	(52.28)
<b>Balance at the end of the Year</b>	<b>2,201.58</b>	<b>1,473.94</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	65.90	17.73
<b>Changes during the year</b>		
Remeasurement Gain/(Loss) on defined benefit Plan (Net of Tax)	3.81	7.07
Movement in Cash Flow Hedge Reserve / Foreign Currency Translation Reserve (Net of Tax)	140.94	41.10
<b>Balance at the end of the Year</b>	<b>210.65</b>	<b>65.90</b>
<b>Money Received Against Share Warrants</b>		
Balance at the beginning of the Year	365.63	-
Add: Upfront Money Received during the year against Share Warrants Issued	-	487.50
Add: Allotment Money Received during the year against Share Warrants	658.12	365.63
Less : Allotment of Equity Shares on Conversion Share Warrants	(877.50)	(487.50)
<b>Balance at the end of the Year</b>	<b>146.25</b>	<b>365.63</b>
<b>Total Other Equity</b>	<b>8,670.56</b>	<b>5,360.43</b>
# Dividend on equity shares paid during the year		
<b>Particulars</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Final Dividend for the Year 2021-22 [Re.1 (PY: Re.1)] per Equity Share of Rs.10 each (before effect of Share Split in FY 2022-23)	84.18	52.28

**Note:** Board of directors of the company have proposed final dividend of Rs. 0.02/- Per Equity Share of Rs. 2 each (post effect of share split) for the Financial Year 2022-23. Proposed dividend on Equity Shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2023. No interim dividend was declared and paid during the Financial Year 2022-23.

**Note - 17 - Long Term Borrowings****(Rs. in Lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured Borrowings</b>		
From Banks	1,632.23	863.92
<b>Unsecured Borrowings</b>		
Inter Corporate Deposits	-	2.00
Loan from Directors	-	-
Loan from Directors Relatives	-	-
<b>Total</b>	<b>1,632.23</b>	<b>865.92</b>

Refer Note below: (Contd...)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 17 - Long Term Borrowings (Contd...)

#### Current Reporting Period:

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 31-03-23	Details	Security
1	HDFC Bank : GECL-1 WCTL (MGEL)	150.91	Sanctioned: Rs 234.00 Int: Reference Rate + Spread (Presently 9.25%) Tenure: 48 Months Repayment: 12 Months Moratorium, 36 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.	<b>Refer Note No. 21.1</b>
2	HDFC Bank : GECL-2 (Extension) WCTL (MGEL)	947.56	Sanctioned: Rs 956.79 Int: Reference Rate + Spread (Presently 9.25%) Tenure: 72 Months Repayment: 24 Months Moratorium, 48 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.	
3	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) 1 (MGEL)	92.00	Sanctioned: Rs 144.00 Int: One Year MCLR Subject to Maximum 9.25% (Presently 7.25%) Tenure: 48 Months Repayment: 12 Months Moratorium. 36 Months Instalments after Moratorium. Interest to be Served as & when Charged.	
4	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) 2 (MGEL)	557.00	Sanctioned: Rs 557.00 Int: One Year MCLR Subject to Maximum 9.25% (Presently 8.10%) Tenure: 72 Months Repayment: 24 Months Moratorium. 48 Months Instalments after Moratorium. Interest to be Served as & when Charged.	

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 17 - Long Term Borrowings (Contd...)

#### Current Reporting Period:

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 31-03-23	Details	Security
5	ICICI bank Ltd: Loan Against Property (MGEL)	218.00	Sanctioned : Rs. 218.00 Int: RBIPRR is 6.5% and Spread is 3.0% and applicable Interest Rate is 9.50 (RBIPRR + Spread)%. Tenure: 180 Months Repayment: 180 Months	Security : Equitable mortgage of following properties <ol style="list-style-type: none"> <li>1. Bungalow No-A- 1 Shakti Nagar, plot area admeasuring about 397.30 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.</li> <li>2. Bungalow No-A- 2 Shakti Nagar, plot area admeasuring about 318.50 sq.mtrs and construction admeasuring 167.55 sq.mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</li> <li>3. Bungalow No-A- 3 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj,</li> <li>4. Bungalow No-A- 4 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</li> </ol>



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 17 - Long Term Borrowings (Contd...)

#### Current Reporting Period:

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 31-03-23	Details	Security
6	ICICI Bank Ltd : Loan Against Property (MGEL)	139.00	Sanctioned : Rs. 139.00 Int: RBIPRR is 6.5% and Spread is 3.0% and applicable Interest Rate is 9.50 (RBIPRR + Spread)%. Tenure: 180 Months Repayment: 180 Months	Security : Equitable mortgage of following properties  1. Bungalow 8-B Triveni Park, (Tenament No. 6/36/8/B) plot area admeasuring about 475 and construction admeasuring 83 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.  2. Bungalow 8-A Triveni Park, (Tenament No. 6/36/7/B) plot area admeasuring about 416.57 and construction admeasuring 95.01 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj
7	HDFC Bank Ltd : Loan CEMID Equipments (MGEL)	30.97	Sanctioned: Rs 34.00 Int: 8.40% Tenure 48 Months Repayment : 48 Months	Hypothecation of respective Commercial vehicle (JCB)
8	HDFC Bank Ltd : Loan CEMID Equipments (MGEL)	30.97	Sanctioned: Rs 34.00 Int: 8.40% Tenure 48 Months Repayment : 48 Months	Hypothecation of respective Commercial vehicle (JCB)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 17 - Long Term Borrowings (Contd...)

#### Previous Reporting Period:

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 31-03-22	Details	Security
1	HDFC Bank : GECL-WCTL (MGEL)	222.46	Sanctioned: Rs 234.00 Int: Reference rate + 0.80% (presently 8.25%) Tenure: 48 Months Repayment: 12 months moratorium, 36 months Instalments after moratorium. Interest to be serviced on monthly basis.	Primary Security:- Hypothecation of stock & book debts (created out of HDFC GECL-WCTL) All stock & book debts (Second Charge on GECL Exposure): Collateral Security:- Equitable mortgage of following properites (Second Charge on GECL Exposure): 1. Office no. 201,Setu Complex, Ahmedabad (Owned by Company) 2. B No. 19/B, Kalyan Society, Ahmedabad (Owned by Director) 3. B No. 21, Sarthi CHS Ltd,Ahmedabad (Owned by Director) 4. Plot No 31, Chandranagar, Paldi, The Samast Bhrahmkshatriya Co Op Hou. Society Ltd Opp. Chandranagar BRTS Paldi, Ahmedabad -380007 Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.
2	Punjab National Bank Ltd: PNB Covid-19 Emergency Credit Facility (CECF) (MGEL)	70.09	Sanctioned: Rs 250.00 Int: One Year MCLR + 0.50% (presently 7.85%) Tenure: 24 Months Repayment: 6 months moratorium. 18 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1st pari passu charge by way of hypothecation of entire current assets(Present & future) of company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. kept at all leased factory premises of the company or at any other place. Collateral Security:- 1st pari passu charge by mortgage over land and building sitatuted at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP The company has given Fixed Deposit under lien in this regard (Refer Note No: 11) Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal Corporate Gaurantee:- Specific Worldwide LLP

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 17 - Long Term Borrowings (Contd...)

#### Previous Reporting Period:

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 31-03-22	Details	Security
3	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) (MGEL)	144.00	Sanctioned: Rs 144.00 Int: One Year MCLR Subject to maximum 9.25% (presently 7.35%) Tenure: 48 Months Repayment: 12 months moratorium. 36 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1. Extension of 2nd charge on entire present and future current assets of the borrower 2. Extension of 2nd charge on entire present and future current assets of the Company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables and all other current assets of the company.  The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.  Collateral Security:- Exclusive 2nd charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP  The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)
4	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) (MGEL)	557.00	Sanctioned: Rs 557.00 Int: One Year MCLR Subject to maximum 9.25% (presently 7.25%) Tenure: 72 Months Repayment: 24 months moratorium. 48 months Instalments after moratorium. Interest to be served as & when charged.	As mentioned above in Sr. No. 3

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 18 - Long Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	1,412.45	1,561.28
<b>Total</b>	<b>1,412.45</b>	<b>1,561.28</b>

Refer Note No. - 46

### Note - 19 - Other Long Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rent Deposit	14.20	14.20
<b>Total</b>	<b>14.20</b>	<b>14.20</b>

### Note - 20 - Long Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer note no - 39)		
Gratuity (Unfunded)	22.92	13.91
Leave Encashment	26.86	15.23
<b>Total</b>	<b>49.78</b>	<b>29.14</b>

### Note - 21 - Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured (Repayable on Demand) (Working Capital Facilities from Bank)</b>		
HDFC Bank	4,954.62	3,431.32
Punjab National Bank	3,907.18	2,499.19
State Bank of India	3,833.51	2,495.84
Canara Bank	4,793.25	-
ICICI Bank	346.68	-
<b>Current Maturities of Non-Current Borrowings</b>		
Current Maturities of Long - Term Borrowings	183.64	123.72
<b>Unsecured (Repayable on Demand)</b>		
From Bank - Bill/Invoice Discounting - Trust Receipt (Refer No. 21.6)	1,576.53	2,232.26
<b>From Others</b>		
Inter Corporate Deposit	190.00	290.00
Directors	2,413.21	55.45
Directors Relative	-	-
<b>Total</b>	<b>22,198.62</b>	<b>11,127.78</b>

#### Current Reporting Period:

**21.1** SBI, HDFC Bank, PNB, & Canara Bank have sanctioned working capital facilities (including GECL/WCTL refer note 17) of Rs. 19548 Lakhs & SBI has sanctioned term loan of Rs. 250 Lakhs to the company under consortium banking arrangement (SBI consortium) wherein SBI is a lead bank (Total credit limit Rs.19798 Lakhs), as per details given below:

- (i) State Bank of India sanctioned limit of Rs. 5200 Lakhs (Fund based limit of Rs. 5000 Lakhs and non-Fund based Limit of Rs. 200 Lakhs).
- (ii) Punjab National Bank Sanctioned Limit of Rs. 4657 Lakhs (Fund based limit of Rs. 4657 Lakhs)
- (iii) HDFC Bank Limited sanctioned limit of Rs. 5191 Lakhs (Fund based Limit of Rs. 5191 Lakhs)
- (iv) Canara bank sanctioned limit of Rs. 4500 Lakhs (Fund based limit of Rs. 4500 Lakhs)
- (v) State Bank of India, Term Loan of Rs 250 Lakhs.

SBI consortium has appointed PNB Investment Services Limited as "Security Trustee".

Working capital facilities are secured by Pari passu first charge by way of hypothecation over entire current assets of the Company and Pari passu second charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI. (Refer Note No. 21.2)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd.)

#### Current Reporting Period

Term Loan Facility granted by SBI is secured by First charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan and Pari passu second charge by way of hypothecation over entire current assets of the Company. (Refer Note No. 21.3)

Working capital facilities granted by SBI Consortium and Term Loan granted by SBI are secured by collateral securities. (Refer Note No. 21.4)

#### 21.2 WORKING CAPITAL FACILITIES GRANTED BY SBI CONSORTIUM Rs. 19548 Lakhs:

Charge in favor of PNB Investment Services Limited of Rs. 19548 Lakhs.

Pari passu first charge by way of hypothecation over entire current assets (present & Future, except mentioned below) of the Company including Raw Material, Stock in Process, Stock in Transit, Finished Foods, Stores, Spares & Receivables etc., kept at all owned/leased factory premises of the company or at any other place and Pari passu second charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI.

#### 21.3 Term Loan Facilities Granted by SBI Rs. 250 Lakhs:

First charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI and Pari passu second charge by way of hypothecation over entire current assets (present & Future) of the Company including Raw Material, Stock in Process, Stock in Transit, Finished Foods, Stores, Spares & Receivables etc., kept at all owned/leased factory premises of the company or at any other place.

#### 21.4 COLLATERAL SECURITIES for both Working capital facilities of Rs. 19548 Lakhs granted by SBI Consortium and Term Loan of Rs 250 Lakhs granted by SBI: Total limit Rs.19798 Lakhs.

As per sanction terms, charge on following collateral securities to be created

1. Pari Passu 1st charge by way of Equitable Mortgage over factory land and Building at Block/Survey No. 155 paiki admeasuring about 13873 sq. mtrs. of Khata No 447 (Old Account no. 350 admeasuring about 6791 sq. mtrs and Account no. 349 admeasuring about 7082 sq. mtrs) along with construction of factory building standing thereon of Mouje: Lodariyal, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited.
2. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being residential Plot/Unit No. 17, admeasuring about 428 sq.mtr., along with rights to use common roads and common plots in the scheme known as "ORCHID GREENS", situated upon non-agricultural land bearing amalgamated Block No. 78 of mouje: Sanathal, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited.
3. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being residential Bungalow at Sub –Plot No. 31, admeasuring about 451 sq.mts., together with construction standing thereon in the Samast Brahmshatriya Co-operative Housing Society Limited situated upon non-agricultural land bearing final Plot No. 98 in the Town Planning Scheme No. 22 of mouje: Paldi, Taluka: Sabarmati, District: Ahmedabad in the name of Mangalam Global Enterprise Limited.
4. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being Commercial Office No. 201 on second floor, admeasuring about 502.51 sq.mts., , together with undivided share admeasuring about 158 sq.mts., and having rights in the common facilities and amenities in the scheme known as "SETU COMPLEX" of Setu (commercial) non-trading Association, situated upon the non-agricultural land bearing Final Plot No. 324/3, in the Town Planning Scheme No. 3 being allotted City Survey No. 2984, of mouje: Changisapur, Taluka: Sabarmati, District: Ahmedabad in the name of Mangalam Global Enterprise Limited
5. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being Sub –Plot No. C-4-B (as per approved plan Sub plot No. 3-4-B), admeasuring about 5400 sq.mts., together with construction standing thereon situated upon non – agricultural land bearing Survey Nos. (i) 943/2 (Revenue Account No. 1208) (Old Survey No. 242), admeasuring about 2256 sq.mtr., and (ii) 944/2 (Revenue Account No. 3144) (old Survey No. 243), admeasuring about 3144 sq.mtr., total admeasuring about 5400 sq.mts., known as "Prathana Upvan", of Prathana Co-operative Housing Society Limited at mouje: Manipur, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited and Specific Worldwide LLP
6. Pari Passu 1st charge by way of Equitable Mortgage over non- agricultural bearing Survey/Block No. 1025/3, admeasuring about 40266 sq.mts., paiki northern side admeasuring about 22461 sq.mts., (amalgamation of old Survey Nos. 1025/3, admeasuring about 3642 sq.mts., + 1034/1, admeasuring about 8093 sq.mts., + 1035/1+2+3, admeasuring about 22469 sq.mts., + 1036/3, admeasuring about 6070 sq.mts.) together with construction standing thereon of mouje & Taluka: Kapadwanj, District: Kheda
7. Pari Passu 1st charge by way of Equitable Mortgage over Sub –Plot No. 6, admeasuring about 4289.20 sq.mts., together with construction standing thereto in the "Kapdwanj Industrial Estate" of Gujarat Industrial Development Corporation situated upon non-agricultural lad bearing Survey Nos. 1035/P and 1039/P of mouje & Taluka: Kapadwanj, District: Kheda

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd.)

#### Current Reporting Period

8. Lien and pari passu 1st charge over FD of Rs. 200 Lakhs in the name of Mangalam Global Enterprise Limited proposed for substitution of collateral security for plot No. 122/paiki, Harij, Patan, in the name of Farpoint Enterprise LLP.
  9. Lien and pari passu 1st charge over FD of Rs. 114 Lakhs in the name of Mangalam Global Enterprise Limited
  10. Lien and pari passu 1st charge over FD of Rs. 168 Lakhs in the name of Mangalam Global Enterprise Limited
  11. Pari passu first charge by way of hypothecation of Existing Plant & Machinery of Kapadwanj Plant acquired by MGEL through NCLT order
  12. Pari passu first charge by way of hypothecation of Plant & Machinery at Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka Sanand District Ahmedabad
- 21.5** Mangalam Global (Singapore) Pte Ltd - MGSPL (Subsidiary Company) - Trust Receipts, Nominal Int Rate CY 7.01-9.14 % (PY 2.85-4.20%).

#### Previous Reporting Period:

- 21.1** Mangalam Global Enterprise Ltd-MGEL (company) has created a charge in favour of HDFC Bank Ltd, to the extent of Rs.6500 Lakhs (PY Rs 6500 Lakhs) by way of hypothecation of stock and book debts (Under MBA see note 21.5) on entire exposure as a security for various working capital facilities viz CC, EPC, PCFC, FBP, FBD, Invoice Discounting etc granted by the bank.

The above facilities are further collaterally secured by way of equitable mortgage of company's property office no 201, Setu Complex, Ahmedabad & Plot no 31 The Samast Bhram Kshatriya CHS Ltd Paldi Ahmedabad.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

The above facilities are guaranteed by three directors of the company in their personal capacity.

In addition to above property, Bungalow on plot no 19/B Kalyan Society Mithakhali Ahmedabad and Bungalow no 21 Sarthi-3 CHS Ltd Thaltej Ahmedabad owned by a director, are given as collateral security by way of mortgage.

- 21.2** Mangalam Global Enterprise Ltd-MGEL (company) has created a charge in favor of HDFC Bank Ltd, to the extent of Rs. 500 Lakhs (revised sanctioned value) (PY Rs 1500 Lakhs) by way of pledge of Stock of warehouse receipt/storage receipts as security for Short Term loan against Pledge of physical commodities Facility granted by the bank. The facility is further guaranteed by three directors of the company in their personal capacity.

- 21.3** Mangalam Global Enterprise Ltd-MGEL (company) has created charge in favor of Punjab National Bank (PNB), to the extent of Rs. 2853 Lakhs (revised sanctioned value) (PY Rs 2750 Lakhs).

1st pari pasu charge by way of hypothecation of entire current assets (Under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz CC, PCFC, FOBP, FOUPB, FABC etc. granted by the bank.

Collateral Securities: property at C-4-B Prarthan Upvan CHS Ltd, Taluka Sanand, jointly owned by company and M/s Specific Worldwide LLP.

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s Specific Worldwide LLP.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

- 21.4** Mangalam Global Enterprise Ltd-MGEL (company) has created 1st Pari pasu charge in favor of State Bank of India (SBI), to the extent of Rs.2500 Lakhs (PY Rs Nil). 1st pari pasu charge by way of hypothecation of entire current assets (under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz FBWC, CC, PCFC, FOBP, FOUPB, FABC etc. granted by the bank.

The above facilities are further under Collateral Securities: (i) company's property at survey no 155 / paiki mouje Lodariyal Village, Sanand, Dist. Ahmedabad (ii) company's property at Plot No.17, Orchid Greens, Sanand, Ahmedabad (iii) Hypothecation of company's Plant & Machinery located at S No.155/paiki of khata no.447 of Village Lodariyal Dist: Sanand, Ahmedabad.

The above facilities are further Collaterally Secured by Factory Land & Building at survey no 122, Kukrana road, Harij, Patan owned by Farpoint Enterprise LLP (subsidiary company).

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s. Farpoint Enterprise LLP

- 21.5** **COLLATERAL SECURITIES** for both Working capital facilities of Rs. 19548 Lakhs granted by SBI Consortium and Term Loan of Rs 250 Lakhs granted by SBI: Total limit Rs.19798 Lakhs. As per sanction terms, charge on following collateral securities to be created

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd...)

#### 21.6 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets:

##### Current Reporting Period

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-22	Working Capital Lenders*	Inventory	6,014.08	6,176.02	(161.94)	Refer note below
Jun-22	Working Capital Lenders*	Trade Receivable	5,832.68	4,987.23	845.45	
Jun-22	Working Capital Lenders*	Advance to Suppliers	2,284.91	2,795.28	(510.37)	
Jun-22	Working Capital Lenders*	Trade Payable	1,079.66	479.72	599.94	
Jun-22	Working Capital Lenders*	Advance from Customers	98.24	45.92	52.32	
Sep-22	Working Capital Lenders*	Inventory	5,082.02	3,626.56	1,455.46	
Sep-22	Working Capital Lenders*	Trade Receivable	7,128.14	7,027.35	100.79	
Sep-22	Working Capital Lenders*	Advance to Suppliers	3,031.79	2,516.51	515.28	
Sep-22	Working Capital Lenders*	Trade Payable	591.54	95.87	495.67	
Sep-22	Working Capital Lenders*	Advance from Customers	60.53	19.70	40.83	
Dec-22	Working Capital Lenders*	Inventory	6,049.54	6,091.92	(42.38)	
Dec-22	Working Capital Lenders*	Trade Receivable	18,077.65	17,130.99	946.66	
Dec-22	Working Capital Lenders*	Advance to Suppliers	494.06	432.30	61.76	
Dec-22	Working Capital Lenders*	Trade Payable	9,013.14	8,017.91	995.23	
Dec-22	Working Capital Lenders*	Advance from Customers	93.60	105.32	(11.72)	
Mar-23 #	Working Capital Lenders**	Inventory	6,893.83	7,808.62	(914.79)	
Mar-23 #	Working Capital Lenders**	Trade Receivable	16,168.04	12,408.80	3,759.24	
Mar-23 #	Working Capital Lenders**	Advance to Suppliers	3,916.81	4,222.45	(305.64)	
Mar-23 #	Working Capital Lenders**	Trade Payable	3,185.04	3,212.06	(27.02)	
Mar-23 #	Working Capital Lenders**	Advance from Customers	48.06	39.51	8.55	

\* PNB, HDFC, SBI are represented as working capital lenders

\*\* SBI, PNB, HDFC & Canara are represented as Working Capital lenders under consortium banking arrangement

#### Reason for material differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received / given from / to customers / vendors. Further the company consolidates more than one account of the same party lying in different groups / classifications.
- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software / system. however at the quarter end company identify the value of inventory based on accounting policy adopted by the company.
- Differences in value of inventory / party balances arises due to inward / outward goods in transit, rejection of goods, etc. Which is accounted in books as Per the accounting policy and cut off procedure adopted by the company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.
- # Company has filed provisional return as on 28 March 2023 with banks for quarter ended 31 March 2023, as per due date.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd...)

#### 21.6 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets:

##### Previous Reporting Period

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-21	Working Capital Lenders*	Inventory	3,675.63	4,367.63	(692.00)	Refer note below
Jun-21	Working Capital Lenders*	Trade Receivable	3,473.23	3,313.24	159.99	
Jun-21	Working Capital Lenders*	Advance to Suppliers	1,024.43	1,586.66	(562.23)	
Jun-21	Working Capital Lenders*	Trade Payable	492.13	173.88	318.25	
Jun-21	Working Capital Lenders*	Advance from Customers	145.94	156.50	(10.56)	
Sep-21	Working Capital Lenders*	Inventory	4,704.32	4,744.86	(40.54)	
Sep-21	Working Capital Lenders*	Trade Receivable	3,532.19	2,588.90	943.29	
Sep-21	Working Capital Lenders*	Advance to Suppliers	532.78	1,335.15	(802.37)	
Sep-21	Working Capital Lenders*	Trade Payable	416.65	86.78	329.87	
Sep-21	Working Capital Lenders*	Advance from Customers	173.36	38.76	134.60	
Dec-21	Working Capital Lenders*	Inventory	11,077.31	11,559.33	(482.02)	
Dec-21	Working Capital Lenders*	Trade Receivable	2,547.73	2,319.51	228.22	
Dec-21	Working Capital Lenders*	Advance to Suppliers	577.13	846.45	(269.32)	
Dec-21	Working Capital Lenders*	Trade Payable	2,202.60	2,111.52	91.08	
Dec-21	Working Capital Lenders*	Advance from Customers	290.90	115.81	175.09	
Mar-22 #	Working Capital Lenders*	Inventory	11,815.15	11,897.19	(82.04)	
Mar-22 #	Working Capital Lenders*	Trade Receivable	5,130.59	3,888.86	1,241.73	
Mar-22 #	Working Capital Lenders*	Advance to Suppliers	309.49	1,442.82	(1,133.33)	
Mar-22 #	Working Capital Lenders*	Trade Payable	3,807.49	1,592.57	2,214.92	
Mar-22 #	Working Capital Lenders*	Advance from Customers	763.58	782.77	(19.19)	

\* PNB, HDFC, SBI are represented as working capital lenders

#### Reason for material differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from / to customers/vendors. Further the Company consolidates more than one account of the same party lying in different groups/classifications.
- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/system. However at the quarter end company identify the value of inventory based on accounting policy adopted by the company.
- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.
- # Company has filed provisional return as on 26 March 2022 with banks for quarter ended 31 March 2022, as per due date.



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 22 - Short Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Maturities of Long Lease Liabilities	148.84	133.49
<b>Total</b>	<b>148.84</b>	<b>133.49</b>

Refer Note No. 46

### Note - 23 - Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Outstanding dues of Micro Enterprise and Small Enterprise	-	-
Total Outstanding dues of Creditor of other than Micro Enterprise and Small Enterprise	6,878.49	4,286.24
<b>Total</b>	<b>6,878.49</b>	<b>4,286.24</b>

#### Note : Trade Payables ageing Schedule (Refer Note No. 54)

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
• Principal amount due to micro and small enterprise	-	-
• Interest due on above	-	-
- Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
- Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**Note:** Dues to Micro and Small Enterprises have been Determined to the Extent Such Parties have been Identified on the Basis of Information Collected by the Company. This has been Relied Upon by the Auditors.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 24 - Other Short Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues	38.86	34.32
Payable for Capital Goods	2.47	4.87
Advance from Customers	72.29	1,000.68
Unpaid Dividend	0.37	0.09
Deferred Income	-	49.32
<b>Total</b>	<b>113.99</b>	<b>1,089.28</b>

### Note - 25 - Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Expenses / Interest not due	16.56	4.91
Provision for Employee Benefits (Refer note no 39)		
Gratuity (Unfunded)	5.13	3.70
Leave Encashment	4.60	3.41
<b>Total</b>	<b>26.29</b>	<b>12.02</b>

### Note - 26 - Current Tax Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Income Tax [net of prepaid taxes]	-	3.00
<b>Total</b>	<b>-</b>	<b>3.00</b>

### Note - 27 - Revenue From Operations

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Sale of Products</b>		
Export Sales	32,847.77	18,869.50
Domestic Sales	107,399.68	108,494.26
<b>Sale of Services</b>		
Sale of Services	357.52	261.53
<b>Other Operating Revenue</b>		
Export Incentive Income	127.26	100.30
Net Contract Gain Income	1,778.85	167.02
Others	8.50	2.04
<b>Total</b>	<b>142,519.58</b>	<b>127,894.65</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 28 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income	141.70	271.80
<b>Other Non-Operating Income</b>		
Gain on Foreign Exchange Fluctuation (Net)	135.69	75.33
Gain on Lease Termination (Net)	-	11.74
Corporate Guarantee Commission Income	-	1.01
Profit on Sale of Asset	-	-
Income from Investment Activities	13.23	6.80
Other Non-Operating Income	233.83	60.70
<b>Total</b>	<b>524.45</b>	<b>427.38</b>
<b>28.1 Interest Income Comprises:</b>		
Interest on Loans and Advances	19.07	64.89
Interest from Banks on Deposit	35.60	47.27
Interest from Trade Receivables / Advances	-	4.45
Interest from Delayed Supply of Goods	76.31	136.30
Interest on Income Others	0.09	1.74
Interest on Income Tax Refund	1.07	9.06
Interest Income - Amortisation	9.56	8.09
<b>Total</b>	<b>141.70</b>	<b>271.80</b>
<b>28.2 Income from Investment Activities Comprises:</b>		
Dividend Income	0.89	4.50
Gain on Mutual Fund	12.34	2.30
<b>Total</b>	<b>13.23</b>	<b>6.80</b>
<b>28.3 Other Non Operating Income Comprises:</b>		
Sale of Scrap	9.84	1.93
Management Consultancy Income	-	1.23
Lease Rental Income	23.68	32.17
Sundry Balances Written Off / (Written Back)	164.93	-
Other Income	35.38	25.37
<b>Total</b>	<b>233.83</b>	<b>60.70</b>

### Note - 29 - Cost Of Materials Consumed

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock at the beginning of the year	6,945.90	2.48
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	45,137.26	75,378.92
Less : Closing Stock at the end of the year	(931.35)	(6,945.90)
<b>Total</b>	<b>51,151.81</b>	<b>68,435.50</b>

### Note - 30 - Purchase of Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Purchases and Incidental Expenses (Net of returns, claims/discount, if any)	81,813.72	56,553.18
<b>Total</b>	<b>81,813.72</b>	<b>56,553.18</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 31 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Opening Stock</b>		
Work-in-Progress	581.87	826.05
Finished Goods / Stock-in Trade	4,068.25	1,198.30
Less: Relating to Subsidiary Disposed Off on 01-04-2022	(37.84)	-
	<b>4,612.28</b>	<b>2,024.35</b>
<b>Closing Stock</b>		
Work-in-Progress	628.76	581.87
Finished Goods / Stock-in Trade	2,919.33	4,068.25
	<b>3,548.09</b>	<b>4,650.12</b>
<b>Total</b>	<b>1,064.19</b>	<b>(2,625.77)</b>

### Note - 32 - Employee Benefit Expenses (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, Wages and Bonus	626.67	595.93
Contributions to Provident and Other Funds	27.67	26.68
Gratuity and Leave Encashment (net of reversals, if any)	32.79	34.26
Staff Welfare Expenses	51.78	48.34
<b>Total</b>	<b>738.91</b>	<b>705.21</b>

Refer Note No. 39

### Note - 33 - Finance Costs (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Interest expense:</b>		
On Fixed Loans from Banks	114.00	121.51
On CC & Other Working Capital Borrowing	1,012.76	671.08
On Other Borrowing	41.63	73.59
Unwinding of Discount on Lease	161.03	155.08
Other Finance Cost	49.38	33.05
<b>Total</b>	<b>1,378.80</b>	<b>1,054.31</b>

### Note - 34 - Depreciation & Amortisation Expenses (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Property, Plant and Equipments	189.03	174.66
Depreciation on Right of Use Assets	220.61	199.46
Amortisation of Intangible Assets	2.80	1.33
<b>Total</b>	<b>312.44</b>	<b>375.45</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 35 - Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Manufacturing &amp; Service Cost</b>		
Power & Fuel	1,215.09	949.94
Loading-Unloading Expenses	190.12	188.61
Factory Consumables	425.41	283.15
Other Factory Expenses	57.48	23.17
Godown / Storage Tank Rent	3.24	6.77
Job Work Expenses	13.23	-
Repair & Maintenance - Plant & Machinery	53.70	75.46
Repair & Maintenance - Building	1.65	9.99
Repair & Maintenance - Others	5.88	2.98
Raw Material (Commodity) Hedging Cost	0.01	-
Packing Expenses	332.84	109.96
<b>Total Manufacturing &amp; Service Cost</b>	<b>2,298.65</b>	<b>1,650.03</b>
<b>Administration, Selling &amp; Other Expenses</b>		
Business Promotion Expenses	9.19	48.07
Brokerage Expenses	5.20	4.88
Bank Charges	91.05	60.93
Cash Discount	49.96	15.03
Conveyance Expense	11.38	5.97
Donation	0.11	0.15
Electricity Expenses	7.68	12.27
Testing Fees	3.04	10.01
Legal Expenses	68.19	67.69
Director Sitting Fees	8.38	8.37
Legal and Professional Consultancy Fees	152.37	122.22
Payment to Statutory Auditors	11.93	11.00
Outwards Freight / Loading, Unloading & Handling Expenses	1,133.26	516.31
Other Expenses	-	0.06
Exchange / Listing Expenses	4.63	4.66
Sales Commission Expenses	46.28	55.10
Office Expenses	39.52	30.64
Postage & Courier Expenses	3.96	1.59
Printing & Stationery Expenses	7.58	6.55
Rates & Taxes	6.52	14.76
GST Expenses	94.34	1.47
Lease Rent Expenses	18.14	20.71
Godown / Storage Tank Rent	27.17	11.62
Repair & Maintenance - Building	4.14	2.53
Repair & Maintenance - Others	8.93	5.57
Insurance Expenses	56.53	49.79
Telecommunication Expenses	6.11	5.28
Travelling Expenses	52.74	5.84
Provision for Doubtful Debt	81.73	271.75
Corporate Social Responsibility Expenses (Refer Note No 45)	11.71	10.37
Misc. Expenses	6.17	12.35
Exchange Rate Difference Loss	46.83	-
Loss Distributed by LLP (Subsidiary)	-	52.16
Export Expenses (C&F, Commission and Others)	548.49	548.76
<b>Total Administration, Selling &amp; Other Expenses</b>	<b>2,623.26</b>	<b>1,994.46</b>
<b>Total</b>	<b>4,921.91</b>	<b>3,644.49</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 35 - Other Expenses (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Payment to Statutory Auditors Audit Fees	11.93	11.00
<b>Total</b>	<b>11.93</b>	<b>11.00</b>

### Note - 36 - Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Net Gain/(Loss) Due to Consolidation, On Disposal of Subsidiary	(55.29)	270.24
<b>Total</b>	<b>(55.29)</b>	<b>270.24</b>

### Note - 37 - Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Tax Expenses	31.81	195.87
Deffered Tax Expenses/(Reversal)	300.17	(91.66)
Tax in Respect of Earlier Years/(Reversal)	5.34	(15.77)
<b>Total</b>	<b>337.32</b>	<b>88.44</b>

### Note - 38 - Earnings Per Share

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit After Tax (Rs. in Lakhs)	1,269.64	361.46
Weighted Average Number of Shares Outstanding (Basic)	133,516,191	125,560,000
Weighted Average Number of Shares Outstanding (Diluted)	141,887,856	127,780,000
Nominal Value per Share (Rs.) (PY #)	2.00	2.00
Basic Earning per Share (Rs.)	0.98	0.29
Diluted Earning per Share (Rs.)	0.90	0.28

# Post effect of share split - Refer Note No. 15.4

### Note - 39 - Employee Benefits

The Company has the following post-employment benefit plans:

#### A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under:

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employer's contribution to provident fund	23.74	23.07

#### B. Defined Benefit Plans :

##### Gratuity (Unfunded) :

- (i) The Company / Group administers its employees gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans :

##### Gratuity (Unfunded) :

(ii) Gratuity Benefits in India are Governed by the Payment of Gratuity Act, 1972. The Key Features are as Under:

Benefits Offered	: 15 / 26 X Salary X Duration Of Service
Salary Definition	: Basic Salary Including Dearness Allowance (If Any)
Benefit Ceiling	: Benefit Ceiling Of Rs. 20 Lakhs (Not Applied)
Vesting Conditions	: 5 Years Of Continuous Service (Not Applicable In Case Of Death/ Disability)
Benefit Eligibility	: Upon Death Or Resignation Or Withdrawal Or Retirement
Retirement Age	: 58, 60, 62 Or 65 Years

(iii) Risks Associated to the Defined Benefit Plan of Gratuity:

- Investment / Interest Risk:** The present value of defined benefit plan liability is calculated using discount rate determined with reference to market yield on government bonds denominated in Indian rupees. A decrease in the bond interest rate will increase the plan liability.
- Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
- Legislative Risk:** Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Changes in Present Value of Benefit Obligations</b>		
Present Value of Benefit Obligations (Opening)	17.61	11.01
Current Service Cost	13.68	10.47
Interest Cost	1.29	0.73
Benefits Paid	-	-
Actuarial Losses/ (Gains)	(4.52)	(4.07)
Other Adjustment (Disposal of Subsidiary)	-	(0.53)
<b>Present Value of Benefit Obligation (Closing)</b>	<b>28.05</b>	<b>17.61</b>
<b>Bifurcation of Actuarial Losses/ (Gains)</b>		
Actuarial Losses / (Gains) Arising from Change in Financial Assumptions	(1.43)	(0.58)
Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions	-	-
Actuarial Losses / (Gains) Arising from Experience Adjustments	(3.09)	(3.49)
<b>Actuarial Losses / (Gains)</b>	<b>(4.52)</b>	<b>(4.07)</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	5.13	3.70
Non-Current – Amount due after one year	22.92	13.91
<b>Total</b>	<b>28.05</b>	<b>17.61</b>
<b>Expected Benefit Payments in Future Years</b> (Projections are for current members and their currently accumulated benefits)		
Year 1	5.13	3.70
Year 2	2.16	1.01
Year 3	2.41	1.03
Year 4	1.12	1.30
Year 5	1.48	0.48
Year 6 and Above	15.76	10.08

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans: (Contd...)

##### Gratuity (Unfunded): (Contd...)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions</b>		
Discount Rate - 1 Percent Increase	25.54	15.91
Discount Rate - 1 Percent Decrease	31.06	19.67
Salary Escalation Rate - 1 Percent Increase	31.04	19.65
Salary Escalation Rate - 1 Percent Decrease	25.52	15.90
Withdrawal Rate - 1 Percent Increase	28.12	17.59
Withdrawal Rate - 1 Percent Decrease	27.97	17.62
<b>Amounts recognized in Balance Sheet</b>		
Present Value of Benefit Obligation as at beginning of the year	17.61	11.01
Present Value of Benefit Obligation as at end of the year	28.05	17.61
<b>Amounts recognized in Statement of Profit and Loss</b>		
Current Service Cost	13.68	10.47
Interest Cost	1.29	0.73
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in the Year (OCI)	(4.52)	(4.07)
<b>Expenses Recognized in Statement of Profit and Loss</b>	<b>10.45</b>	<b>7.13</b>
<b>Actuarial Assumptions</b>		
Discount Rate (%) (Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees)	7.30%	6.80%
Salary Escalation Rate (%) (Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market)	7.00%	7.00%
Retirement Age	60	60
Attrition Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

#### C. Other Long-Term Employee Benefits

##### Leave Encashment (Unfunded):

(i) The value of obligation is determined based on Company's leave policy. The key features are as under:

Salary for Encashment	: Gross Salary
Salary for Availment	: Cost to Company
Benefit Event	: Death or Resignation or Retirement

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	4.60	3.41
Non-Current – Amount due after one year	26.86	15.23
<b>Total</b>	<b>31.46</b>	<b>18.64</b>
<b>(ii) Amounts recognized in Balance Sheet</b>		
Benefit Obligation as at beginning of the year	18.64	13.23
Benefit Obligation as at closing of the year	31.46	18.64
<b>(iii) Amounts recognized in Statement of Profit and Loss</b>		
Expenses recognized in Statement of Profit and Loss	18.04	23.06



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 40 - Contingent Liabilities and Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts:	NIL	NIL
b) Corporate Guarantees given to Banker's of foreign subsidiary company (Mangalam Global (Singapore) Pte. Ltd.) (MG SPL)	4,933.01	4,548.43
<b>(II) Capital Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	NIL	NILL

During the year, subsequent to the approval of the Resolution Plan, the Income tax department has initiated reassessment proceedings for Assessment Year 2019-20 under section 147/ 148 of the Income Tax Act, 1961 in the name of HMIPL. The company has challenged the action of the income tax department by way of special civil application before the Hon'ble Gujarat High Court seeking to quash the said action and has also requested for an ad interim relief to stay the proceedings till the disposal of the company's petition. The company has been advised that the action of the income tax authorities is not in accordance with the law and accordingly the company does not anticipate any liability in this regard.

### Note - 41 - Operating Segment Information

(a) The Group has identified "Agro based commodities" viz edible/non-edible oil/seeds and its derivatives, rice, wheat and other agro commodities, which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

#### (b) Geographical Information

The geographical information analyses of the Group's revenues and non-current assets by the holding company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

#### (I) Total Operating Revenue(\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	109,663.33	109,025.15
Other Countries	32,856.25	18,869.50

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Group's revenue.

#### (II) Non-current assets(\*\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	6,754.67	3,823.47
Other Countries	786.60	0.67

(\*\*) (Excluding financial instruments and tax assets).

### Note - 42

Forensic audit of the Company with regard to the financial statement of the Company in context with the disclosure of financial information and the business transactions initiated by SEBI during the year is still ongoing. The Company has been continuously co-operating with the authority in this regard by providing the details being sought from the Company.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

#### Current Reporting Period:

Particulars	Borrower	in favour of	Description of facility
<b>(A) Property Plant &amp; Equipment (MGEL)</b>			
1			
1 Office No. 201, Setu Complex, Ahmedabad.	Mangalam Global Enterprise Limited	PNB Investment Services Limited	Various Working Capital Facilities & Working Capital Term Loan GECL
2 Plot No.31, The Samast Brahmkshatriya Chs, Chandranagar, Paldi, Ahmedabad	(MGEL)	as "Security Trustee".	(Refer Note 17 And 21)
3 P.No. C-4-B, Prathana Upavan Chs, Ahmedabad Jointly Owned By Company With M/S Specific Worldwide LLP.		SBI , HDFC Bank, PNB, & Canara Bank	
4 Plot no. 17, Orchid Greens, Gokuldharm, Near Sanand Circle, Sanand, Ahmedabad.			
5 Factory Land & Building Situated at new survey no. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.			
6 Plant & Machinery located at new survey no.155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.			
7 Factory Land & Building bearing Survey/Block No. 1025/3, admeasuring about 40266 sq. mts., paiki northern side admeasuring about 22461 sq. mts. together with construction standing thereon of mouje & Taluka: Kapadvanj, District: Kheda,			
8 NA Land at Sub –Plot No. 6, admeasuring about 4289.20 sq. mts., together with construction standing thereto in the "Kapdwanj Industrial Estate" of Gujarat Industrial Development Corporation situated upon non-agricultural lad bearing Survey Nos. 1035/P and 1039/P of mouje & Taluka: Kapadvanj, District: Kheda,			
9 Exisiting Palnt & Machinery of Kapadvanj plant acquired by Mangalam Global Enterprise Limited			

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

#### Current Reporting Period: (Contd.)

Particulars	Borrower	in favour of	Description of facility
<p>2</p> <p>1. Bungalow No-A- 1 Shakti Nagar, plot area admeasuring about 397.30 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built up are in the the scheme as known as “Shakti Nagar society” constructed on non-agricultural residential land bearing survey no. 190/1,190/2, 190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.</p> <p>2. Bungalow No-A- 2 Shakti Nagar, plot area admeasuring about 318.50 sq.mtrs and construction admeasuring 167.55 sq.mtrs. super built-up area in the scheme as known as “Shakti Nagar society” constructed on non-agricultural residential land bearing survey no. 190/1, 190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</p> <p>3. Bungalow No-A- 3 Shakti Nagar, plot area admeasuring about 315.50 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as “Shakti Nagar society” constructed on non-agricultural residential land bearing survey no. 190/1, 190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj,</p> <p>4. Bungalow No-A- 4 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as “Shakti Nagar society” constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</p>	Mangalam Global Enterprise Limited (MGEL)	ICICI bank Ltd:	Loan Against Property

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

#### Current Reporting Period: (Contd.)

Particulars	Borrower	in favour of	Description of facility
<b>3</b> 1. Bungalow 8-B Triveni Park, (Tenament No. 6/36/8/B) plot area admeasuring about 475 and construction admeasuring 83 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj. 2. Bungalow 8-A Triveni Park, (Tenament No. 6/36/7/B) plot area admeasuring about 416.57 and construction admeasuring 95.01 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj	Mangalam Global Enterprise Limited (MGEL)	ICICI bank Ltd	Loan Against Property
<b>(B) Moveable Property (MGEL)</b> Commercial vehicle (JCB)	Mangalam Global Enterprise Limited (MGEL)	HDFC Bank Ltd	Auto Loan
<b>(C) Stock/Bookdebt/Current Asset (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	PNB Investment Services Limited as "Security Trustee". SBI , HDFC Bank, PNB & Canara Bank	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)  Working capital facilities are secured by Pari passu first charge by way of hypothecation over entire current assets of the Company
<b>(D) Bank FDR / Liquid Securities (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	PNB Investment Services Limited as "Security Trustee". SBI , HDFC Bank, PNB & Canara Bank	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>(E) Trade Receivable / Advances (Trust Receipts) / Fixed Deposit Receipts (MGSPL)</b>	Mangalam Global (Singapore) Pte. Ltd. (MGSPL)	Banks at Singapore	Invoice Discounting etc (Refer Note 21)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

#### Previous Reporting Period

Particulars	Borrower	in favour of	Description of facility
<b>(A) Property Plant &amp; Equipment (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	HDFC Bank Ltd	Various working capital facilities & Working Capital Term loan GECL (Refer Note 17 and 21)
<b>1</b> (i) Office No. 201, Setu Complex, Ahmedabad. (ii) Plot No.31, The Samast Brahmkshatriya CHS, Chandranagar, Paldi, Ahmedabad			
<b>2</b> (i) P.No. C-4-B, Prathana Upavan CHS, Ahmedabad jointly owned by company with M/S Specific Worldwide LLP.		Punjab National Bank Limited	Various working capital facilities & Working Capital Term Loan GECL & CECF (Refer Note 17 and 21)
<b>3</b> (i) Plot No. 17, Orchid Greens, Gokuldharm, Near Sanand Circle, Sanand, Ahmedabad. (ii) Factory Land & Building Situated at new Survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad. (iii) Plant & Machinery located at new Survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.		State Bank Of India	Various working capital facilities & Working Capital (Refer Note 17 and 21)
<b>(B) Stock/Bookdebt/Current Asset (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	HDFC Bank Ltd  Punjab National Bank Limited State Bank of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)  Working capital facilities sanctioned by HDFC Bank, PNB, & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank).
<b>Bank FDR / Liquid Securities (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	Punjab National Bank Limited	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>Bank FDR / Liquid Securities (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	State Bank of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>Trade Receivable / Advances (Trust Receipts) / Fixed Deposit Receipts (MGSPL)</b>	Mangalam Global (Singapore) Pte. Ltd. (MGSPL)	Banks at Singapore	Invoice Discounting etc (Refer Note 21)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 “Related Party Disclosures” has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

#### A. List of Related Parties :

##### (i) Key Managerial Personnel (‘KMP’):

##### (a) Holding Company

Vipin Prakash Mangal	Chairman
Chanakya Prakash Mangal	Managing Director
Chandragupt Prakash Mangal	Managing Director
Chandravijay Arora	Whole Time Director (w.e.f 4th August 2022) Chief Financial Officer (w.e.f 7th February 2023)
Ashutosh Mehta	Chief Financial Officer (Upto 6th February 2023)
Vrunda Patel	Company Secretary (Upto 5th December 2022)
Dashang Manharlal Khatri	Company Secretary (w.e.f 5th December 2022)

##### Independent Directors:

Praveen Gupta
Sarika Sachin Modi
Madhusudan Garg (Upto 5th August 2022)
Shubhang Mittal
Anil Agrawal
Vasha Adhikari (w.e.f 10th September 2022)

##### (b) Mangalam Global (Singapore) Pte. Ltd

Vipin Prakash Mangal	Director
Chanakya Prakash Mangal	Director
Chandragupt Prakash Mangal	Director
Fok Chee Khuen	Director
Soon Kwai Ying	Secretary

##### (c) Mangalam Global (UK) Limited

Vipin Prakash Mangal	Director
Chandragupt Prakash Mangal	Director

##### (d) Rajgor Castor Derivatives Private Limited (Upto 31st December, 2021) (Formerly known as Hindprakash Castor Derivatives Private Limited)

Chanakya Prakash Mangal	Director
Chandragupt Prakash Mangal	Director
Brijeshkumar Vasantlal Rajgor	Director

##### Independent directors:

Anil Agrawal
Madhusudan Garg

##### (e) Farpoint Enterprise LLP (Upto 31st March, 2022)

Vipin Prakash Mangal	Desingnated Partner
Chandragupt Prakash Mangal	Desingnated Partner
Chanakya Prakash Mangal (representing Mangalam Global Enterprise Limited)	Desingnated Partner

##### (f) Others:

Rashmi Mangal	} Relatives of key managerial personnel
Hemlata Mangal	
Vasant A Mehta (upto 6th Feb 2023)	
Om Prakash Mangal	

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### A. List of Related Parties : (Contd...)

##### (ii) Others: (Contd...)

Mangalam Worldwide Limited (Formerly known as Mangalm Worldwide Private Limited)	}	Enterprise over which key managerial personnel or close member of their family exercise control
Mangalam Dura Jet Technologies Private Limited		
Mangalam Multi Businesses Private Limited		
Mangalam ECS Environment Private Limited (Formerly Known as ECS Environment Private Limited)		
Farpoint Enterprise LLP (w.e.f 1st April, 2022)		
Paradisal Trade LLP		
Specific Worldwide LLP		
Shirshak Exim LLP		
Mangalam Saarloh Private Limited		
Mangalam Finserv Private Limited		
Mangalam Logistics Private Limited		
Nitex Enterprise LLP		
<hr/>		
Effervescent Tradeworld LLP	}	Relatives of key managerial personnel (upto 31st December, 2021)
Anilkumar Vasudev Rajgor		
Induben Vasantkumar Rajgor		
Jagrutiben Pareshkumar Rajgor		
Kiranben Maheskumar Rajgor		
Maheshkumar Shankarlal Rajgor		
Pareshkumar Vasudev Rajgor		
Rahul Vasudev Rajgor		
Shankarlal Rajgor		
Vasantkumar Shankarlal Rajgor		
Zenishaben Anilkumar Rajgor		
<hr/>		
Vasudev Rajgor	}	Enterprise over which key managerial personnel or close member of their family exercise control (upto 31st December, 2021)
Dev Cotton Industries		
Om Oil Industries Rajgor Castor Private Limited		

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### B. Details of Related Party Transactions During the year:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Enterprise over which KMP Exercise Significant Influence		Relatives of Key Managerial Personnel	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale of Products / Services	-	-	9,025.36	1,664.48	-	-
Net Gain of Contract Settlement	-	-	851.10	1.21	-	-
Other Income	-	-	-	39.95	-	-
Interest Income	-	-	13.54	78.61	-	-
Lease Rent Income	-	0.21	-	0.21	-	4.32
Purchase of Products / Services	-	-	14,268.17	1,418.10	-	-
Lease Rent Expense	18.69	20.66	-	-	-	0.12
Consultancy Fees	-	-	-	-	6.00	5.40
Interest Expense	34.37	38.99	-	0.21	-	3.52
Loan and Advances (Net of Reypayment)	-	-	-	255.75	-	-
Borrowings (Net of Reypayment)	2,328.21	(5.72)	-	1.81	-	-
Director Sitting Fees	6.63	6.81	-	-	-	-
Compensation Paid	22.05	28.49	-	-	4.00	23.55
Rent Deposit (Net of Refund)	-	0.32	-	(0.08)	-	-
Redemption of Investment	-	-	396.00	-	-	-
Issue of Convertible Warrants/ Allotment money received against Convertible Warrants (Net of Allotment of Shares on Conversion)	-	365.64	-	-	-	-
Preferential Allotment of Shares (Including Securities Premium)	877.50	-	-	-	-	487.50
Dividend Paid	18.23	-	-	-	-	-

**Note:** Balances below Rs. 500/- denoted as 0.00



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in Respect of Transactions with Related Parties during the year:

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Sale of Products / Services	Farpoint Enterprise LLP	1,601.85	-
	Paradisal Trade LLP	1,353.78	570.54
	Shirshak Exim LLP	1,580.11	885.32
	Mangalam Multi Businesses Private Limited	3,430.21	208.62
	Mangalam Worldwide Limited	128.50	5.57
	Mangalam Dura Jet Technologies Private Limited	930.91	-
Net Gain of Contract Settlement	Paradisal Trade LLP	-	1.21
	Mangalam Dura Jet Technologies Private Limited	438.57	-
	Mangalam Multi Businesses Private Limited	412.53	-
Other Income	Mangalam ECS Environment Private Limited	-	1.23
	Mangalam Worldwide Limited	-	38.72
Interest Income	Mangalam ECS Environment Private Limited	-	1.71
	Shirshak Exim LLP	11.94	26.22
	Mangalam Dura Jet Technologies Private Limited	1.60	10.68
	Paradisal Trade LLP	-	21.36
	Mangalam Worldwide Limited	-	18.64
Lease Rent Income	Brijeshkumar Vasantlal Rajgor #	-	0.21
	Rajgor Castor Private Limited #	-	0.21
	Vasantkumar Shankarlal Rajgor #	-	1.44
	Maheshkumar Shankarlal Rajgor #	-	1.44
	Pareshkumar Vasudev Rajgor #	-	1.44
Purchase of Products / Services	Mangalam Dura Jet Technologies Private Limited	58.40	252.71
	Mangalam ECS Environment Private Limited	0.09	-
	Mangalam Multi Businesses Private Limited	12,714.38	-
	Mangalam Worldwide Limited	2.36	-
	Paradisal Trade LLP	876.92	1,165.39
	Shirshak Exim LLP	616.02	-
Lease Rent Expense	Hemlata Mangal	-	0.12
	Chanakya Prakash Mangal	18.53	19.82
	Chandragupt Prakash Mangal	0.16	0.84
Consultancy Fees	Vasant A Mehta	6.00	5.40
Interest Expense	Chanakya Prakash Mangal	16.55	8.50
	Chandragupt Prakash Mangal	2.56	10.39
	Mangalam Dura Jet Technologies Private Limited	-	0.21
	Paradisal Trade LLP	0.79	-
	Shirshak Exim LLP	0.18	-
	Vipin Prakash Mangal	14.29	20.10
	Rashmi Mangal	-	3.52
Loan and Advances (Net of Repayment)	Mangalam Worldwide Limited	-	905.24
	Paradisal Trade LLP	-	20.00
	Vipin Prakash Mangal	-	10.98
	Vipin Prakash Mangal	-	(10.98)
	Farpoint Enterprise LLP	492.00	-
	Farpoint Enterprise LLP	(492.00)	-
	Mangalam Worldwide Limited	-	(649.49)
	Paradisal Trade LLP	-	(20.00)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in Respect of Transactions with Related Parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Other Receivables (Net of Repayment)	Farpoint Enterprise LLP	492.00	-
	Farpoint Enterprise LLP	(492.00)	-
Borrowings (Net of Repayment)	Mangalam Dura Jet Technologies Private Limited	-	70.00
	Chanakya Prakash Mangal	2,010.00	475.00
	Chandragupt Prakash Mangal	895.00	535.00
	Vipin Prakash Mangal	1,418.00	1,260.70
	Paradisal Trade LLP	-	2.00
	Brijeshkumar Vasantlal Rajgor #	-	176.00
	Mangalam Dura Jet Technologies Private Limited	-	(70.19)
	Chanakya Prakash Mangal	(1,214.43)	(507.06)
	Chandragupt Prakash Mangal	(149.56)	(488.49)
	Vipin Prakash Mangal	(630.80)	(1,456.87)
Director Sitting Fees	Praveen Gupta	1.55	1.40
	Sarika Sachin Modi	1.30	1.33
	Madhusudan Garg	0.60	1.75
	Shubhang Mittal	1.03	1.15
	Anil Agrawal	1.65	1.18
	Varsha Adhikari	0.50	-
Compensation Paid	Ashutosh K Mehta	7.20	6.46
	Chanakya Prakash Mangal	-	5.55
	Chandragupt Prakash Mangal	-	5.55
	Hemlata Mangal	-	6.00
	Rashmi Mangal	-	5.55
	Chandravijay Arora	8.00	-
	Dashang Manharlal Khatri	2.20	-
	Vipin Prakash Mangal	-	5.55
	Vrunda Patel	4.65	5.38
Om Prakash Mangal	4.00	12.00	
Rent Deposit (Net of Refund)	Chanakya Prakash Mangal	-	3.00
	Chanakya Prakash Mangal	-	(3.08)
	Chandragupt Prakash Mangal	-	0.40
Rent Deposit Received (Net of Refund)	Brijeshkumar Vasantlal Rajgor #	-	(0.04)
Rent Deposit Received (Net of Refund)	Rajgor Castor Private Limited #	-	(0.04)
Redemption of Investment Issue of Convertible Warrants /Allotment Money Received against Convertible Warrants (Net of Allotment of Shares on Conversion)	Farpoint Enterprise LLP	396.00	-
	Chanakya Prakash Mangal	-	121.88
	Chandragupt Prakash Mangal	-	121.88
	Vipin Prakash Mangal	-	121.88
Preferential Allotment of Shares (Including Securities Premium) (Includes allotment of shares against convertible warrants)	Chanakya Prakash Mangal	292.50	-
	Chandragupt Prakash Mangal	292.50	-
	Vipin Prakash Mangal	292.50	-
	Rashmi Mangal	-	487.50
Dividend Paid	Mangalam Worldwide Limited	18.05	-
	Vasant A Mehta	0.18	-

# Ceased to be Related Party.

- Notes :**
1. Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
  2. Balances below Rs. 500/- denoted as 0.00

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Borrowings	Chanakya Prakash Mangal	812.88	2.42
	Chandragupt Prakash Mangal	800.27	52.53
	Vipin Prakash Mangal	800.07	0.50
	Paradisaal Trade LLP	-	2.00
Trade Receivables	Mangalam ECS Environment Private Limited	10.81	10.78
	Brijesh Vasantlal Rajgor #	-	0.25
	Rajgor Castor Private Limited #	-	0.25
	Mangalam Worldwide Limited	-	122.49
	Mangalam Multi Businesses Private Limited	969.94	0.17
	Paradisaal Trade LLP	381.47	-
	Shirshak Exim LLP	351.80	194.58
Trade Payables	Paradisaal Trade LLP	-	47.26
	Mangalam Worldwide Limited	2.36	-
	Praveen Gupta	1.55	-
	Sarika Sachin Modi	1.30	-
	Madhusudan Garg	0.60	-
	Shubhang Mittal	1.03	-
	Anil Agrawal	1.65	-
	Varsha Adhikari	0.50	-
Advance to Suppliers	Mangalam Multi Businesses Private Limited	206.32	-
	Dev Cotton Industries (Capital Goods) #	-	8.90
Investments	Mangalam ECS Environment Private Limited	242.55	242.55
Rent Deposit Given	Chanakya Prakash Mangal	3.00	3.00
	Chandragupt Prakash Mangal (Nominee of Hemlata Mangal)	0.06	0.06
Other Current Assets / Receivables	Vipin Prakash Mangal	-	0.07
	Chandragupt Prakash Mangal	-	0.07
Guarantee by Related Party to Company's Bankers	<b>SBI Consortium</b>	19,798.00	-
	- Vipin Prakash Mangal		
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP	19,798.00	-
	<b>HDFC Bank</b>	-	7,734.00
	- Vipin Prakash Mangal		
- Chandragupt Prakash Mangal			

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances (Contd.)

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Guarantee by Related Party to Company's Bankers	<b>Punjab National Bank</b>		
	- Vipin Prakash Mangal	-	2,709.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP	-	2,709.00
	<b>State Bank of India</b>	-	2,500.00
	- Vipin Prakash Mangal		
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		

# Ceased to be Related Party.

- Notes :** 1. Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.  
2. Balances below Rs. 500/- denoted as 0.00

#### E. Breakup of compensation paid to key managerial personnel

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<b>Shot-Term Employee Benefits</b>		
Vipin Prakash Mangal	-	5.55
Chanakya Prakash Mangal	-	5.55
Chandragupt Prakash Mangal	-	5.55
Chandravijay Arora	8.00	-
Ashutosh Mehta	7.20	6.46
Dashang Manharlal Khatri	2.20	-
Vrunda Patel	4.65	5.38

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Consolidated Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

- F. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

### Note - 45 - Corporate Social Responsibility ('CSR') Expenses

Based on the guidance note on accounting for expenditure on corporate social responsibility activities (CSR) issued by the institute of chartered accountants of india and Section 135 of the Companies Act, 2013, read with rules made thereunder, expenditure incurred by the Company on CSR activities is as follows:

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note - 45 - Corporate Social Responsibility ('CSR') Expenses (Contd.)

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
1. Amount Required to be Spent by the Company during the Year	11.70	9.90
2. Amount of Expenditure Incurred:		
<b>Nature of CSR Activities:</b>		
Promoting Healthcare Including Preventive Health Care	-	4.37
Promoting Activities Related to Animal Welfare	5.51	-
Promoting Activities Related to Yoga & Meditation	6.20	6.00
<b>Total Amount of Expenditure Incurred</b>	<b>11.71</b>	<b>10.37</b>
3. Shortfall at the end of Year	Nil	Nil
4. Total of Previous Years Shortfall	Nil	N.A.
5. Reason for Shortfall	N.A.	N.A.
6. Details of Related Party Transactions in Relation to CSR Expenses	-	-
7. Provision Movement During the Year:		
Opening Provision	-	-
Additions During the Year	11.71	10.37
Utilised During the Year *	(11.71)	(10.37)
Closing Provision #	-	-

\* Represents actual outflow during the year.

# Balance amount required to be transferred to fund specified in Schedule VII on or before 30 September, 2023.

### NOTE – 46 – LEASES (Right of Use Assets)

The Group's significant leasing arrangements are in respect of Land and buildings, Plant & Equipment and office premises taken on lease and license basis.

The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities is 10.00 %.

The break-up of current and non-current lease liabilities is as follows:

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities	148.84	133.49
Non-Current lease liabilities	1412.45	1561.28
<b>Total</b>	<b>1561.29</b>	<b>1694.77</b>

The movement in lease liabilities is as follows:

Particulars	(Rs in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning	1694.77	51.54
Addition during the year	-	1,795.21
Finance cost accrued	161.03	148.69
Payment of lease liabilities	294.51	265.33
Deduction / Reversal During the year	-	35.34
<b>Balance at the end</b>	<b>1561.29</b>	<b>1,694.77</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	295.82	294.53
1-2 Years	309.15	295.82
2-3 Years	312.49	309.15
More than 3 Years	1255.38	1,567.88

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments

#### Financial Risk Management – Objectives and Policies

The Group's financial liabilities mainly comprise the loans and borrowings in foreign as well as domestic currency, money related to capital expenditures, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Group is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The respective Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the respective Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Group's financial performance.

The following disclosures summarize the Group's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Group.

#### A. Financial Assets and Liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Amortised Cost **	FVTPL ***	FVTOCI	Amortised Cost **	FVTPL ***	FVTOCI
<b>Assets Measured At</b>						
Investments	-	63.05	242.55	-	55.12	242.55
Trade Receivables	20,969.31	-	-	7,881.74	-	-
Cash and Cash Equivalent	258.55	-	-	179.73	-	-
Other Bank Balances	883.75	-	-	1,435.07	-	-
Loans	257.56	-	-	38.15	-	-
Other Financial Assets	196.05	-	-	301.30	-	-
<b>Total</b>	<b>22,565.21</b>	<b>63.05</b>	<b>242.55</b>	<b>9,835.99</b>	<b>55.12</b>	<b>242.55</b>
<b>Liabilities Measured At</b>						
Borrowings (Including Current Maturities of Non-Current Borrowings)	23,830.85	-	-	11,993.70	-	-
Trade Payables	6,878.49	-	-	4,286.24	-	-
Lease Liabilities	1,561.29	-	-	1,694.78	-	-
Other Financial Liabilities	128.19	-	-	1,103.48	-	-
<b>Total</b>	<b>32,398.83</b>	<b>-</b>	<b>-</b>	<b>19,078.20</b>	<b>-</b>	<b>-</b>

- (\*\*) Fair Value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.
- (\*\*\*) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

#### Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

#### The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

#### (a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Group. The Group is exposed to long term and short - term borrowings. The Group manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Group has not used any interest rate derivatives.

#### ♦ Exposure to Interest Rate Risk (Rs. in Lakhs)

Particulars	As at	
	31st March, 2023	31st March, 2022
Borrowing bearing fixed rate of interest	2,665.14	347.45
Borrowing bearing variable rate of interest	21,165.71	11,646.25

#### ♦ Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

(Rs. in Lakhs)

Particulars (*)	For the year ended on 31st March, 2023		For the year ended on 31st March, 2022	
Interest Rate – Increase by 50 Basis Points	(105.83)		(58.23)	
Interest Rate – Decrease by 50 Basis Points	105.83		58.23	

(\*) holding all other variable constant. Tax impact not considered.

#### (b) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the respective Company. Considering the volume of foreign currency transactions, the Group has taken certain forward contracts to manage its exposure.

#### ♦ Exposure to Foreign Currency Risk

The Carrying amount of Group's unhedged Foreign Currency denominated monetary items are as follows:

(INR / USD in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	SGD / USD	USD / INR	SGD / USD	USD / INR
	USD	INR	USD	INR
Net Unhedged Assets (Trade Receivables, Other Receivables, Cash and Cash Equivalents, & Loans Given)	0.13	85.20	0.29	105.51
Net Unhedged Liabilities	0.07	-	0.12	62.23
<b>Net Exposure Assets / (Liabilities)</b>	<b>0.06</b>	<b>85.20</b>	<b>0.17</b>	<b>43.28</b>

#### ♦ Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
INR / USD – Increase by 5%		4.26		2.16
INR / USD – Decrease by 5%		(4.26)		(2.16)
USD / SGD – Increase by 5%	0.01		0.01	
USD / SGD – Decrease by 5%	(0.01)		(0.01)	-

(\*) holding all other variable constant. Tax impact not considered.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### (c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Group is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Investments (FVTPL)	63.05	55.12
Investments (FVTOCI)	242.55	242.55

#### C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The respective Management of the Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Entities assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Entities operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial Assets (other than Trade Receivables) that expose the entity to Credit Risk (Gross Exposure): –

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate credit risk	Other financial assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): –

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Low Credit Risk</b>		
Cash and cash equivalents	258.55	179.73
Bank Balances other than above	883.75	1,434.97
Loans	257.56	38.15
Other Financial Assets	113.45	80.33
<b>Moderate/ High Credit Risk</b>		
Other Receivable	82.60	221.07
<b>Total</b>	<b>1,595.91</b>	<b>1,954.26</b>

#### (i) Cash and cash equivalent and bank balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### (ii) Loans and Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### (iii) Trade receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

#### (a) Concentration of trade receivables:

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Details of the such identified concentrations of credit risk are disclosed below:

Party Name	Balance as per book of	(Rs in Lakhs)	
		As at 31st March, 2023	As at 31st March, 2022
Anvex Trade Private Limited	MGEL	1,193.21	-
Bharat Jyoti Dairy Products Ltd	MGEL	1,052.83	-
Kirti Agrovat Ltd	MGEL	1,210.76	-
Mangalam Multi Businesses Private Limited	MGEL	969.94	-
Suguna Foods Private Limited	MGEL	1,377.94	-
Sun Agro Corporation	MGEL	2,524.33	-
Mangalam Global (Singapore) Pte Limited	MGEL	3.70	260.38
Moneta Resource & Consulting Private Limited	MGEL	924.44	524.67
Gokul Agro Resources Limited	MGEL	1.36	694.97
Hindprakash Chemicals Private Limited	MGEL	-	531.94
Parilay Global Enterprise Private Limited	MGEL	1,293.95	606.40
Rajgor Castor Derivatives Private Limited	MGEL	92.38	903.98
Asiatic Colour-Chem Industries Pvt Ltd	MGSP	1,300.50	267.83
Sarf Commodities DMCC	MGSP	61.66	511.50
Elegant Exim Pte Ltd	MGSP	950.80	953.24
SPG Mining Pte Ltd	MGSP	2,111.64	-

#### (iv) Expected credit losses:

##### Expected credit loss for trade receivables and other receivables under simplified approach:

The Entities recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the entities has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The entities compute credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate.

The Provision Matrix at the end of Reporting Period is as Follows:

Particulars	Expected Loss Rate
< 90 Days	-
90 to 120 days	0.30%
120 to 180 days	0.50%
180 to 365 days	1.00%
1 Year to 2 Year	25.00%
2 Year to 3 Year	50.00%
3 Year >	100.00%

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

(Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the reporting period	64.19	2.99
Pursuant to Amalgamation (Refer Note No: 56 & 57)	5,521.46	-
Allowance Measured at Lifetime Expected Credit Losses	145.21	61.20
<b>Balance at the end of reporting period</b>	<b>5730.86</b>	<b>64.19</b>

(Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Other Receivables	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	106.48	-
Pursuant to Amalgamation (Refer Note No: 56 & 57)	33.28	-
Allowance Measured at Lifetime Expected Credit Losses	(75.66)	106.48
<b>Balance at the end of reporting period</b>	<b>64.10</b>	<b>106.48</b>

(Rs in Lakhs)		
Movement in Allowance for Doubtful Advances to Supplier	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Allowance Measured at Lifetime Expected Credit Losses	16.11	-
<b>Balance at the end of Reporting Period</b>	<b>16.11</b>	-

(Rs in Lakhs)		
Movement in Allowance for Doubtful Loans	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Pursuant to Amalgamation (Refer Note No 56 & 57)	26.37	-
Allowance Measured at Lifetime Expected Credit Losses	-	-
<b>Balance at the end of Reporting Period</b>	<b>26.37</b>	-

(Rs in Lakhs)		
Movement in Allowance for Doubtful Security Deposits	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Pursuant to Amalgamation (Refer Note No 56 & 57)	56.08	-
Allowance Measured at Lifetime Expected Credit Losses	-	-
<b>Balance at the end of Reporting Period</b>	<b>56.08</b>	-

#### D. Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### D. Liquidity Risk

The table below analyses financial liabilities of the Group into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

##### ♦ Maturities of Financial Liabilities:

The table below analyses financial liabilities of the Group into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

##### Maturity Table of Financial Liabilities

As at 31st March, 2023

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of Non-Current Borrowing other Long Term Financial Liabilities and excluding Lease Liabilities)	22,198.62	419.56	370.89	855.97	23,845.04
Trade payables	6,878.48	-	-	-	6,878.48
Other Financial Liabilities	113.99	-	-	-	113.99
<b>Total</b>	<b>29,191.09</b>	<b>419.56</b>	<b>370.89</b>	<b>855.97</b>	<b>30,837.51</b>

As at 31st March, 2022

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of Non-Current Borrowing other Long Term Financial Liabilities and excluding Lease Liabilities)	11,127.78	196.48	252.96	430.68	12,007.90
Trade payables	4,286.24	-	-	-	4,286.24
Other financial liabilities	1,089.28	-	-	-	1,089.28
<b>Total</b>	<b>16,503.30</b>	<b>196.48</b>	<b>252.96</b>	<b>430.68</b>	<b>17,383.42</b>

#### E. Capital Management

The Company's capital management objectives are:

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to share holders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

(Rs in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Borrowings	23,830.85	11,993.70
Less: Cash and Cash Equivalents	258.55	179.73
<b>Net Debt (A)</b>	<b>23,572.30</b>	<b>11,813.97</b>
<b>Total Equity (B)</b>	<b>11,441.67</b>	<b>7,966.80</b>
<b>Capital Gearing Ratio (B/A)</b>	<b>0.49</b>	<b>0.67</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 48 - Balance confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

### Note – 49 - Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

### Note – 50 - Disclosure under section 186(4)

Loans given for the purpose of utilizing in the activity of the business (Outstanding Balance as on 31-03-2023): Indo Gum Products Private Limited Rs. 150.00 Lakhs (as on 31-03-2022 Rs. Nil) and Shree Jee Jewellers Rs. 107.56 Lakhs (as on 31-03-2022 Rs. Nil).  
-(MGEL)

### Note – 51 - Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

### Note – 52 -

The consolidated results for the year ended 31st March 2023 are not comparable with that of the previous year, due to following:

#### Divestment / Liquidation of subsidiaries during the year:

Sr.No.	Name of Entity	Nature of Entity	With effect from
1	Hindprakash Castor Derivatives Private Limited	Subsidiary	01st January, 2022
2	Farpoint Enterprise LLP	Subsidiary	01st April, 2022

### Note – 53– Trade Receivables Ageing Schedule

Current reporting period		(Rs. in Lakhs)					
Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	17,617.30	2,766.30	567.08	321.82	5.18	21,277.68
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired (Amalgation – HMIPL)	-	-	-	-	-	5,521.46	5,521.46
	-	<b>17,617.30</b>	<b>2,766.30</b>	<b>567.08</b>	<b>321.82</b>	<b>5,526.64</b>	<b>26,799.14</b>
Less: Allowance for doubtful debts							308.37
Less: Allowance for doubtful Debts (Amalgation – HMIPL)							5,521.46
<b>Trade Receivables</b>							<b>20,969.31</b>
Previous reporting period		(Rs. in Lakhs)					
Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	6,650.89	884.94	339.61	173.44	0.12	8,049.00
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
	-	<b>6,650.89</b>	<b>884.94</b>	<b>339.61</b>	<b>173.44</b>	<b>0.12</b>	<b>8,049.00</b>
Less: Allowance for doubtful debts							167.26
<b>Trade Receivables</b>							<b>7,881.74</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 54– Trade Payables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	263.16	24.19	6,574.83	13.62	0.54	2.15	6,878.49
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-
Previous reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	181.27	21.40	3,831.23	238.20	12.12	2.02	4286.24
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-

### Note – 55– Utilisation of borrowed funds and share premium

As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

### Note – 56– H M Industrial Private Limited (HMIPL) (Corporate Insolvency Resolution Process) - Resolution Plan

Vide order dated 20 September 2022, Hon'ble NCLT Ahmedabad (the adjudicating authority) has allowed, u/s 30(6) of the Insolvency and Bankruptcy Code, 2016 ("IBC, 2016"), the resolution plan submitted by Mangalam Global Enterprise Limited (MGEL) in respect of corporate debtor M/s H. M. Industrial Private Limited (HMIPL) (under Corporate Insolvency Resolution Process (CIRP)).

As per the composite scheme of arrangement submitted along with the approved plan, Steel Division of HMIPL is to be demerged and to be vested into Mangalam Worldwide Limited (MWL) a group company; and HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20 September 2022. Consequently, effect of the scheme including the tax impact has been given in the financial statements in accordance with Ind AS 103 – Business Combinations.

The salient features of the approved Resolution Plan are given below:

#### (a) The liabilities payable under the resolution plan: (Rs. in Lakhs)

Sr. No.	Category of Stakeholder	Amount of Claim Admitted	Amount Payable	Unpaid as on 31st March, 2023
1	Unpaid CIRP Cost	100.00	100.00	Nil
2	Secured Financial Creditors			
	- Bank of Baroda	12,122.92	3,100.00	Nil
	- HDFC Bank	59.53	19.25	Nil
	- Ashv Finance Ltd (Erstwhile Jainsons Finlease Limited)	190.17	2.00	Nil
2	Unsecured Financial Creditors	241.92	5.00	Nil
3a	Non-Related Operational Creditors including Statutory Dues	11,243.30	15.00	Nil
3b	Dues towards Workman/Employees	28.16	10.00	Nil
	<b>Total</b>	<b>23,986.00</b>	<b>3,251.25</b>	<b>Nil</b>

#### (b) The above liabilities were paid as under in accordance with the approved plan: (Rs. in Lakhs)

Sr. No.	Paid / Discharged by	Amount (Rs. In Lakhs)	Unpaid as on 31-03-2023	Remarks
1	MWL	2151.25	Nil	Steel Division
2	MGEL	1100.00	Nil	Remainder including Agro Product Division
	<b>Total</b>		<b>3,251.25</b>	<b>Nil</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 56– H M Industrial Private Limited (HMIPL) (Corporate Insolvency Resolution Process) - Resolution Plan (Contd...)

- (c) On approval of the resolution plan, the suspended board of directors of HMIPL was replaced by MGEL nominees to the effect that HMIPL became an entity under common control.
- (d) The resolution plan inter-alia provides for a composite scheme of arrangement (scheme of arrangement) in the nature of demerger and amalgamation. As per the said scheme of arrangement, Steel Division of HMIPL is demerged and vested into MWL whereas remainder of HMIPL is amalgamated into MGEL.

The Order dated 20 September 2022 of Hon'ble the NCLT Ahmedabad (the adjudicating authority) provides -

- (a) That the approved Resolution Plan shall become effective from the date of passing of the order (20/09/2022).
- (b) That the order of moratorium dated 07/06/2019 passed by the Adjudicating Authority under section 14 of the IBC, 2016 shall cease to have effect from the date of the order.
- (c) That Hon'ble the NCLT has made following observation:

*“18. As far as reliefs and concessions claimed by the Resolution Applicant, the law has been well settled by the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited Vs Edelweiss Asset Reconstruction Company Limited and Ors. Reported in Manu/SC/0273/2021 in the following words:*

- I. “The legislative intent behind this is, to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plan, would go haywire and the plan would be unworkable.*
- II. We have no hesitation to say, that the word “other stakeholders” would squarely cover the central government, any state government or any local authorities. The legislature, noticing that on account of obvious omission, certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendments so as to cure the said mischief...”*

*19. In view of the above we hold that the Resolution Applicant cannot be saddled with any previous claims against the corporate debtors prior to initiation of its CIRP. For the permits, licenses, leases or any other statutory rights vested in the Corporate Debtors shall remain with the Corporate Debtors and for the continuation of such statutory rights, the resolution applicant has to approach the concerned statutory authorities under relevant laws.”*

- (d) In view of (c) above, the Company is not liable for any liability / demand / claim except those specifically admitted as payable as described here-in-before as regards the all kind of previous claims against HMIPL.

### Note – 57- Amalgamation of remaining business of H M Industrial Private Limited (Transferor Company) with Mangalam Global Enterprise Limited (Transferee Company)

As mentioned above HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20 September 2022. Consequently, effect of the scheme including the tax impact has been given in the accounts.

Upon the approved scheme coming into effect, the MGEL has accounted for the amalgamation of the remaining business of Transferor Company (HMIPL) in accordance with “Pooling of Interest Method” of accounting as prescribed in the scheme of arrangement and as laid down in Appendix C of Ind AS-103 (Business combination of entities under common control) as per details given below:

- (a) MGEL has recorded assets and liabilities of the acquired business of HMIPL vested in it pursuant to the scheme, at the carrying value in the same form as appearing in the books of HMIPL.
- (b) The identity of the reserves of the HMIPL has been preserved and has been recorded in the same form and at the same carrying amount.
- (c) Inter corporate deposit / loans and advances / intercompany balances outstanding between MGEL and HMIPL has been cancelled.
- (d) Necessary adjustments/ adjusting entries has been passed to ensure that the merged financial statement reflects the financial position based on consistent accounting policies followed by MGEL.
- (e) The surplus (between the net assets acquired and cancellation of share capital of the acquired entity (in this case - Nil) has been credited to other equity (Amalgamation Reserve).
- (f) The financial information in the financial statements in respect of prior periods is not restated since the HMIPL has become 'entity under common control' during the financial year.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 57- Amalgamation of remaining business of H M Industrial Private Limited (Transferor Company) with Mangalam Global Enterprise Limited (Transferee Company) (Contd...)

- (g) The amalgamation has taken place with effect from the appointed date and in accordance with the provisions of section 2(1B) of the Income tax act 1961.
- (h) Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the scheme at the following summarised values:

Particulars	As at 20th September 2022
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Property Plant & Equipment	544.43
Financial Assets	
- Investments (Net of Impairment in Value of Investments)	-
- Other Financial Assets (Net of Allowance for doubtful Security Deposits)	-
Other Tax Assets (Net) (Net of Impairment Reserve)	-
Deferred Tax Assets (Net)	1976.52
<b>Total Non-Current Assets</b>	<b>2520.95</b>
<b>Current Assets</b>	
Financial Assets	
- Trade Receivables (Net of Allowance for Credit Impaired)	-
- Cash and Cash Equivalents	7.38
- Bank Balances Other than Cash and Cash Equivalents	325.14
- Loans (Net of Allowance for doubtful Loans)	-
- Other Financial Assets (Net of Allowance for doubtful Receivable)	-
Other Current Assets	61.65
<b>Total Current Assets</b>	<b>394.16</b>
<b>TOTAL ASSETS (A)</b>	<b>2915.12</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
Other Equity – (Deficit)/Surplus in Profit and Loss	(457.58)
<b>Total Equity</b>	<b>(457.58)</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Financial Liabilities	
- Trade Payables	24.56
- Other Short Term Financial Liabilities	1399.03
Short Term Provisions	0.75
<b>Total Current Liabilities</b>	<b>1424.33</b>
<b>TOTAL LIABILITES</b>	<b>1424.33</b>
<b>TOTAL EQUITY AND LIABILITIES (B)</b>	<b>966.75</b>
<b>Total Net Assets/Net Impact Transferred to other Equity (Amalgamation Reserve) (A-B)</b>	<b>1948.37</b>

As per the approved Resolution Plan, approval of the Resolution Plan is to be treated as waiver of all the past liabilities under the Income Tax Act, including but not restricted to MAT, Interest, Fine, Penalty etc. on Corporate Debtor – HM IPL. Under the circumstances any income tax / direct tax liabilities which may arise on filing of income tax return or otherwise for the period up to 19-09-2022 has not been measured and no provision for the same is made in the books of account.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

### Note – 58– Additional regulatory information

- (a) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except as given below: (MGEL)

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the Name of	Whether Title Deed Holder is a Promoter, Director or Relative of Promoter/ Director or Employee of Promoter/ Director	Property Held Since which Date	Reason for not being Held in the Name of the Company
PPE	Land Lakhs	Rs. 13.61	Allotment letter in the name of H.M. Industrial Private Limited, issued by Gujarat Industrial Development Corporation	No	20/09/2022 (effective date of amalgamation)	Lease deed execution is under process

- (b) The Group does not have any investment property.
- (c) The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- (d) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2023:
- repayable on demand; or
  - without specifying any terms or period of repayment
- (e) Capital Work in Progress ageing schedule: Refer Note No. 2D
- (f) There are no Intangible assets under development as on 31 March 2023.
- (g) No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (h) Borrowings secured against current assets: Refer Note No. 21.6
- (i) The group is not declared willful defaulter by any bank or financial institution or other lender.
- (j) The group has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (k) No Charges or satisfaction of charges are yet to be registered with registrar of companies beyond the statutory period as on 31 March 2023 except in case of hypothecation of commercial vehicle Loans (HDFC Bank), where company is awaiting certification on charge registration form (ROC Form) from lender (MGEL).
- (l) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (m) No Scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 except as disclosed in note no: 56 and 57.
- (n) The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (o) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall 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.
- (p) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- (q) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

Note - 59 - Disclosure of Additional Information Pertaining to the Holding Company and its Subsidiaries as per Schedule III of Companies Act, 2013:

(Rs. in Lakhs)

Name of Company	Country Year	Holding Company	Subsidiaries					Add/ (Less)			Total
		Mangalam Global Enterprise Limited	Mangalam Global (Singapore) Pte. Ltd.	Mangalam Global (UK) Ltd.	Rajgor Castor Derivatives Private Limited	Farpoint Enterprise LLP (Upto 31st March, 2022)	Adjustment arising out of consoli- dation	Exchange differences on translation of foreign operations	Non- controlling interest		
		India	Singapore	United Kingdom	India	India					
<b>Net Assets (Total Assets Minus Total Liabilities)</b>											
Net Assets	31 March, 2023	11,128.36	1,404.14	-	-	-	(1,090.83)	-	-	<b>11,441.67</b>	
As % Of Consolidated Net Assets		97.26	12.27	-	-	-	(9.53)	-	-	<b>100.00</b>	
	31 March, 2022	7,873.42	1,173.90	-	-	399.97	(1,480.49)	-	(4.01)	<b>7,962.79</b>	
		98.88	14.74	-	-	5.02	(18.59)	-	(0.05)	<b>100.00</b>	
<b>Share in Profit Or Loss</b>											
Profit / Loss	31 March, 2023	1,189.77	135.16	-	-	-	(55.29)	-	-	<b>1,269.64</b>	
As % Of Consolidated Profit Or Loss		93.71	10.65	-	-	-	(4.35)	-	-	<b>100.00</b>	
	31 March, 2022	391.28	(73.01)	-	(139.43)	(52.67)	304.13	-	(68.83)	<b>361.46</b>	
		108.25	(20.20)	-	(38.57)	(14.57)	84.14	-	(19.05)	<b>100.00</b>	
<b>Share in Other Comprehensive Income (OCI)</b>											
Other Comprehensive Income	31 March, 2023	0.43	-	-	-	-	-	144.31	-	<b>144.74</b>	
As % Of Consolidated OCI		0.30	-	-	-	-	-	99.70	-	<b>100.00</b>	
	31 March, 2022	10.58	-	-	-	-	-	37.59	-	<b>48.17</b>	
		21.96	-	-	-	-	-	78.04	-	<b>100.00</b>	
<b>Share in Total Comprehensive Income (TCI)</b>											
Total Comprehensive Income	31 March, 2023	1,190.20	135.16	-	-	-	(55.29)	144.31	-	<b>1,414.38</b>	
As % of Consolidated TCI		84.15	9.56	-	-	-	(3.91)	10.20	-	<b>100.00</b>	
	31 March, 2022	401.86	(73.01)	-	(139.43)	(52.67)	304.13	37.59	(68.83)	<b>409.63</b>	
		98.10	(17.82)	-	(34.04)	(12.86)	74.24	9.18	(16.80)	<b>100.00</b>	

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2023

**Note – 60** - Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

**Note – 61 - Authorisation of financial statements**

The financial statements for the year ended 31st March 2023 were approved by the Board of Directors on 15th May, 2023.

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For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN: 02825511)

**Chandravijay Arora**  
Whole Time Director & Chief Financial Officer (DIN:07228580)

Place : Ahmedabad

Date : 15<sup>th</sup> May, 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN: 06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MANGALAM GLOBAL ENTERPRISE LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

1. We have audited the standalone financial statements of Mangalam Global Enterprise Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2023, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2023, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

##### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was address in our audit
<p><b>Revenue Recognition:</b></p> <p>Revenue of the Company mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each contract/customer purchase order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>• Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>• Performed testing on selected samples of customer contracts/customer purchase orders. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/customer purchase orders.</li> </ul>
Key Audit Matter	How the matter was address in our audit
<p><b>Carrying value of trade receivables and advances:</b></p> <p>The collectability of the Company's trade receivables and advances (including trade advances), the valuation of allowance for impairment of trade receivables and</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Assessing the Company's policies for recognizing loss allowance for trade receivable and advances to determine the carrying value of trade receivables and advances.</li> <li>• Assessing trade receivables and advances on sample basis, based on</li> </ul>

<p>provision for bad and doubtful debt require significant management judgement. As per the current assessment of the situation based on the internal and external information available up to the date of approval of these financial statements by the Board of Directors, the Company believes that there is no indication of any material impact on the carrying value.</p> <p>The management considers such information to determine whether a provision for impairment or for bad debt is required either for a specific transaction or for a customer's balance overall. Accordingly, it has been determined as a key audit matter.</p>	<p>its ageing along with historical trend/ pattern of collections received from the customers including the same received subsequent to year end, up to the date of completion of audit procedures.</p> <ul style="list-style-type: none"> <li>• Evaluating management's assessment of recoverability of outstanding receivables through inquiry with the management regarding disputes between the parties involved, attempts by the management to recover the amounts outstanding and on the credit status of significant counterparties wherever available.</li> <li>• Assessing the appropriateness of the loss allowance for trade receivables and advances made by the Company.</li> <li>• Assessing the disclosures made by the Company in this regard in the standalone financial statements.</li> </ul>
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<b>Key Audit Matter</b>	<b>How the matter was address in our audit</b>
<p><b>Business Combination - Amalgamation Accounting pursuant to composite scheme of arrangement along with resolution plan under CIRP in respect of H. M. Industrial Private Limited:</b></p> <p>[Refer Note 1.3.29, 55 and 56 to the standalone financial statements]</p> <p>Vide order dated 20th September 2022, Hon'ble NCLT Ahmedabad (the adjudicating authority) has allowed, u/s 30(6) of the Insolvency and Bankruptcy Code, 2016 ("IBC, 2016"), the resolution plan submitted by Mangalam Global Enterprise Limited (MGEL) in respect of corporate debtor M/s H. M. Industrial Private Limited (HMIPL) (under Corporate Insolvency Resolution Process (CIRP).</p> <p>As per the composite scheme of arrangement submitted along with the approved plan, Steel Division of HMIPL is to be demerged and to be vested into Mangalam Worldwide Limited (MWL) a group company; and HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20th September 2022.</p> <p>The Company has accounted for the business combination using the pooling of interest method in accordance with Appendix C of Ind AS 103 Business Combination.</p> <p>Considering the magnitude and complex accounting involved, the aforesaid business combination treatment in standalone financial statements has been determined as a key audit matter.</p>	<p>We applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the accounting of business combination.</li> <li>• Reading the scheme and the NCLT order documents to understand the key terms and conditions of the composite scheme.</li> <li>• Tracing assets, liabilities, tax losses of HMIPL from the audited financial statements as on (appointed date) 20th September 2022.</li> <li>• Testing management's assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Appendix C of Ind AS 103 Business Combination.</li> <li>• Assessing the adequacy and appropriateness of disclosures made in the standalone financial statements.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditors' Report thereon**

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the

standalone financial statements and our auditor's report thereon) and the rest of the Annual Report (the "Other Information"). The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and those charged with governance for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. 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 standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial 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 system with reference to standalone 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 the Board of Directors;
  - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
  13. 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.
  14. 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.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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**

16. As required by Section 143(3) of the Act, we report to the extent applicable, 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 of the standalone financial statements;
  - 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 with reference to standalone financial statements 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 57(o) to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 57(p) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
  - (c) Based on such audit procedures as 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 16(g)(iv)(a) and 16(g)(iv)(b) contain any material misstatement.
  - v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the 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(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
17. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTX6428**

**Place : Ahmedabad**

**Date : 15th May 2023**

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

### **MANGALAM GLOBAL ENTERPRISE LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

(Referred to in para 16(F) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### **Independent Auditors’ Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of Sub-Section 3 Of Section 143 of the Companies Act, 2013 (“the Act”)**

##### **Opinion**

1. We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Mangalam Global Enterprise Limited (“the Company”) as at 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to the standalone financial statements and such internal financial controls over financial reporting with reference to the standalone financial statements were operating effectively as at 31st March 2023, based on the internal financial controls over financial reporting with reference to the standalone financial statements criteria established by the Company considering the essential components of such 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 (the “Guidance Note”).

##### **Responsibilities of Management and those charged with governance for internal financial controls**

3. The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

##### **Auditors’ Responsibility**

4. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to standalone financial statements. 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, 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 standalone financial statements, whether due to fraud or error.
6. 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 over financial reporting with reference to the standalone financial statements.

##### **Meaning of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

7. A company’s internal financial controls over financial reporting with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting with reference to the standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and payments 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 standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTX6428**

**Place : Ahmedabad**

**Date : 15th May 2023**

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

MANGALAM GLOBAL ENTERPRISE LIMITED ON THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2023

(Referred to in paragraph 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Matters Specified Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 1 (a) (A) The Company has maintained records showing full particulars including quantitative details and situation of property, plant and equipment (PPE), which, in our opinion, are proper.
- (B) The Company has maintained records showing full particulars of intangible assets, which, in our opinion, are proper.
- (b) The Company has a regular programme of physical verification of its PPE by which PPE are verified in a phased manner over a period of three years. In accordance with this programme, certain PPE were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its PPE. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company except as included in Note 57(a) to the standalone financial statements and disclosed below:

(Rs. in Lakhs)

Description of Property	Gross Carrying Value	Title deed held in name of	Whether title deed holder is a promoter, director or their relatives or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Land at GIDC Kapadvanj	13.61	Allotment letter in the name of H.M. Industrial Private Limited, issued by Gujarat Industrial Development Corporation	No	20/09/2022 (effective date of amalgamation)	Lease deed execution is under process

- (d) The Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made there under.
- 2 (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery has been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) As disclosed in Note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are not in agreement with the books of account of the Company and the details are as follows:

(Rs. in Lakhs)

Quarter	Particulars of Security	As per unaudited books of account	As reported in the quarterly return statement	Difference	Reason for Discrepancy
Jun-22	Inventory	6,014.08	6,176.02	(161.94)	<p>- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from/ to customers/ vendors. Further the Company consolidates more than one account of the same party lying in different groups/ classifications.</p> <p>- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/ system. However, at the quarter end, the company identify the value of inventory based on accounting policy adopted by the company.</p> <p>- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.</p> <p>- # Company has filed provisional return as on 26th March 2023 with the banks for quarter ended 31st March 2023</p>
Jun-22	Trade Receivable	5,832.68	4,987.23	845.45	
Jun-22	Advance to Suppliers	2,284.91	2,795.28	(510.37)	
Jun-22	Trade Payable	1,079.66	479.72	599.94	
Jun-22	Advance from Customers	98.24	45.92	52.32	
Sep-22	Inventory	5,082.02	3,626.56	1,455.46	
Sep-22	Trade Receivable	7,128.14	7,027.35	100.79	
Sep-22	Advance to Suppliers	3,031.79	2,516.51	515.28	
Sep-22	Trade Payable	591.54	95.87	495.67	
Sep-22	Advance from Customers	60.53	19.70	40.83	
Dec-22	Inventory	6,049.54	6,091.92	(42.38)	
Dec-22	Trade Receivable	18,077.65	17,130.99	946.66	
Dec-22	Advance to Suppliers	494.06	432.30	61.76	
Dec-22	Trade Payable	9,013.14	8,017.91	995.23	
Dec-22	Advance from Customers	93.60	105.32	(11.72)	
Mar-23 #	Inventory	6,893.83	7,808.62	(914.79)	
Mar-23 #	Trade Receivable	16,168.04	12,408.80	3,759.24	
Mar-23 #	Advance to Suppliers	3,916.81	4,222.45	(305.64)	
Mar-23 #	Trade Payable	3,185.04	3,212.06	(27.02)	
Mar-23 #	Advance from Customers	48.06	39.51	8.55	

3 During the year:

- The Company has not made any investments in, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties.
- The Company has granted loans to companies and other parties.
- The Company has not granted any loans to firms or limited liability partnerships.

(a) To subsidiaries: Stood guarantee: Aggregate amount provided during the year NIL, and balance outstanding at the balance sheet date Rs. 4,933.10 lakhs.

To others: Granted loans: Aggregate amount provided during the year Rs. 250.00 lakhs, and balance outstanding at the balance sheet date Rs. 257.56 lakhs.

- (b) In our opinion, guarantees provided and the terms and conditions of grant of all loans and guarantees provided, prima facie, are not prejudicial to the interest of the Company.
  - (c) In respect of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
  - (d) There is no amount overdue remaining outstanding as at the year end.
  - (e) There is no loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted loan or advance in the nature of loan either repayable on demand or without specifying any terms or period of repayment.
- 4 In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5 The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- 6 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 7 (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- No undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- (b) There are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited as on 31st March 2023 on account of any dispute.
- 8 The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, clause 3(viii) of the Order is not applicable.
- 9 (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lenders.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The term loans obtained during the year were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, in our opinion, 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 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. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.
- 10 (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) In relation to the preferential allotment of convertible warrants and subsequent allotment of shares on conversion of convertible warrants, in our opinion the company has complied with the requirements of section 42 and section 62 of the act. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. The Company has not made allotment of any fully or partly convertible debentures during the year.

- 11 (a) No fraud by the Company or on the Company has been noticed or reported during the course of the audit.  
(b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) There are no whistle blower complaints received by the Company during the year.
- 12 The Company is not a Nidhi Company. Accordingly clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
- 13 In our opinion, the Company's transactions with its related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14 (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- 15 In our opinion, the Company has not entered into non-cash transactions covered under the provisions of Section 192 of the Act with its directors or persons connected with its directors. Accordingly, paragraph 3 (xv) of the order is not applicable to the Company.
- 16 (a) & (b) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.  
(c) & (d) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.
- 17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- 18 There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- 19 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 standalone 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 standalone balance sheet as and when they fall due within a period of one year from the standalone 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 standalone balance sheet date, will get discharged by the Company as and when they fall due.
- 20 There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner

for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

**UDIN: 23149403BGXDTX6428**

**Place : Ahmedabad**

**Date : 15th May 2023**

## Standalone Balance Sheet as at 31st March, 2023

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>I</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-Current Assets</b>			
a)	Property Plant & Equipment	2	3,958.82	1,757.84
b)	Right of Use Assets	2	1,704.34	1,730.99
c)	Intangible Assets	2	7.37	3.22
d)	Capital Work-In-Progress	2	1,030.54	-
e)	Financial Assets			
-	Investments	3	1,396.52	1,784.60
-	Other Financial Assets	4	113.93	104.31
f)	Other Tax Assets (Net)	5	123.14	19.60
g)	Deferred Tax Assets (Net)	6	1,722.52	46.31
h)	Other Non-Current Assets	7	53.60	46.68
	<b>Total Non-Current Assets</b>		<b>10,110.78</b>	<b>5,493.55</b>
<b>B</b>	<b>Current Assets</b>			
a)	Inventories	8	6,893.83	11,815.15
b)	Financial Assets			
-	Trade Receivables	9	16,168.04	5,066.40
-	Cash and Cash Equivalents	10	6.02	6.55
-	Bank Balances Other than Cash and Cash Equivalents	11	402.17	283.92
-	Loans	12	257.55	-
-	Other Financial Assets	13	77.00	157.89
c)	Other Current Assets	14	4,393.64	1,183.25
	<b>Total Current Assets</b>		<b>28,198.25</b>	<b>18,513.16</b>
	<b>TOTAL ASSETS</b>		<b>38,309.03</b>	<b>24,006.71</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
a)	Equity Share Capital	15	2,771.11	2,602.36
b)	Other Equity	16	8,357.25	5,271.06
	<b>Total Equity</b>		<b>11,128.36</b>	<b>7,873.42</b>
<b>2</b>	<b>LIABILITIES</b>			
<b>A</b>	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
-	Long Term Borrowings	17	1,632.23	863.92
-	Long Term Lease Liabilities	18	1,412.45	1,561.28
-	Other Long Term Financial Liabilities	19	14.20	14.20
b)	Long Term Provisions	20	49.77	29.14
	<b>Total Non-Current Liabilities</b>		<b>3,108.65</b>	<b>2,468.54</b>
<b>B</b>	<b>Current Liabilities</b>			
a)	Financial Liabilities			
-	Short Term Borrowings	21	20,622.09	8,895.02
-	Short Term Lease Liabilities	22	148.84	133.49
-	Trade Payables			
(i)	Total Outstanding Dues of Micro Enterprises and Small Enterprises	23	-	-
(ii)	Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	23	3,185.04	3,807.49
-	Other Short Term Financial Liabilities	24	89.76	802.78
b)	Short Term Provisions	25	26.29	12.02
c)	Other Current Liabilities	26	-	13.95
	<b>Total Current Liabilities</b>		<b>24,072.02</b>	<b>13,664.75</b>
	<b>Total Liabilities</b>		<b>27,180.67</b>	<b>16,133.29</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,309.03</b>	<b>24,006.71</b>

The accompanying notes are integral part of these Standalone Financial Statements

1-59

This is the Standalone Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 15th May 2023

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandravijay Arora**  
Whole Time Director &  
Chief Financial Officer (DIN:07228580)

Place : Ahmedabad  
Date : 15th May 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

**Standalone Statement of Profit & Loss for the year ended on 31st March, 2023**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>I</b>	<b>Income</b>			
a)	Revenue from Operations	27	122,584.78	119,043.22
b)	Other Income	28	559.04	650.49
	<b>Total Income</b>		<b>123,143.82</b>	<b>119,693.71</b>
<b>II</b>	<b>Expenses</b>			
a)	Cost of Materials Consumed	29	51,151.81	71,204.17
b)	Purchase of Stock-In-Trade	30	62,401.66	45,120.90
c)	Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	31	1,064.19	(2,607.99)
d)	Employee Benefit Expenses	32	690.77	656.83
e)	Finance Costs	33	1,213.78	926.62
f)	Depreciation and Amortization Expense	34	302.50	311.30
g)	Other Expenses	35	4,823.85	3,560.78
	<b>Total Expenses</b>		<b>121,648.56</b>	<b>119,172.61</b>
<b>III</b>	<b>Profit Before Exceptional Item &amp; Tax (I-II)</b>		<b>1,495.26</b>	<b>521.10</b>
<b>IV</b>	<b>Exceptional Items</b>	36	-	0.13
<b>V</b>	<b>Profit Before Tax (PBT) (After Exceptional Item) (III-IV)</b>		<b>1,495.26</b>	<b>520.97</b>
<b>VI</b>	<b>Tax Expense</b>	37		
a)	Current Tax		-	188.00
b)	Deferred Tax			(42.68)
c)	Income Tax (Prior Period)		300.1	(15.63)
	<b>Total Tax Expenses</b>		<b>7</b>	<b>(15.63)</b>
<b>VII</b>	<b>Profit After Tax (PAT) (V-VI)</b>		<b>5.32</b>	
<b>VIII</b>	<b>Other Comprehensive Income</b>		<b>305.49</b>	<b>129.69</b>
a)	Items that will not be reclassified to Profit or Loss: Remeasurement Gain/(Loss) on Defined Benefit Plan Income Tax in respect of above		<b>1,189.77</b>	<b>391.28</b>
b)	Items that will be reclassified to Profit or Loss: Cash Flow Hedge Reserve Income Tax in respect of above		5.09 (1.28)	9.45 (2.38)
	<b>Total Other Comprehensive Income (net of tax)</b>		<b>(4.52)</b>	<b>4.69</b>
<b>IX</b>	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>1.14</b>	<b>(1.18)</b>
<b>X</b>	<b>Earnings per Equity Share of Rs. 2/- each</b>		<b>0.43</b>	<b>10.58</b>
a)	Basic (In Rs.)	38	<b>1,190.20</b>	<b>401.86</b>
b)	Diluted (In Rs.)	38	0.89	0.32
	The accompanying notes are integral part of these Standalone Financial Statements	1-59	0.84	0.31

This is the Standalone Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

 For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

 Place : Ahmedabad  
Date : 15th May 2023

 For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandravijay Arora**  
Whole Time Director &  
Chief Financial Officer (DIN:07228580)

 Place : Ahmedabad  
Date : 15th May 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)



## Standalone Statement of Changes in Equity for the year ended on 31st March, 2023

### A. Equity Share Capital

Current Reporting Period		(Rs. in Lakhs)
Particulars	Amount	
As at 1 April, 2022	2,602.36	
Changes in Equity Share Capital during the year	168.75	
<b>As at 31 March, 2023</b>	<b>2,771.11</b>	
Previous Reporting Period		
Particulars	Amount	
As at 1 April, 2021	2,508.61	
Changes in Equity Share Capital during the year	93.75	
<b>As at 31 March, 2022</b>	<b>2,602.36</b>	

### B. Other Equity

Current Reporting Period							(Rs. in Lakhs)
Particulars	Reserves & Surplus			Other Comprehensive Income	Money received against share warrants	Total	
	Securities Premium	Amalgamation Reserve	Retained Earnings				
<b>Balance as at 1 April, 2022</b>	<b>3,454.97</b>	-	<b>1,439.89</b>	<b>10.58</b>	<b>365.63</b>	<b>5,271.06</b>	
Net Profit/ (Loss) during the Year	-	-	1,189.77	-	-	1,189.77	
Remeasurement Gain/(Loss) on defined benefit plan (Net of Tax)	-	-	-	3.81	-	3.81	
Movement in Cash Flow Hedge Reserve (Net of Tax)	-	-	-	(3.38)	-	(3.38)	
<b>Total Comprehensive Income/ (Expense)</b>	-	-	<b>1,189.77</b>	<b>0.43</b>	-	<b>1,190.20</b>	
Dividend paid on Equity Shares	-	-	(84.18)	-	-	(84.18)	
Transfer to Retained Earnings	-	-	-	-	-	-	
Securities Premium on issue of Equity Share Capital	708.75	-	-	-	-	708.75	
Utilized towards Issue of Bonus Shares	-	-	-	-	-	-	
Upfront Money Received during the year against Share Warrants Issued	-	-	-	-	-	-	
Allotment Money Received during the year against Share Warrants	-	-	-	-	658.12	658.12	
Allotment of Equity Shares on conversion Share Warrants	-	-	-	-	(877.50)	(877.50)	
Reserve on Amalgamation (Refer Note No. 55 and 56)	-	1,948.37	(457.58)	-	-	1,490.79	
Other Adjustments	-	-	-	-	-	-	
<b>Balance as at 31 March, 2023</b>	<b>4,163.72</b>	<b>1,948.37</b>	<b>2,087.90</b>	<b>11.01</b>	<b>146.25</b>	<b>8,357.25</b>	

## Notes to the Standalone Statement of changes in Equity for the year ended on 31st March, 2023

### B. Other Equity (Contd...)

Particulars	Reserves & Surplus			Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium	Amalgamation Reserve	Retained Earnings			
<b>Balance as at 1 April, 2021</b>	<b>3,061.22</b>	-	<b>1,100.90</b>	-	-	<b>4,162.12</b>
Net Profit/ (Loss) during the Year	-	-	391.28	-	-	391.28
Remeasurement Gain/(Loss) on defined benefit plan (Net of Tax)	-	-	-	7.07	-	7.07
Movement in Cash Flow Hedge Reserve (Net of Tax)	-	-	-	3.51	-	3.51
<b>Total Comprehensive Income/ (Expense)</b>	-	-	<b>391.28</b>	<b>10.58</b>	-	<b>401.86</b>
Dividend paid on Equity Shares	-	-	(52.29)	-	-	(52.29)
Transfer to Retained Earnings	-	-	-	-	-	-
Securities Premium on issue of Equity Share Capital	393.75	-	-	-	-	393.75
Utilized Towards Issue of Bonus Shares	-	-	-	-	-	-
Upfront Money Received during the year against Share Warrants Issued	-	-	-	-	487.50	487.50
Allotment Money Received during the year against Share Warrants	-	-	-	-	365.63	365.63
Allotment of Equity Shares on conversion Share Warrants	-	-	-	-	(487.50)	(487.50)
Other Adjustments	-	-	-	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>3,454.97</b>	-	<b>1,439.89</b>	<b>10.58</b>	<b>365.63</b>	<b>5,271.06</b>

#### Nature and Purpose of Reserves

- (a) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) **Amalgamation Reserve:** Amalgamation reserves represents the difference between the consideration paid and net assets received. It can be utilised in accordance with the provisions of the 2013 Act.
- (c) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these standalone financial statements

This is the Standalone Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 15th May 2023

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandravijay Arora**  
Whole Time Director &  
Chief Financial Officer (DIN:07228580)

Place : Ahmedabad  
Date : 15th May 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

**Standalone Statement of Cash Flows for the year ended on 31st March, 2023**

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Exceptional Items & Tax	1,495.26	521.10
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	81.89	40.95
Depreciation on ROU Assets	220.61	270.35
Dividend Income	(0.89)	-
Interest Income	(129.77)	(371.02)
Finance Costs	1,213.78	926.62
Non-Cash Items	23.03	(53.45)
(Gain) / Loss on Sale of Investments (Net)	(12.34)	(2.42)
Unrealised Foreign Exchange (Gain) / Loss (Net)	16.30	(1.27)
Other Expenses Related to Financing Activities	-	12.03
Allowance for Doubtful Debts	85.67	167.68
Loss Distributed by Subsidiary (LLP)	-	52.16
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>2,993.54</b>	<b>1,562.73</b>
<b>Changes in Working Capital:</b>		
<b>Adjustments for (Increase) / Decrease in Operating Assets / Liabilities:</b>		
(Increase) / Decrease Trade Receivables	(11,203.35)	402.95
(Increase) / Decrease Inventories	4,921.31	(9,591.26)
(Increase) / Decrease Other Financial Assets	80.83	255.12
(Increase) / Decrease Other Non-Current assets	1.86	(0.96)
(Increase) / Decrease Other Current assets	(3,210.29)	191.13
Increase / (Decrease) Trade Payables	(622.44)	2,734.80
Increase / (Decrease) Provisions	16.74	12.61
Increase / (Decrease) Other Liabilities	(740.73)	781.64
<b>Cash Generated from Operations</b>	<b>(7,762.53)</b>	<b>(3,651.24)</b>
Income Taxes Paid (Net Of Refunds)	(108.86)	(133.49)
<b>Net Cash Flow from / (Utilised In) Operating Activities (A)</b>	<b>(7,871.39)</b>	<b>(3,784.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase and Construction of CWIP, Property, Plant & Equipment, Including Capital Advances, Intangible Assets (Including Goodwill).	(4,008.53)	(372.56)
(Increase) / Decrease in Lease Deposits	-	(192.44)
(Increase) / Decrease in Long-Term Investments in Subsidiaries/Contribution in LLP	396.00	(169.54)
Loss Distributed from Subsidiary (LLP)	-	(52.16)
(Increase) / Decrease in Investment in Mutual Funds	4.42	3.76
Loans to Subsidiaries	-	691.37
Loans to Others	(257.56)	238.98
Interest Received	120.20	390.05
Bank Balances not considered as Cash and Cash Equivalents	(118.26)	1,718.48
Dividend Received	0.89	-
<b>Net Cash Flow from / (Used In) Investing Activities (B)</b>	<b>(3,862.84)</b>	<b>2,255.94</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Shares, Securities Premium & Convertible Equity Warrants	658.13	853.13
Share Issue Expenses	-	(12.03)
Increase / (Decrease) in Long Term Borrowings	826.41	349.06
Increase / (Decrease) in Short Term Borrowings	11,667.15	1,436.22
Payment of Lease Liability	(294.53)	(365.66)
Payment of Dividend	(84.18)	(52.28)
Interest Paid / Finance Cost	(1,039.28)	(719.76)
<b>Net Cash Flow from / (Used In) Financing Activities (C)</b>	<b>11,733.70</b>	<b>1,488.68</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(0.53)</b>	<b>(40.11)</b>
<b>E. Add: Cash and Cash Equivalents at the beginning of the year</b>	<b>6.55</b>	<b>46.66</b>
<b>F. Less: Foreign Exchange (Loss) / Gain on Restatement of Foreign Currency Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>G. Cash and Cash Equivalents at the end of the year</b>	<b>6.02</b>	<b>6.55</b>

**Standalone Statement of Cash Flows for the year ended on 31st March, 2023 (Contd...)**
**(Rs. in Lakhs)**

Sr. Particulars No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
<b>Cash and Cash Equivalents includes</b>	<b>6.02</b>	<b>6.55</b>
(a) Cash on hand	5.65	6.46
(b) Balances with banks		
(i) In current accounts	0.37	0.09
(ii) In Fixed deposit accounts	-	-
(iii) In Cash Credit/ Bank Overdraft accounts	-	-

2 The standalone statement of cash flows has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 : 'Statement of Cash Flows'.

**3 Movement in Financial Liabilities arising from Financing Activities:**
**Current reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2022</b>	<b>987.64</b>	<b>8,771.30</b>	<b>1,694.77</b>	<b>4.91</b>	-	-
Payment of Lease Liabilities	-	-	(294.53)	-	-	-
Increase / (Decrease) in Short Term Borrowings	-	11,667.15	-	-	-	-
Increase / (Decrease) in Long Term Borrowings	826.41	-	-	-	-	-
Interest Expense Paid	-	-	-	(1,039.28)	-	-
Dividend Paid	-	-	-	-	(84.18)	-
<b>Net Cash Movement during the year</b>	<b>826.41</b>	<b>11,667.15</b>	<b>(294.53)</b>	<b>(1,039.28)</b>	<b>(84.18)</b>	-
Lease Liabilities Recognised during the year	-	-	-	-	-	-
Finance Cost Accrued	-	-	161.05	-	-	-
Lease Liabilities Reversed during the year	-	-	-	-	-	-
Interest on Fixed Loan Amortisation	1.82	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	1,213.78	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(162.85)	-	-
<b>Balance as at 31 March 2023</b>	<b>1,815.87</b>	<b>20,438.45</b>	<b>1,561.29</b>	<b>16.56</b>	-	-

**Previous reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2021</b>	<b>637.03</b>	<b>7,335.08</b>	<b>716.09</b>	<b>1.74</b>	-	-
Payment of Lease Liabilities	-	-	(365.66)	-	-	-
Increase / (Decrease) in Short Term Borrowings	-	1,436.22	-	-	-	-
Increase / (Decrease) in Long Term Borrowings	349.06	-	-	-	-	-
Interest Expense Paid	-	-	-	(719.76)	-	(12.03)
Dividend Paid	-	-	-	-	(52.28)	-
<b>Net Cash Movement during the year</b>	<b>349.06</b>	<b>1,436.22</b>	<b>(365.66)</b>	<b>(719.76)</b>	<b>(52.28)</b>	<b>(12.03)</b>
Lease Liabilities Recognised during the year	-	-	1,795.21	-	-	-
Finance Cost Accrued	-	-	201.06	-	-	-
Lease Liabilities Reversed during the year	-	-	(651.93)	-	-	-
Interest on Fixed Loan Amortisation	1.55	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	926.62	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(203.69)	-	-
<b>Balance as at 31 March 2022</b>	<b>987.64</b>	<b>8,771.30</b>	<b>1,694.77</b>	<b>4.91</b>	-	-

This is the Standalone Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 15th May 2023

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandravijay Arora**  
Whole Time Director &  
Chief Financial Officer (DIN:07228580)

Place : Ahmedabad  
Date : 15th May 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

## NOTE - 1 - Notes to the Standalone Financial Statements for the year ended on March 31, 2023

### 1.1 Corporate Information:

Mangalam Global Enterprise Limited ('the Company') is a listed public limited company domiciled and incorporated in India. The registered office of the Company is located at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad – 380009, Gujarat, India. Its Equity Shares are listed on the main board of National Stock Exchange of India Limited (NSE).

The Company is engaged in activity of manufacturing/ dealing/ trading of Edible/ Non-edible Oil/ Seeds and its derivatives, Cotton/ Cotton Ginning, Rice, Wheat and other Agro commodities, other merchandise and agency service activity.

### 1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the standalone financial statements prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### 1.3 Significant Accounting Policies:

#### 1.3.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments), and
- (b) Defined Benefit Plans – Plan Assets

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

#### 1.3.2 Fair Value Measurement

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### 1.3.3 Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current / Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.3.4 Property, Plant and Equipment

#### (a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

#### Depreciation

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Name of Property, Plants and Equipment	Useful Life*
Factory Building	30-40 Years
Building (Other than Factory Building)	60 Years
Plant and Machineries (Including Continuous Process Plant)	8-30 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer and Other Data Processing units	3 Years
Motor Vehicles	8 Years
Electrical Installation and Other Equipment	5-10 Years

\* The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Derecognition

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation

to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as “Other Non-Current Assets”.

**(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

**Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Company’s intangible assets comprise assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

Particulars	Useful Life
Accounting and antivirus software	3 Years
Other firewall and operating software	6 Years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1.3.6 Lease**

**(a) The Company as a Lessee**

The Company, as a lessee, recognises a right- of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of- use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

**(b) The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

**1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

**1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

Net realizable value is estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

**1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**1.3.10 Employee Benefits**

**(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(B) Post-Employment Benefits**

**(i) Defined Contribution Plans**

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

**(ii) Defined Benefit Plans**

(a) Gratuity Scheme: The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

**(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees.



### **1.3.11 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Gain/loss on contracts settlements of raw materials purchases with suppliers are accounted in the statement of profit and loss.

#### **Export Incentives**

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

#### **Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method.

#### **Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

#### **Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments**

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

#### **Rental Income**

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### **Insurance Claim**

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

#### **Other Income**

Revenue from other income is recognized when the payment of that related income is received or credited.

### **1.3.12 Foreign Currency Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

### **1.3.13 Government Grants and Subsidies**

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants

is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Company recognizes interest expense corresponding to such grants.

#### **1.3.14 Financial Instruments – Financial Assets**

##### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

##### **(B) Subsequent Measurement**

###### **a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

###### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

###### **c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

##### **(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

##### **(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

##### **(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

### **1.3.15 Financial Instruments – Financial Liabilities**

#### **(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### **(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

#### **Recognition and measurement of cash flow hedge:**

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

#### **Derecognition:**

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

#### **Fair Value Hedge:**

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### **1.3.17 Derecognition of Financial Instruments**

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **1.3.18 Financial Instruments – Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **1.3.19 Taxes on Income**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

**(a) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**(b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Presentation**

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**1.3.20 Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Company has considered Business Segments as Primary Segments.

**Segments Accounting Policies**

The Company prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**Inter - Segment Transfer**

The Company generally accounts the Inter - Segment transfers at an agreed value of the transactions.

**Allocation of Common Costs**

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

**Unallocated Items**

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

**1.3.21 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

**1.3.22 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

**1.3.23 Provisions, Contingent Liabilities**

Provisions are recognised when the Company has 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

#### **1.3.24 Events after Reporting Date**

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

#### **1.3.25 Non – Current Assets Held for Sales**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

#### **1.3.26 Cash Flows Statement**

Cash Flows Statements are reported using the method set out in the Ind AS – 7, “Cash Flow Statements”, whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual 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 of the Company are segregated.

#### **1.3.27 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **1.3.28 Recent Pronouncements**

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

- (a) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- (b) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate’.
- (c) Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

#### **1.3.29 Business Combination:**

Business combinations arising from transfers or interests in entities that are under the control of the shareholders that controls the Company are accounted for using the ‘pooling of interests method’, as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised, if required. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the standalone financial statements of the Company in the same form in which they appeared in the standalone financial statements of the acquired entity. The difference, if any, between the net assets acquired and cancellation of share capital of the acquired entity is transferred to other equity.

#### **1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

The preparation of the Company’s Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

##### **1.4.1 Income Tax**

The Company’s tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

##### **1.4.2 Property Plant and Equipment/ Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition

necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

#### **1.4.3 Defined Benefits Obligations**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

#### **1.4.4 Fair Value Measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

#### **1.4.5 Recoverability of Trade Receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **1.4.7 Impairment of Financial and Non – Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### **1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 2: Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress

#### A. PROPERTY, PLANT & EQUIPMENTS

##### Current reporting period (Rs. in Lakhs)

Particulars	Land	Building	Computer Equip. ments	Electrical Insta-llation	Furniture & Fixture	Plant & Machinery	Office Equip-ments	Vehicle	Total
<b>Cost as at 1 April 2022</b>	<b>1,077.15</b>	<b>341.37</b>	<b>27.64</b>	<b>37.39</b>	<b>128.40</b>	<b>128.24</b>	<b>69.77</b>	<b>69.14</b>	<b>1,879.10</b>
Pursuant to Amalgamation (Refer Note No. 55 and 56)	13.61	156.30	-	-	-	27.34	2.79	38.99	239.03
Addition	1,642.14	246.05	6.44	8.61	28.44	102.63	26.22	63.67	2,124.20
Disposals / Adjustments	-	-	-	-	-	-	-	-	-
<b>Cost as at 31 March 2023</b>	<b>2,732.90</b>	<b>743.72</b>	<b>34.08</b>	<b>46.00</b>	<b>156.84</b>	<b>258.21</b>	<b>98.78</b>	<b>171.80</b>	<b>4,242.33</b>
<b>Accumulated Depreciation as at 1 April 2022</b>	-	<b>18.71</b>	<b>19.70</b>	<b>0.47</b>	<b>17.75</b>	<b>2.60</b>	<b>26.46</b>	<b>35.57</b>	<b>121.26</b>
Pursuant to Amalgamation (Refer Note No. 55 and 56)	-	52.40	-	-	-	-	2.08	28.67	83.15
Depreciation charge for the year	-	17.84	4.66	1.77	13.49	10.84	15.87	14.63	79.10
Reversal on Disposal / Adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31 March 2023</b>	-	<b>88.95</b>	<b>24.36</b>	<b>2.24</b>	<b>31.24</b>	<b>13.44</b>	<b>44.41</b>	<b>78.87</b>	<b>283.51</b>
<b>Net Carrying Amount as at 31 March 2023</b>	<b>2,732.90</b>	<b>654.77</b>	<b>9.72</b>	<b>43.76</b>	<b>125.60</b>	<b>244.77</b>	<b>54.37</b>	<b>92.93</b>	<b>3,958.82</b>

##### Previous reporting period

Particulars	Land	Building	Computer Equip. ments	Electrical Insta-llation	Furniture & Fixture	Plant & Machinery	Office Equip-ments	Vehicle	Total
<b>Cost as at 1 April 2021</b>	<b>494.62</b>	<b>141.92</b>	<b>26.52</b>	-	<b>55.58</b>	-	<b>42.89</b>	<b>69.14</b>	<b>830.67</b>
Addition	582.79	199.45	1.12	37.39	72.82	128.24	26.88	-	1,048.69
Disposals / Adjustments	(0.26)	-	-	-	-	-	-	-	(0.26)
<b>Cost as at 31 March 2022</b>	<b>1,077.15</b>	<b>341.37</b>	<b>27.64</b>	<b>37.39</b>	<b>128.40</b>	<b>128.24</b>	<b>69.77</b>	<b>69.14</b>	<b>1,879.10</b>
<b>Accumulated Depreciation as at 1 April 2021</b>	-	<b>12.96</b>	<b>13.94</b>	-	<b>10.17</b>	-	<b>17.20</b>	<b>27.36</b>	<b>81.63</b>
Depreciation charge for the year	-	5.75	5.76	0.47	7.58	2.60	9.26	8.21	39.63
Reversal on Disposal / Adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31 March 2022</b>	-	<b>18.71</b>	<b>19.70</b>	<b>0.47</b>	<b>17.75</b>	<b>2.60</b>	<b>26.46</b>	<b>35.57</b>	<b>121.26</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>1,077.15</b>	<b>322.66</b>	<b>7.94</b>	<b>36.92</b>	<b>110.65</b>	<b>125.64</b>	<b>43.31</b>	<b>33.57</b>	<b>1,757.84</b>

Refer Note No. - 43

#### B - RIGHT OF USE ASSETS

##### Current reporting period (Rs. in Lakhs)

Particulars	Land & Building	Plant & Machinery	Total
<b>Cost as at 1 April 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
Addition	193.96	-	193.96
Disposals / Adjustments	-	-	-
<b>Cost as at 31 March 2023</b>	<b>274.74</b>	<b>1,833.98</b>	<b>2,108.72</b>
<b>Accumulated Ammortisation as at 1 April 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
Ammortization charge for the year	16.73	203.88	220.61
Reversal on Disposal / Adjustments	-	-	-
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>23.46</b>	<b>380.92</b>	<b>404.38</b>
<b>Net Carrying Amount as at 31 March 2023</b>	<b>251.28</b>	<b>1,453.06</b>	<b>1,704.34</b>

##### Previous reporting period

Particulars	Land & Building	Plant & Machinery	Total
<b>Cost as at 1 April 2021</b>	<b>127.78</b>	<b>701.77</b>	<b>829.55</b>
Addition	80.78	1,833.98	1,914.76
Disposals / Adjustments	(127.78)	(701.77)	(829.55)
<b>Cost as at 31 March 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
<b>Accumulated Ammortisation as at 1 April 2021</b>	<b>37.47</b>	<b>110.58</b>	<b>148.05</b>
Ammortization charge for the year	20.85	249.49	270.34
Reversal on Disposal / Adjustments	(51.59)	(183.03)	(234.62)
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>74.05</b>	<b>1,656.94</b>	<b>1,730.99</b>

Refer Note No. - 46

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### C. INTANGIBLE ASSETS

Current reporting period		(Rs. in Lakhs)	
Particulars	Software	Total	
<b>Cost as at 1 April 2022</b>	<b>6.66</b>	<b>6.66</b>	
Addition	6.94	6.94	
Dispoals / Adjustments	-	-	
<b>Cost as at 31 March 2023</b>	<b>13.60</b>	<b>13.60</b>	
<b>Accumulated Ammortisation as at 1 April 2022</b>	<b>3.44</b>	<b>3.44</b>	
Ammortization charge for the year	2.79	2.79	
Reversal on Disposal / Adjustments	-	-	
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>6.23</b>	<b>6.23</b>	
<b>Net Carrying Amount as at 31 March 2023</b>	<b>7.37</b>	<b>7.37</b>	
Previous reporting period			
Particulars	Software	Total	
<b>Cost as at 1 April 2021</b>	<b>5.03</b>	<b>5.03</b>	
Addition	1.63	1.63	
Dispoals / Adjustments	-	-	
<b>Cost as at 31 March 2022</b>	<b>6.66</b>	<b>6.66</b>	
<b>Accumulated Ammortisation as at 1 April 2021</b>	<b>2.11</b>	<b>2.11</b>	
Ammortization charge for the year	1.33	1.33	
Reversal on Disposal / Adjustments	-	-	
<b>Accumulated Ammortisation as at 31 March 2022</b>	<b>3.44</b>	<b>3.44</b>	
<b>Net Carrying Amount as at 31 March 2022</b>	<b>3.22</b>	<b>3.22</b>	

#### D. CAPITAL WORK-IN-PROGRESS

Current reporting period		(Rs. in Lakhs)		
Particulars	CWIP	Expenses Directly Attributable to Construction Period	Total	
<b>Balance as at 1 April 2022</b>	-	-	-	
Pursuant to Amalgamation	388.54	-	388.54	
Addition	488.27	153.73	642.00	
Capitalised During the year	-	-	-	
<b>As at 31 March 2023</b>	<b>876.81</b>	<b>153.73</b>	<b>1,030.54</b>	
Previous reporting period				
Particulars	CWIP	Expenses Directly Attributable to Construction Period	Total	
<b>Balance as at 1 April 2021</b>	-	-	-	
Pursuant to Amalgamation	-	-	-	
Addition	-	-	-	
Capitalised During the year	-	-	-	
<b>As at 31 March 2022</b>	-	-	-	

**Note:** As the castor unit acquired pursuant to the a resolution plan is not in operating condition and requires major rehauling/modernisation the same has been identified as project under construction.



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### D. CAPITAL WORK-IN-PROGRESS

Details of Expenses directly attributable to construction period:

<b>Current reporting period</b>		<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>As at 31st March, 2023</b>	
<b>Balance as at 1 April 2022</b>	-	
Employee Benefits Expenses	39.98	
Finance Costs	20.39	
Operating and Other Expenses	93.36	
Capitalised during the year	-	
<b>As at 31 March 2023</b>	<b>153.73</b>	

<b>Previous reporting period</b>		<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>As at 31st March, 2022</b>	
<b>Balance as at 1 April 2021</b>	-	
Employee Benefits Expenses	-	
Finance Costs	-	
Operating and Other Expenses	-	
Capitalised during the year	-	
<b>As at 31 March 2022</b>	<b>-</b>	

<b>Capital Work-In-Progress Ageing Schedule</b>					<b>(Rs. in Lakhs)</b>
<b>Particulars</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	
<b>Projects in Progress</b>					
As at 31 March 2023	1,030.54	-	-	-	<b>1,030.54</b>
As at 31 March 2022	-	-	-	-	-

**Note:** There are no projects which are overdue or has exceeded its cost compared to its original plan.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 3 - Investments- Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>UNQUOTED INVESTMENTS</b>		
<b>Investments in Equity Instruments of Wholly Owned Subsidiaries (Measured at cost)</b>		
(i) 13,33,300 (PY - 13,33,300) Ordinary Shares of Mangalam Global (Singapore) Pte Ltd (Fully Paidup)	1,090.92	1,090.92
(ii) Mangalam Global (UK) Limited (100% Ownership) (Shares have been issued but subscription money yet to be remitted)	-	-
<b>Investment in Limited Liability Partnership Firm (Subsidiary) (Measured at Cost)</b>		
(i) Farpoint Enterprise LLP "Nil" Share in Profit/Loss (PY - 99%)	-	396.00
<b>Investment in Others (Measured at FVTOCI)</b>		
(i) 8,08,510 (PY - 8,08,510) Equity Shares of Mangalam ECS Environment Private Limited (Formerly known as ECS Environment Private Limited) - (Fully Paidup) of Rs 10 each. (#)	242.55	242.55
(ii) 1,05,500 (PY - Nil) Equity Shares - S E Investments Limited (of Rs. 10/- each Fully Paidup) Net of Impairment in value of Investments of Rs 10.55 Lakhs (PY - Nil)) (##)	-	-
<b>Investment in Mutual Funds (Measured at FVTPL)</b>		
Edelweiss Infrastructure Yield Plus	63.05	55.13
<b>Total - Unquoted Investments</b>	<b>1,396.52</b>	<b>1,784.60</b>
Aggregate Book Value of Quoted Investments	-	-
Aggregate Market Value of Quoted Investments	-	-
Aggregate Carrying Value of Unquoted Investments	1,396.52	1,784.60
Aggregate Amount of Impairment in Value of Investments	-	-

# The company has considered cost is representing the Fair Value.

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

### Note - 4 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non Current - Unsecured Considered Good</b>		
Security Deposits	113.82	104.21
Bank Deposits with more than 12 months maturity	0.11	0.10
<b>Non Current - Credit Impaired (##)</b>		
Security Deposits	56.08	-
Less: Allowance for doubtful Security Deposits	(56.08)	-
<b>Total</b>	<b>113.93</b>	<b>104.31</b>

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above includes due from:</b>		
Directors (Rent Deposit)	2.16	1.96
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-

### Note - 5 - Other Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Prepaid Income Tax / TDS (Net of Prov, if any)	123.14	19.60
<b>Total</b>	<b>123.14</b>	<b>19.60</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 6 - Deferred Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>		
Provision for Employee Benefits	21.06	13.46
Preliminary Expenditure	5.92	10.38
Disallowances for items to be allowed in subsequent years	-	1.18
Allowance for Doubtful Debts / Receivables / Deposit	1,696.18	42.95
Lease Liability and Deposit Created Under Ind AS 116	418.65	454.65
Property Plant & Equipments & Intangible Assets	12.95	-
<b>Total DTA</b>	<b>2,154.76</b>	<b>522.62</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Property Plant & Equipments & Intangible Assets	-	38.13
Deferred tax on Amortisation of Expenses	3.30	2.52
Deferred tax on ROU asset created under Ind AS 116	428.94	435.66
<b>Total DTL</b>	<b>432.24</b>	<b>476.31</b>
<b>Net DTA / (DTL)</b>	<b>1,722.52</b>	<b>46.31</b>
<b>Deferred Tax Liabilities (Net)</b>	-	-
<b>Deferred Tax Assets (Net)</b>	<b>1,722.52</b>	<b>46.31</b>

#### Movement in Deferred Tax Assets / Liabilities:

##### Current reporting period

Particulars	As at 1st April, 2022	Pursuant to Amalga- mation	Deferred Tax Charge/Credit to Statement of Profit & Loss	Deferred Tax Charge/Credit to other Comprehensive Income	As at 31st March, 2023
<b>Deferred Tax Assets (DTA)</b>					
Provision for Employee Benefits	13.46	-	8.88	(1.28)	21.06
Preliminary Expenditure	10.38	-	(4.46)	-	5.92
Disallowances for Items to be Allowed in Subsequent Period	1.18	-	(2.32)	1.14	-
Allowance for Doubtful Debts / Receivables / Deposit	42.95	1,910.68	(257.45)	-	1,696.18
Lease Liability and Deposit Created Under Ind AS 116	454.65	-	(36.00)	-	418.65
Property Plant & Equipments & Intangible Assets	(38.13)	65.84	(14.76)	-	12.95
<b>Deferred Tax Liabilities (DTL)</b>					
Deferred tax on Amorisation of Expenses	2.52	-	0.78	-	3.30
Deferred tax on ROU Asset Created Under Ind AS 116	435.66	-	(6.72)	-	428.94
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>46.31</b>	<b>1,976.52</b>	<b>(300.17)</b>	<b>(0.14)</b>	<b>1,722.52</b>

##### Previous reporting period

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2021	Deferred Tax Charge/Credit to Statement of Profit & Loss	Deferred Tax Charge/Credit to other Comprehensive Income	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	7.71	8.13	(2.38)	13.46
Preliminary Expenditure	13.03	(2.65)	-	10.38
Disallowances for Items to be Allowed in Subsequent Period	-	2.36	(1.18)	1.18
Allowance for Doubtful Debts / Receivables / Deposit	0.75	42.20	-	42.95
Lease Liability and Deposit Created Under Ind AS 116	182.97	271.68	-	454.65
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	25.42	12.71	-	38.13
Deferred tax on Amorisation of Expenses	0.33	2.19	-	2.52
Deferred tax on ROU Asset Created Under Ind AS 116	171.52	264.14	-	435.66
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>7.19</b>	<b>42.68</b>	<b>(3.56)</b>	<b>46.31</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 7 - Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances (Unsecured Considered Good)	53.60	45.82
Prepaid Expenses	-	0.86
<b>Total</b>	<b>53.60</b>	<b>46.68</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above includes due from:</b>		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-

### Note - 8 - Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials	931.35	6,945.90
Work-In-Progress	628.77	581.88
Finished Goods/ Stock in Trade	2,919.33	4,030.41
Inventories Lying at Project Under Implementation (RM/WIP/FG)	2,103.76	-
Packing Materials	163.82	93.07
Consumable, Stores and Spares	146.80	163.89
<b>Total</b>	<b>6,893.83</b>	<b>11,815.15</b>

**Note:** Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No -1.3.8.

Inventories are Hypothecated to Secured Working Capital Facilities from Bank (Refer Note No - 43)

### Note - 9 - Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current - Unsecured - Considered Good</b>	16,377.44	5,130.59
Less: Allowance for Doubtful Debts	(209.40)	(64.19)
<b>Current - Credit Impaired (Refer Foot Note 3 Below)</b>	5,521.46	-
Less: Allowance for Credit Impaired (Refer Foot Note 3 Below)	(5,521.46)	-
<b>Total</b>	<b>16,168.04</b>	<b>5,066.40</b>

**Note:** 1. Trade Receivables are Hypothecated to Secured Working Capital Facilities from Bank (Refer Note No - 43)

2. Trade Receivables Ageing Schedule (Refer Note No - 52)

3. Pursuant to amalgamation (Refer Note No. 55 and 56)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Trade Receivable include due from:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Farpoint Enterprise LLP (Subsidiary in PY)	465.16	12.22
Paradisal Trade LLP	381.47	-
Shirshak Exim LLP	351.80	194.58
Private Company in which director is director or member		
Mangalam ECS Environment Private Limited (Formerly known as ECS Environment Private Limited)	10.81	10.78
Mangalam Global (Singapore) Pte Limited (Subsidiary)	3.70	260.38
Mangalam Multi Businesses Private Limited	969.94	0.17

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 10 - Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash in Hand	5.65	6.46
Bank Balance		
In Current Accounts	0.37	0.09
In Deposit Accounts (maturity within 3 months from reporting date)	-	-
<b>Total</b>	<b>6.02</b>	<b>6.55</b>

### Note - 11 - Bank Balances other than Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with bank in Fixed Deposit accounts (Refer Note below)	402.17	283.92
<b>Total</b>	<b>402.17</b>	<b>283.92</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from SBI Consortium (Refer Note No - 43)	402.17	-
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from SBI Bank (Refer Note No - 43)	-	115.13
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from PNB Bank (Refer Note No - 43)	-	168.79

### Note - 12 - Loans

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured Considered Good</b>		
Loans to Related Parties	-	-
Loans to Others	257.55	-
<b>Credit Impaired (##)</b>		
Loans to Others	26.37	-
Less: Allowance for Doubtful Loans	(26.37)	-
<b>Total</b>	<b>257.55</b>	<b>-</b>

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director / Company is partner	-	-
Private Company in which director is director or member	-	-

# The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan has been utilized for the purpose it was granted.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 13 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current - Considered Good</b>		
Export Incentives Receivables	17.28	40.86
Other Receivables	90.54	223.51
Less: Allowance for Doubtful Receivable	(30.82)	(106.48)
<b>Current - Credit Impaired (##)</b>		
Other Receivables	33.28	-
Less: Allowance for Doubtful Receivable	(33.28)	-
<b>Total</b>	<b>77.00</b>	<b>157.89</b>

## Pursuant to Amalgamation (Refer Note No. 55 and 56)

### Note - 14 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured Considered Good</b>		
Advance to Supplier (Other than capital advances)	3,916.81	309.49
Less: Allowance for Doubtful Receivable (On Advance to Supplier)	(16.11)	-
	<b>3,900.70</b>	<b>309.49</b>
Balances with Government Authorities	381.46	769.80
Prepaid Expenses	93.35	58.23
Others	18.13	45.73
<b>Total</b>	<b>4,393.64</b>	<b>1,183.25</b>

### Note - 15 - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Authorised</b>		
52,27,00,000 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 5,00,00,000 Equity Shares of Rs. 10/- each)	10,454.00	5,000.00
<b>Issued</b>		
13,85,55,575 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 2,60,23,615 Equity Shares of Rs. 10/- each)	2,771.11	2,602.36
<b>Subscribed &amp; Paid up</b>		
13,85,55,575 Equity Shares of Rs. 2/- each (Refer Note No - 15.4) (PY - 2,60,23,615 Equity Shares of Rs. 10/- each)	2,771.11	2,602.36
<b>Total</b>	<b>2,771.11</b>	<b>2,602.36</b>

#### 15.1 Rights, Preferences and Restrictions Attached to Equity Shares:

The Company has one class of equity shares having a par value of Rs 2/- each post effect of share split (PY Rs.10/- each). each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**15.2 :** Company issued and allotted 80,28,705 bonus shares (as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of one shares for every two share held on 2nd September 2020.

Company issued and allotted 93,01,928 bonus shares (as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of four shares for every one share held on 3rd December 2019.

**15.3 :** (a) During the year ended 31st March 2023, pursuant to exercise by warrant holder of 16,87,500 convertible warrants the company has made allotment of 84,37,500 equity shares having face value of Rs 2/- each fully paidup for cash at a price of Rs 10.40/- per equity share (including share premium of Rs 8.40/- per equity share) aggregating to Rs 168.75 Lakhs (Face Value) & Rs 708.75 Lakhs (Share Premium). the aforementioned equity shares were allotted on 05 November 2022. the aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

(b) During the year ended 31st March 2022, pursuant to exercise by warrant holder of 9,37,500 convertible warrants the company has made allotment of 9,37,500 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 52/- per equity shares (including share premium of Rs 42/- per equity share) aggregating to Rs 93.75 Lakhs (Face Value) & Rs 393.75 Lakhs (Share Premium). The aforementioned equity shares were allotted on 22 March 2022. The aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

**15.4 :** The shareholders of the Company in their meeting held on 25th July 2022, approved sub-division/ split of 1 (one) equity share of Rs. 10/- each into 5 (five) equity shares of Rs. 2/- each fully paid up. The effective date for sub division of Equity shares was 19th August 2022. Consequently the split of equity shares is been effected from 19th August 2022.

### 15.5 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

**Current reporting period** (Rs. in Lakhs)

Particulars	As at 31st March, 2023	
	Number	Amount
<b>Equity Shares of Rs. 2/- each:</b>		
Shares Outstanding at the beginning of the Year (Rs.10/- each before effect of Share Split)	26,023,615	2,602.36
Add: Increase in the Number of Shares on Account of Share Split (Refer Note No - 15.4)	104,094,460	-
Add: Bonus Shares Issued during the Year	-	-
Add: Shares Issued during the Year	8,437,500	168.75
Less: Shares bought back during the Year	-	-
<b>Shares Outstanding at the end of the Year</b>	<b>138,555,575</b>	<b>2,771.11</b>

### Previous reporting period

Particulars	As at 31st March, 2022	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares Outstanding at the beginning of the Year	25,086,115	2,508.61
Add: Bonus Shares Issued during the Year	-	-
Add: Shares Issued during the Year	937,500	93.75
Less: Shares bought back during the Year	-	-
<b>Shares Outstanding at the End of the Year</b>	<b>26,023,615</b>	<b>2,602.36</b>

### 15.6 Shares in the company held by each shareholder holding more than 5 percent shares

#### Current reporting period

Name of Shareholder	As at 31st March, 2023	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 2/- each: (Refer Note No - 15.4)</b>		
Chanakya Prakash Mangal	19,761,125	14.26%
Chandragupt Prakash Mangal	20,929,100	15.11%
Om Prakash Mangal	10,714,350	7.73%
Rashmi Mangal	13,989,175	10.10%
Vipin Prakash Mangal	12,489,550	9.01%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	9,004,995	6.50%
Specific Worldwide LLP	15,107,700	10.90%

#### Previous reporting period

Name of Shareholder	As at 31st March, 2022	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,489,725	13.41%
Chandragupt Prakash Mangal	3,623,320	13.92%
Om Prakash Mangal	2,142,870	8.23%
Rashmi Mangal	2,797,835	10.75%
Vipin Prakash Mangal	1,935,410	7.44%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	1,983,934	7.62%
Specific Worldwide LLP	3,021,540	11.61%

## 15.7 Shareholding of Promoters

### Current reporting period

Name of Promoters	As at 31st March, 2023		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 2/- each: (Refer Note No - 15.4)</b>			
Vipin Prakash Mangal	12,489,550	9.01%	1.58%
Chanakya Prakash Mangal	19,761,125	14.26%	0.85%
Chandragupt Prakash Mangal	20,929,100	15.11%	1.18%
<b>Total</b>	<b>53,179,775</b>	<b>38.38%</b>	<b>3.61%</b>

### Previous reporting period

Name of Promoters	As at 31st March, 2022		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each</b>			
Vipin Prakash Mangal	1,935,410	7.44%	0.12%
Chanakya Prakash Mangal	3,489,725	13.41%	0.31%
Chandragupt Prakash Mangal	3,623,320	13.92%	(0.52%)
<b>Total</b>	<b>9,048,455</b>	<b>34.77%</b>	<b>(0.09%)</b>

## 15.8 Share Warrants

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Share Warrants Outstanding at the beginning of the Year	365.63	-
Add: Upfront Money Received during the year against Share Warrants Issued	-	487.50
Add: Allotment Money Received during the year against Share Warrants	658.12	365.63
Less: Allotment of Equity Shares on Conversion of Share Warrants	(877.50)	(487.50)
<b>Share Warrants Outstanding at the end of the Year</b>	<b>146.25</b>	<b>365.63</b>

- (a) The Company has issued 37,50,000 convertible equity warrants on 22nd November 2021 at an issue price of Rs. 52/- per warrant on preferential basis to the promoters and person belonging to Promoters' Group on receipt of the subscription money Rs. 487.50 Lakhs being 25% of the issue price. Such warrants are convertible into equivalent number of fully paid up equity shares of face value of Rs.10/- at a premium of Rs. 42/- each, at an option of the warrant holders, at any time, in one or more tranches, within 18 Months from the date of issue of warrants on the payment of balance 75% amount due on warrants.
- (b) During the year ended 31st March 2022, on receipt of Rs. 365.63 Lakhs being 75% of the issue price due on warrants from one warrant holder, the company had converted 9,37,500 convertible warrants and allotted equivalent number of equity shares on 22nd March 2022.
- (c) During the year ended 31st March 2023, on receipt of Rs. 658.13 Lakhs being 75% of the issue price due on warrants from three warrant holders, the company has converted 16,87,500 convertible warrants and allotted 5 equity shares per warrant (post sub-division/ split of 1 (one) equity share into 5 (five) equity shares) on 5th November 2022.



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 16 - Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Securities Premium Reserve</b>		
Balance at the beginning of the Year	3,454.97	3,061.22
Add: Premium on Share Issue Pursuant to Conversion of Share Warrants	708.75	393.75
<b>Balance at the end of the Year</b>	<b>4,163.72</b>	<b>3,454.97</b>
<b>Amalgamation Reserve</b>		
Balance at the beginning of the Year	-	-
Add: Pursuant to Amalgamation	1,948.37	-
<b>Balance at the end of the Year</b>	<b>1,948.37</b>	-
<b>Retained Earning</b>		
Balance at the beginning of the Year	1,439.89	1,100.90
Add: Net Profit/(Net Loss) For the Year	1,189.77	391.28
Less: Pursuant to Amalgamation	(457.58)	-
Less: Dividend on Equity Shares #	(84.18)	(52.29)
<b>Balance at the end of the Year</b>	<b>2,087.90</b>	<b>1,439.89</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the Year	10.58	-
<b>Changes during the year</b>		
Remeasurement Gain/(Loss) on defined benefit Plan (Net of Tax)	3.81	7.07
Movement in Cash Flow Hedge Reserve (Net of Tax)	(3.38)	3.51
<b>Balance at the end of the Year</b>	<b>11.01</b>	<b>10.58</b>
<b>Money received against share Warrants</b>		
Balance at the beginning of the Year	365.63	-
Add: Upfront Money Received during the year against Share Warrants Issued	-	487.50
Add: Allotment Money Received during the year against Share Warrants	658.12	365.63
Less : Allotment of Equity Shares on Conversion Share Warrants	(877.50)	(487.50)
<b>Balance at the end of the Year</b>	<b>146.25</b>	<b>365.63</b>
<b>Total Other Equity</b>	<b>8,357.25</b>	<b>5,271.06</b>
<b># Dividend on equity shares paid during the year</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
Final Dividend for the Year 2021-22 [Re.1 (PY: Re.1)] per Equity Share of Rs.10 each (before effect of Share Split in FY 2022-23)	84.18	52.29

**Note:** Board of directors of the company have proposed final dividend of Rs. 0.02/- Per Equity Share of Rs. 2 each (post effect of share split) for the Financial Year 2022-23. Proposed dividend on Equity Shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2023. No interim dividend was declared and paid during the Financial Year 2022-23.as a liability as at 31 March 2022.

### Note - 17 - Long Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured Borrowings</b>		
From Banks	1,632.23	863.92
<b>Unsecured Borrowings</b>		
Inter Corporate Deposits	-	-
Loan from Directors	-	-
Loan from Directors Relatives	-	-
<b>Total</b>	<b>1,632.23</b>	<b>863.92</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Long Term Borrowings (Note No - 17) (Contd...)

Current Reporting Period:

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding as at 31-3-23	Details	Security
1	HDFC Bank : GECL-1 WCTL	150.91	Sanctioned: Rs 234.00 Int: Reference Rate + Spread (Presently 9.25%) Tenure: 48 Months Repayment: 12 Months Moratorium, 36 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.	Refer Note No. 21.1
2	HDFC Bank : GECL-2 (Extension) WCTL	947.56	Sanctioned: Rs 956.79 Int: Reference Rate + Spread (Presently 9.25%) Tenure: 72 Months Repayment: 24 Months Moratorium, 48 Months Instalments after Moratorium. Interest to be Serviced on Monthly Basis.	Refer Note No. 21.1
3	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) 1	92.00	Sanctioned: Rs 144.00 Int: One Year MCLR Subject to Maximum 9.25% (Presently 7.25%) Tenure: 48 Months Repayment: 12 Months Moratorium. 36 Months Instalments after Moratorium. Interest to be Served as & when Charged.	Refer Note No. 21.1
4	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL) 2	557.00	Sanctioned: Rs 557.00 Int: One Year MCLR Subject to Maximum 9.25% (Presently 8.10%) Tenure: 72 Months Repayment: 24 Months Moratorium. 48 Months Instalments after Moratorium. Interest to be Served as & when Charged.	Refer Note No. 21.1

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Long Term Borrowings (Note No - 17) (Contd...)

Current Reporting Period:

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding as at 31-3-23	Details	Security
5	ICICI bank Ltd: Loan Against Property	218.00	Sanctioned : Rs. 218.00 Int: RBIPRR is 6.5% and Spread is 3.0% and applicable Interest Rate is 9.50 (RBIPRR+Spread)%. Tenure: 180 Months Repayment: 180 Months	Security : Equitable mortgage of following properties <ol style="list-style-type: none"> <li>1. Bungalow No-A- 1 Shakti Nagar, plot area admeasuring about 397.30 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.</li> <li>2. Bungalow No-A- 2 Shakti Nagar, plot area admeasuring about 318.50 sq.mtrs and construction admeasuring 167.55 sq.mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</li> <li>3. Bungalow No-A- 3 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj,</li> <li>4. Bungalow No-A- 4 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey no. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</li> </ol>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Long Term Borrowings (Note No - 17) (Contd...)

Current Reporting Period:

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding as at 31-3-23	Details	Security
6	ICICI Bank Ltd : Loan Against Property	139.00	Sanctioned : Rs. 139.00 Int: RBIPRR is 6.5% and Spread is 3.0% and applicable Interest Rate is 9.50 (RBIPRR+Spread)%. Tenure: 180 Months Repayment: 180 Months	Security : Equitable mortgage of following properties 1. Bungalow 8-B Triveni Park, (Tenament No. 6/36/8/B) plot area admeasuring about 475 and construction admeasuring 83 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj. 2. Bungalow 8-A Triveni Park, (Tenament No. 6/36/7/B) plot area admeasuring about 416.57 and construction admeasuring 95.01 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey no. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj
7	HDFC Bank Ltd : Loan CEMID Equipments	30.97	Sanctioned: Rs 34.00 Int: 8.40% Tenure 48 Months Repayment : 48 Months	Hypothecation of respective Commercial vehicle (JCB)
8	HDFC Bank Ltd : Loan CEMID Equipments	30.97	Sanctioned: Rs 34.00 Int: 8.40% Tenure 48 Months Repayment : 48 Months	Hypothecation of respective Commercial vehicle (JCB)

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Long Term Borrowings (Note No - 17) (Contd...)

Previous Reporting Period:

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding as at 31-3-22	Details	Security
1	HDFC Bank : GECL-WCTL	222.46	Sanctioned: Rs 234.00 Int: Reference rate + 0.80% (presently 8.25%) Tenure: 48 Months Repayment: 12 months moratorium, 36 months Instalments after moratorium. Interest to be serviced on monthly basis.	Primary Security:- Hypothecation of stock & book debts (created out of HDFC GECL-WCTL) All stock & book debts (Second Charge on GECL Exposure): Collateral Security:- Equitable mortgage of following properties (Second Charge on GECL Exposure): 1. Office no. 201, Setu Complex, Ahmedabad (Owned by Company) 2. B No. 19/B, Kalyan Society, Ahmedabad (Owned by Director) 3. B No. 21, Sarthi CHS Ltd, Ahmedabad (Owned by Director) 4. Plot No 31, Chandranagar, Paldi, The Samast Bhrahmkshatriya Co Op Hou. Society Ltd Opp. Chandranagar BRTS Paldi, Ahmedabad -380007 Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.
2	Punjab National Bank Ltd: PNB Covid-19 Emergency Credit Facility (CECF)	70.09	Sanctioned: Rs 250.00 Int: One Year MCLR + 0.50% (presently 7.85%) Tenure: 24 Months Repayment: 6 months moratorium. 18 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1st pari passu charge by way of hypothecation of entire current assets (Present & future) of company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. kept at all leased factory premises of the company or at any other place. Collateral Security:- 1st pari passu charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP The company has given Fixed Deposit under lien in this regard (Refer Note No: 11) Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal Corporate Gaurantee:- Specific Worldwide LLP

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Long Term Borrowings (Note No - 17) (Contd...)

Previous Reporting Period:

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding as at 31-3-22	Details	Security
3	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL)	144.00	Sanctioned: Rs 144.00 Int: One Year MCLR Subject to maximum 9.25% (presently 7.35%) Tenure: 48 Months Repayment: 12 months moratorium. 36 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1. Extension of 2nd charge on entire present and future current assets of the borrower 2. Extension of 2nd charge on entire present and future current assets of the Company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables and all other current assets of the company. The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC. Collateral Security:- Exclusive 2nd charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)
4	Punjab National Bank Ltd: Guaranteed Emergency Credit Line (GECL)	557.00	Sanctioned: Rs 557.00 Int: One Year MCLR Subject to maximum 9.25% (presently 7.25%) Tenure: 72 Months Repayment: 24 months moratorium. 48 months Instalments after moratorium. Interest to be served as & when charged.	As mentioned above in Sr. No. 3

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 18 - Long Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	1,412.45	1,561.28
<b>Total</b>	<b>1,412.45</b>	<b>1,561.28</b>

Refer Note No. - 46

### Note - 19 - Other Long Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Rent Deposit	14.20	14.20
<b>Total</b>	<b>14.20</b>	<b>14.20</b>

### Note - 20 - Long Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee benefits (Refer note no - 39)		
Gratuity (Unfunded)	22.92	13.91
Leave Encashment	26.85	15.23
<b>Total</b>	<b>49.77</b>	<b>29.14</b>

### Note - 21 - Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Secured (Repayable on Demand) (Working Capital Facilities from Bank)</b>		
HDFC Bank	4,954.62	3,431.32
Punjab National Bank	3,907.18	2,499.19
State Bank of India	3,833.51	2,495.84
Canara Bank	4,793.25	-
ICICI Bank	346.68	-
<b>Current Maturities of Non-Current Borrowings</b>		
Current maturities of Long - Term Borrowings	183.64	123.72
<b>From Others</b>		
Inter Corporate Deposit	190.00	290.00
Directors	2,413.21	54.95
Directors Relative	-	-
<b>Total</b>	<b>20,622.09</b>	<b>8,895.02</b>

### Current Reporting Period

**21.1** SBI, HDFC Bank, PNB, & Canara Bank have sanctioned working capital facilities (including GECL/WCTL refer note 17) of Rs. 19548 Lakhs & SBI has sanctioned term loan of Rs. 250 Lakhs to the company under consortium banking arrangement (SBI consortium) wherein SBI is a lead bank (Total credit limit Rs.19798 Lakhs), as per details given below:

- (i) State Bank of India sanctioned limit of Rs. 5200 Lakhs (Fund based limit of Rs. 5000 Lakhs and non-Fund based Limit of Rs. 200 Lakhs).
- (ii) Punjab National Bank Sanctioned Limit of Rs. 4657 Lakhs (Fund based limit of Rs. 4657 Lakhs)
- (iii) HDFC Bank Limited sanctioned limit of Rs. 5191 Lakhs (Fund based Limit of Rs. 5191 Lakhs)
- (iv) Canara bank sanctioned limit of Rs. 4500 Lakhs (Fund based limit of Rs. 4500 Lakhs)
- (v) State Bank of India, Term Loan of Rs 250 Lakhs.

SBI consortium has appointed PNB Investment Services Limited as "Security Trustee".

Working capital facilities are secured by Pari passu first charge by way of hypothecation over entire current assets of the Company and Pari passu second charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI. (Refer Note No. 21.2)

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd.... )

Term Loan Facility granted by SBI is secured by First charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan and Pari passu second charge by way of hypothecation over entire current assets of the Company. (Refer Note No. 21.3)

Working capital facilities granted by SBI Consortium and Term Loan granted by SBI are secured by collateral securities. (Refer Note No. 21.4)

#### 21.2 WORKING CAPITAL FACILITIES GRANTED BY SBI CONSORTIUM Rs. 19548 Lakhs:

Charge in favor of PNB Investment Services Limited of Rs. 19548 Lakhs.

Pari passu first charge by way of hypothecation over entire current assets (present & Future, except mentioned below) of the Company including Raw Material, Stock in Process, Stock in Transit, Finished Foods, Stores, Spares & Receivables etc., kept at all owned/leased factory premises of the company or at any other place and Pari passu second charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI.

#### 21.3 Term Loan Facilities Granted by SBI Rs. 250 Lakhs:

First charge by way of Hypothecation of proposed Plant & machinery to be procured out of Term Loan granted by SBI and Pari passu second charge by way of hypothecation over entire current assets (present & Future) of the Company including Raw Material, Stock in Process, Stock in Transit, Finished Foods, Stores, Spares & Receivables etc., kept at all owned/leased factory premises of the company or at any other place.

#### 21.4 COLLATERAL SECURITIES for both Working capital facilities of Rs. 19548 Lakhs granted by SBI Consortium and Term Loan of Rs 250 Lakhs granted by SBI: Total limit Rs.19798 Lakhs.

As per sanction terms, charge on following collateral securities to be created

1. Pari Passu 1st charge by way of Equitable Mortgage over factory land and Building at Block/Survey No. 155 paiki admeasuring about 13873 sq. mtrs. of Khata No 447 (Old Account no. 350 admeasuring about 6791 sq. mtrs and Account no. 349 admeasuring about 7082 sq. mtrs) along with construction of factory building standing thereon of Mouje: Lodariyal, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited.
2. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being residential Plot/Unit No. 17, admeasuring about 428 sq.mtr., along with rights to use common roads and common plots in the scheme known as "ORCHID GREENS", situated upon non-agricultural land bearing amalgamated Block No. 78 of mouje: Sanathal, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited
3. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being residential Bungalow at Sub –plot No. 31, admeasuring about 451 sq.mts., together with construction standing thereon in the Samast Brahmshatriya Co-operative Housing Society Limited situated upon non-agricultural land bearing final Plot No. 98 in the Town Planning Scheme No. 22 of mouje: Paldi, Taluka: Sabarmati, District: Ahmedabad in the name of Mangalam Global Enterprise Limited.
4. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being Commercial Office No. 201 on second floor, admeasuring about 502.51 sq.mts., , together with undivided share admeasuring about 158 sq.mts., and having rights in the common facilities and amenities in the scheme known as "SETU COMPLEX" of Setu (commercial) non-trading Association, situated upon the non-agricultural land bearing Final Plot No. 324/3, in the Town Planning Scheme No. 3 being allotted City Survey No. 2984, of mouje: Changisapur, Taluka: Sabarmati, District: Ahmedabad in the name of Mangalam Global Enterprise Limited
5. Pari Passu 1st charge by way of Equitable Mortgage over immovable property being Sub –Plot No. C-4-B (as per approved plan Sub plot No. 3-4-B), admeasuring about 5400 sq.mts., together with construction standing thereon situated upon non – agricultural land bearing Survey Nos. (i) 943/2 (Revenue Account No. 1208) (Old Survey No. 242), admeasuring about 2256 sq.mtr., and (ii) 944/2 (Revenue Account No. 3144) (old Survey No. 243), admeasuring about 3144 sq.mtr., total admeasuring about 5400 sq.mts., known as "Prathana Upvan", of Prathana Co-operative Housing Society Limited at mouje: Manipur, Taluka: Sanand, District: Ahmedabad in the name of Mangalam Global Enterprise Limited and Specific Worldwide LLP
6. Pari Passu 1st charge by way of Equitable Mortgage over non- agricultural bearing Survey/Block No. 1025/3, admeasuring about 40266 sq.mts., paiki northern side admeasuring about 22461 sq.mts., (amalgamation of old Survey Nos. 1025/3, admeasuring about 3642 sq.mts., + 1034/1, admeasuring about 8093 sq.mts., + 1035/1+2+3, admeasuring about 22469 sq.mts., + 1036/3, admeasuring about 6070 sq.mts.) together with construction standing thereon of mouje & Taluka: Kapadwanj, District: Kheda
7. Pari Passu 1st charge by way of Equitable Mortgage over Sub –Plot No. 6, admeasuring about 4289.20 sq.mts., together with construction standing thereto in the "Kapdwanj Industrial Estate" of Gujarat Industrial Development Corporation situated upon non-agricultural lad bearing Survey Nos. 1035/P and 1039/P of mouje & Taluka: Kapadwanj, District: Kheda



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd....)

8. Lien and pari passu 1st charge over FD of Rs. 200 Lakhs in the name of Mangalam Global Enterprise Limited proposed for substitution of collateral security for plot No. 122/paiki, Harij, Patan, in the name of Farpoint Enterprise LLP.
9. Lien and pari passu 1st charge over FD of Rs. 114 Lakhs in the name of Mangalam Global Enterprise Limited
10. Lien and pari passu 1st charge over FD of Rs. 168 Lakhs in the name of Mangalam Global Enterprise Limited
11. Pari passu first charge by way of hypothecation of Existing Plant & Machinery of Kapadwanj Plant acquired by MGEL through NCLT order
12. Pari passu first charge by way of hypothecation of Plant & Machinery at Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka Sanand District Ahmedabad.

### 21.5 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets:

#### Current Reporting Period

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-22	Working Capital Lenders*	Inventory	6,014.08	6,176.02	(161.94)	Refer note below
Jun-22	Working Capital Lenders*	Trade Receivable	5,832.68	4,987.23	845.45	
Jun-22	Working Capital Lenders*	Advance to Suppliers	2,284.91	2,795.28	(510.37)	
Jun-22	Working Capital Lenders*	Trade Payable	1,079.66	479.72	599.94	
Jun-22	Working Capital Lenders*	Advance from Customers	98.24	45.92	52.32	
Sep-22	Working Capital Lenders*	Inventory	5,082.02	3,626.56	1,455.46	
Sep-22	Working Capital Lenders*	Trade Receivable	7,128.14	7,027.35	100.79	
Sep-22	Working Capital Lenders*	Advance to Suppliers	3,031.79	2,516.51	515.28	
Sep-22	Working Capital Lenders*	Trade Payable	591.54	95.87	495.67	
Sep-22	Working Capital Lenders*	Advance from Customers	60.53	19.70	40.83	
Dec-22	Working Capital Lenders*	Inventory	6,049.54	6,091.92	(42.38)	
Dec-22	Working Capital Lenders*	Trade Receivable	18,077.65	17,130.99	946.66	
Dec-22	Working Capital Lenders*	Advance to Suppliers	494.06	432.30	61.76	
Dec-22	Working Capital Lenders*	Trade Payable	9,013.14	8,017.91	995.23	
Dec-22	Working Capital Lenders*	Advance from Customers	93.60	105.32	(11.72)	
Mar-23 #	Working Capital Lenders**	Inventory	6,893.83	7,808.62	(914.79)	
Mar-23 #	Working Capital Lenders**	Trade Receivable	16,168.04	12,408.80	3,759.24	
Mar-23 #	Working Capital Lenders**	Advance to Suppliers	3,916.81	4,222.45	(305.64)	
Mar-23 #	Working Capital Lenders**	Trade Payable	3,185.04	3,212.06	(27.02)	
Mar-23 #	Working Capital Lenders**	Advance from Customers	48.06	39.51	8.55	

\* PNB, HDFC, SBI are represented as working capital lenders

\*\* SBI, PNB, HDFC & Canara are represented as Working Capital lenders under consortium banking arrangement.

#### Reason For Material Differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received / given from / to customers / vendors. Further the company consolidates more than one account of the same party lying in different groups / classifications.
- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software / system. However at the quarter end company identify the value of inventory based on accounting policy adopted by the company.
- Differences in value of inventory / party balances arises due to inward / outward goods in transit, rejection of goods, etc. Which is accounted in books as Per the accounting policy and cut off procedure adopted by the company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.
- # Company has filed provisional return as on 28 March 2023 with banks for quarter ended 31 March 2023, as per due date.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd....)

#### Previous Reporting Period

**21.1** Mangalam Global Enterprise Ltd-MGEL (Company) has created a charge in favour of HDFC Bank Ltd, to the extent of Rs.6500 Lakhs (PY Rs 6500 Lakhs) by way of hypothecation of stock and book debts (Under MBA see note 21.5) on entire exposure as a security for various working capital facilities viz CC, EPC, PCFC, FBP, FBD, Invoice Discounting etc granted by the bank.

The above facilities are further collaterally secured by way of equitable mortgage of company's property office no 201, Setu Complex, Ahmedabad & Plot no 31 The Samast Bhrm Kshatriya CHS Ltd Paldi Ahmedabad.

The Company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

The above facilities are guaranteed by three directors of the company in their personal capacity.

In addition to above property, Bungalow on plot no 19/B Kalyan Society Mithakhali Ahmedabad and Bungalow no 21 Sarthi-3 CHS Ltd Thaltej Ahmedabad owned by a director, are given as collateral security by way of mortgage.

**21.2** Mangalam Global Enterprise Ltd-MGEL (Company) has created a charge in favor of HDFC Bank Ltd, to the extent of Rs. 500 Lakhs (revised sanctioned value) (PY Rs 1500 Lakhs) by way of pledge of Stock of warehouse receipt/storage receipts as security for Short Term loan against Pledge of physical commodities Facility granted by the bank. The facility is further guaranteed by three directors of the company in their personal capacity.

**21.3** Mangalam Global Enterprise Ltd-MGEL (Company) has created charge in favor of Punjab National Bank (PNB), to the extent of Rs. 2853 Lakhs (revised sanctioned value) (PY Rs 2750 Lakhs).

1st pari pasu charge by way of hypothecation of entire current assets (Under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz CC, PCFC, FOBP, FOUPB, FABC etc. granted by the bank.

Collateral Securities: property at C-4-B Prarthan Upvan CHS Ltd, Taluka Sanand, jointly owned by company and M/s Specific Worldwide LLP.

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s Specific Worldwide LLP.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

**21.4** Mangalam Global Enterprise Ltd-MGEL (Company) has created 1st Pari pasu charge in favor of State Bank of India (SBI), to the extent of Rs. 2500 Lakhs (PY Rs Nil). 1st pari pasu charge by way of hypothecation of entire current assets (under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz FBWC, CC, PCFC, FOBP, FOUPB, FABC etc. granted by the bank.

The above facilities are further under Collateral Securities: (i) company's property at survey no 155 / paiki mouje Lodariyal Village, Sanand, Dist. Ahmedabad (ii) company's property at Plot No.17, Orchid Greens, Sanand, Ahmedabad (iii) Hypothecation of company's Plant & Machinery located at S No.155/paiki of khata no.447 of Village Lodariyal Dist: Sanand, Ahmedabad.

The above facilities are further Collaterally Secured by Factory Land & Building at survey no 122, Kukrana road, Harij, Patan owned by Farpoint Enterprise LLP (subsidiary company).

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s. Farpoint Enterprise LLP

**21.5** COLLATERAL SECURITIES for both Working capital facilities of Rs. 19548 Lakhs granted by SBI Consortium and Term Loan of Rs 250 Lakhs granted by SBI: Total limit Rs.19798 Lakhs. As per sanction terms, charge on following collateral securities to be created.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 21 - Short Term Borrowings (Contd. )

#### 21.6 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets:

##### Previous Reporting Period

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-21	Working Capital Lenders*	Inventory	3,675.63	4,367.63	(692.00)	Refer note below
Jun-21	Working Capital Lenders*	Trade Receivable	3,473.23	3,313.24	159.99	
Jun-21	Working Capital Lenders*	Advance to Suppliers	1,024.43	1,586.66	(562.23)	
Jun-21	Working Capital Lenders*	Trade Payable	492.13	173.88	318.25	
Jun-21	Working Capital Lenders*	Advance from Customers	145.94	156.50	(10.56)	
Sep-21	Working Capital Lenders*	Inventory	4,704.32	4,744.86	(40.54)	
Sep-21	Working Capital Lenders*	Trade Receivable	3,532.19	2,588.90	943.29	
Sep-21	Working Capital Lenders*	Advance to Suppliers	532.78	1,335.15	(802.37)	
Sep-21	Working Capital Lenders*	Trade Payable	416.65	86.78	329.87	
Sep-21	Working Capital Lenders*	Advance from Customers	173.36	38.76	134.60	
Dec-21	Working Capital Lenders*	Inventory	11,077.31	11,559.33	(482.02)	
Dec-21	Working Capital Lenders*	Trade Receivable	2,547.73	2,319.51	228.22	
Dec-21	Working Capital Lenders*	Advance to Suppliers	577.13	846.45	(269.32)	
Dec-21	Working Capital Lenders*	Trade Payable	2,202.60	2,111.52	91.08	
Dec-21	Working Capital Lenders*	Advance from Customers	290.90	115.81	175.09	
Mar-22 #	Working Capital Lenders*	Inventory	11,815.15	11,897.19	(82.04)	
Mar-22 #	Working Capital Lenders*	Trade Receivable	5,130.59	3,888.86	1,241.73	
Mar-22 #	Working Capital Lenders*	Advance to Suppliers	309.49	1,442.82	(1,133.33)	
Mar-22 #	Working Capital Lenders*	Trade Payable	3,807.49	1,592.57	2,214.92	
Mar-22 #	Working Capital Lenders*	Advance from Customers	763.58	782.77	(19.19)	

\* PNB, HDFC, SBI are represented as working capital lenders

#### Reason for material differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from / to customers/vendors. Further the Company consolidates more than one account of the same party lying in different groups/classifications.
- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/system. However at the quarter end company identify the value of inventory based on accounting policy adopted by the company.
- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.
- # Company has filed provisional return as on 26 March 2022 with banks for quarter ended 31 March 2022, as per due date.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 22 - Short Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current maturities of Long Lease Liabilities	148.84	133.49
<b>Total</b>	<b>148.84</b>	<b>133.49</b>

Refer Note No. 46

### Note - 23 - Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of Micro Enterprise and small enterprise	-	-
Total outstanding dues of Creditor of other than Micro Enterprise and small enterprise	3,185.04	3,807.49
<b>Total</b>	<b>3,185.04</b>	<b>3,807.49</b>

Note: Trade Payables ageing Schedule (Refer Note No. 53)

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

Particulars	As at 31st March, 2023	As at 31st March, 2022
- Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	-	-
- Principal amount due to micro and small enterprise	-	-
- Interest due on above	-	-
- Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
- Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**Note:** Dues to Micro and Small Enterprises have been Determined to the Extent Such Parties have been Identified on the Basis of Information Collected by the Company. This has been Relied Upon by the Auditors.

### Note - 24 - Other Short Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Dues	38.86	34.24
Payable for Capital Goods	2.47	4.87
Advance from Customers	48.06	763.58
Unpaid Dividend	0.37	0.09
<b>Total</b>	<b>89.76</b>	<b>802.78</b>

### Note - 25 - Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Expenses / Interest not due	16.56	4.91
Provision for Employee benefits (Refer note no 39)		
Gratuity (Unfunded)	5.13	3.70
Leave Encashment	4.60	3.41
<b>Total</b>	<b>26.29</b>	<b>12.02</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 26 - Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Financial</b>		
Other Statutory Liability	-	-
Others	-	13.95
<b>Total</b>	<b>-</b>	<b>13.95</b>

### Note - 27 - Revenue From Operations

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Sale of Products</b>		
Export Sales	12,921.45	10,156.45
Domestic Sales	107,399.70	108,357.92
<b>Sale of Services</b>		
Sale of Services	357.52	261.53
<b>Other Operating Revenue</b>		
Export Incentive Income	127.26	100.30
Net Gain of Contract Settlement	1,778.85	167.02
<b>Total</b>	<b>122,584.78</b>	<b>119,043.22</b>

### Note - 28 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest Income	129.77	371.01
Other Non-Operating Income		
Gain on Foreign Exchange Fluctuation (Net)	135.69	95.80
Gain on Lease Termination (Net)	-	67.25
Corporate Guarantee Commission Income	47.29	56.40
Income from Investment Activities	13.23	2.30
Other Non-Operating Income	233.06	57.73
<b>Total</b>	<b>559.04</b>	<b>650.49</b>
<b>28.1 Interest Income comprises:</b>		
Interest on Loans and Advances	19.07	179.88
Interest from Banks on Deposit	23.66	43.19
Interest from Trade Receivables / Advances	-	1.71
Interest from Delayed Supply of Goods	76.31	130.64
Interest on Income Others	0.09	0.11
Interest on Income Tax Refund	1.07	6.50
Interest Income - Amortisation	9.57	8.98
<b>Total</b>	<b>129.77</b>	<b>371.01</b>
<b>28.2 Income from Investment Activities Comprises:</b>		
Dividend Income	0.89	-
Gain on Mutual Fund	12.34	2.30
<b>Total</b>	<b>13.23</b>	<b>2.30</b>
<b>28.3 Other Non Operating Income Comprises:</b>		
Sale of Scrap	9.84	1.93
Management Consultancy Income	-	1.23
Lease Rental Income	23.68	30.01
Sundry Balances Written Back	164.51	-
Other Income	35.03	24.56
<b>Total</b>	<b>233.06</b>	<b>57.73</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 29 - Cost Of Materials Consumed

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Stock at the Beginning of the Year	6,945.90	2.48
Add : Purchases and Incidental Expenses (Net of Returns, Claims / Discount, If Any)	45,137.26	78,147.59
Less : Closing Stock at the end of the Year	(931.35)	(6,945.90)
<b>Total</b>	<b>51,151.81</b>	<b>71,204.17</b>

### Note - 30 - Purchase of Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Purchases and Incidental Expenses (Net of returns, claims/discount, if any)	62,401.66	45,120.90
<b>Total</b>	<b>62,401.66</b>	<b>45,120.90</b>

### Note - 31 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Opening Stock</b>		
Work-in-Progress	581.88	826.05
Finished Goods / Stock-in Trade	4,030.41	1,178.25
	<b>4,612.29</b>	<b>2,004.30</b>
<b>Closing Stock</b>		
Work-in-Progress	628.77	581.88
Finished Goods / Stock-in Trade	2,919.33	4,030.41
	<b>3,548.10</b>	<b>4,612.29</b>
<b>Total</b>	<b>1,064.19</b>	<b>(2,607.99)</b>

### Note - 32 - Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, Wages and Bonus	582.40	551.41
Contributions to Provident and Other Funds	23.80	23.60
Gratuity and Leave Encashment (Net of Reversals, If Any)	32.79	33.50
Staff Welfare Expenses	51.78	48.32
<b>Total</b>	<b>690.77</b>	<b>656.83</b>

Refer Note No - 39

### Note - 33 - Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Interest expense:</b>		
On Fixed Loans from Banks	114.00	31.57
On CC & Other Working Capital Borrowing	847.74	600.87
On Other Borrowing	41.63	57.48
Unwinding of Discount on Lease	161.03	202.14
Other Finance Cost	49.38	34.56
<b>Total</b>	<b>1,213.78</b>	<b>926.62</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 34 - Depreciation & Amortisation Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Property, Plant and Equipments	79.10	39.63
Depreciation on Right of Use Assets	220.61	270.34
Amortisation of Intangible Assets	2.79	1.33
<b>Total</b>	<b>302.50</b>	<b>311.30</b>

### Note - 35 - Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Manufacturing &amp; Service Cost</b>		
Power & Fuel	1,215.09	949.94
Loading-Unloading Expenses	190.12	188.61
Factory Consumables	425.41	389.58
Other Factory Expenses	57.48	24.41
Godown / Storage Tank Rent	3.24	6.77
Job Work Expenses	13.23	-
Repair & Maintenance - Plant & Machinery	53.70	75.46
Repair & Maintenance - Building	1.65	9.99
Repair & Maintenance - Others	5.88	2.98
Raw Material (Commodity) Hedging Cost	0.01	-
Packing Expenses	332.84	109.96
<b>Total Manufacturing &amp; Service Cost</b>	<b>2,298.65</b>	<b>1,757.70</b>
<b>Administration, Selling &amp; Other Expenses</b>		
Business Promotion Expenses	9.03	47.93
Brokerage Expenses	5.20	4.88
Bank Charges	45.86	16.21
Cash Discount	49.96	15.03
Conveyance Expense	11.35	5.96
Donation	0.11	0.15
Electricity Expenses	7.36	11.74
Testing Fees	3.04	10.01
Legal Expenses	60.55	64.64
Director Sitting Fees	6.63	6.80
Legal and Professional Consultancy Fees	145.95	119.45
Payment to Statutory Auditors	4.75	3.75
Outwards Freight / Loading, Unloading & Handling Expenses	1,133.26	516.31
Other Expenses	-	0.06
Exchange / Listing Expenses	4.63	4.53
Sales Commission Expenses	46.28	55.10
Office Expenses	38.92	30.06
Postage & Courier Expenses	3.18	1.44
Printing & Stationery Expenses	7.21	6.37
Rates & Taxes	4.80	14.76
GST Expenses	93.73	1.47
Lease Rent Expenses	1.41	1.52
Godown / Storage Tank Rent	27.17	11.62
Repair & Maintenance - Building	1.99	2.53
Repair & Maintenance - Others	8.07	5.57
Insurance Expenses	56.46	48.45
Telecommunication Expenses	5.31	4.42
Travelling Expenses	52.74	5.84
Sundry Balances Written Off	-	2.50

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 35 - Other Expenses (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Provision for Doubtful Debt	85.67	167.68
Corporate Social Responsibility Expenses (Refer Note No 45)	11.71	10.37
Misc. Expenses	6.16	5.01
Exchange Rate Difference Loss	38.22	-
Loss Distributed by LLP (Subsidiary)	-	52.16
Export Expenses (C&F, Commission and Others)	548.49	548.76
<b>Total Administration, Selling &amp; Other Expenses</b>	<b>2,525.20</b>	<b>1,803.08</b>
<b>Total</b>	<b>4,823.85</b>	<b>3,560.78</b>
Payment to Statutory Auditors		
Audit Fees	4.75	3.75
<b>Total</b>	<b>4.75</b>	<b>3.75</b>

### Note - 36 - Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Loss on Disposal of Subsidiary	-	0.13
<b>Total</b>	<b>-</b>	<b>0.13</b>

### Note - 37 - Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Tax Expenses	-	188.00
Deffered Tax Expenses/(Reversal)	300.17	(42.68)
Tax in respect of Earlier Years/(Reversal)	5.32	(15.63)
<b>Total</b>	<b>305.49</b>	<b>129.69</b>

### Note - 38 - Earnings Per Share

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted earning per share.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Profit After Tax (Rs. in Lakhs)	1,189.77	391.28
Weighted Average Number of Shares Outstanding (Basic)	133,516,191	125,560,000
Weighted Average Number of Shares Outstanding (Diluted)	141,887,856	127,780,000
Nominal Value per Share (Rs.) (PY #)	2.00	2.00
Basic Earning per Share (Rs.)	0.89	0.32
Diluted Earning per Share (Rs.)	0.84	0.31

# Post effect of share split - Refer Note No. 15.4

### Note - 39 - Employee Benefits

The Company has the Following Post-Employment Benefit Plans:

#### A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under:(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employer's Contribution to Provident Fund	19.87	19.98



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 39 - Employee Benefits (Contd. )

The Company has the following post-employment benefit plans:

#### B. Defined Benefit Plans

##### Gratuity (Unfunded):

- (i) The company administers its employees gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- (ii) Gratuity benefits in india are governed by the payment of Gratuity Act, 1972. the Key Features are as under:  
Benefits Offered : 15 / 26 X Salary X Duration Of Service  
Salary Definition : Basic Salary Including Dearness Allowance (If Any)  
Benefit Ceiling : Benefit Ceiling Of Rs. 20 Lakhs (Not Applied)  
Vesting Conditions : 5 Years Of Continuous Service (Not Applicable In Case Of Death/ Disability)  
Benefit Eligibility : Upon Death Or Resignation Or Withdrawal Or Retirement  
Retirement Age : 58, 60, 62 Or 65 Years
- (iii) Risks associated to the defined benefit plan of gratuity:
- (a) Investment / Interest Risk: The present value of defined benefit plan liability is calculated using discount rate determined with reference to market yield on government bonds denominated in indian rupees. A decrease in the bond interest rate will increase the plan liability.
- (b) Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- (c) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. as such, an increase in the salary of the plan participants will increase the plan's liability.
- (d) Legislative Risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Changes in Present Value of Benefit Obligations</b>		
Present Value of Benefit Obligations (Opening)	17.61	10.75
Current Service Cost	13.68	10.20
Interest Cost	1.29	0.73
Benefits Paid	-	-
Actuarial Losses / (Gains)	(4.52)	(4.07)
<b>Present Value of Benefit Obligation (Closing)</b>	<b>28.05</b>	<b>17.61</b>
<b>Bifurcation of Actuarial losses/ (gains)</b>		
Actuarial Losses / (Gains) Arising from Change in Financial Assumptions	(1.43)	(0.58)
Actuarial Losses / (Gains) Arising from Change in Demographic Assumptions	-	-
Actuarial Losses / (Gains) Arising from Experience Adjustments	(3.09)	(3.49)
<b>Actuarial Losses / (Gains)</b>	<b>(4.52)</b>	<b>(4.07)</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount Due Within One Year	5.13	3.70
Non - Current – Amount Due After One Year	22.92	13.91
<b>Total</b>	<b>28.05</b>	<b>17.61</b>
<b>Expected Benefit Payments in Future Years</b> (Projections are for current members and their currently accumulated benefits)		
Year 1	5.13	3.70
Year 2	2.16	1.01
Year 3	2.41	1.03
Year 4	1.12	1.30
Year 5	1.48	0.48
Year 6 and Above	15.76	10.08

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans (Contd...)

##### Gratuity (Unfunded) : (Contd...)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions</b>		
Discount Rate - 1 Percent Increase	25.54	15.91
Discount Rate - 1 Percent Decrease	31.06	19.67
Salary Escalation Rate - 1 Percent Increase	31.04	19.65
Salary Escalation Rate - 1 Percent Decrease	25.52	15.90
Withdrawal Rate - 1 Percent Increase	28.12	17.59
Withdrawal Rate - 1 Percent Decrease	27.97	17.62
<b>Amounts recognized in Balance Sheet</b>		
Present Value of Benefit Obligation as at beginning of the year	17.61	10.75
Present Value of Benefit Obligation as at end of the year	28.05	17.61
<b>Amounts recognized in Statement of Profit and Loss</b>		
Current Service Cost	13.68	10.20
Interest Cost	1.29	0.73
Expected Return on Plan Assets	-	-
Net Actuarial Losses / (Gains) Recognized in the Year (OCI)	(4.52)	(4.07)
<b>Expenses Recognized in Statement of Profit and Loss</b>	<b>10.45</b>	<b>6.86</b>
<b>Actuarial Assumptions</b>		
Discount Rate (%) (Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees)	7.30%	6.80%
Salary Escalation Rate (%) (Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market)	7.00%	7.00%
Retirement Age	60	60
Attrition Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

#### C. Other Long-Term Employee Benefits Leave Encashment (Unfunded):

(i) The value of obligation is determined based on Company's leave policy. The key features are as under:

Salary for encashment	: Gross Salary
Salary for availment	: Cost to Company
Benefit event	: Death or Resignation or Retirement

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	4.60	3.41
Non-Current – Amount due after one year	26.86	15.23
<b>Total</b>	<b>31.46</b>	<b>18.64</b>
<b>(ii) Amounts recognized in Balance Sheet</b>		
Benefit Obligation as at beginning of the year	18.64	12.32
Benefit Obligation as at closing of the year	31.46	18.64
<b>(iii) Amounts recognized in Statement of Profit and Loss</b>		
Expenses Recognized in Statement Of Profit and Loss	18.04	22.57

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 40 - Contingent Liabilities and Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>(I) Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts:	NIL	NIL
b) Corporate guarantees given to banker's of foreign subsidiary company (Mangalam Global (Singapore) Pte. Ltd.) (MG SPL) [USD 60 Lakhs (FY 21-22 USD: 60 Lakhs)]	4,933.01	4,548.43
<b>(II) Capital Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	NIL	NIL

During the year, subsequent to the approval of the Resolution Plan, the Income tax department has initiated reassessment proceedings for Assessment Year 2019-20 under section 147/ 148 of the Income Tax Act, 1961 in the name of HMIPL. The company has challenged the action of the income tax department by way of special civil application before the Hon'ble Gujarat High Court seeking to quash the said action and has also requested for an ad interim relief to stay the proceedings till the disposal of the company's petition. The company has been advised that the action of the income tax authorities is not in accordance with the law and accordingly the company does not anticipate any liability in this regard.

### Note - 41 - Operating Segment Information

(a) The company has identified "Agro Based Commodities" viz Edible / Non-Edible Oil / Seeds and its Derivatives, Cotton / Cotton Ginning, Rice, Wheat and Other Agro Commodities, which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

#### (b) Geographical Information

The geographical information analyses the Company's revenues and Non - Current Assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

#### (I) Total Operating Revenue(\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	109,663.33	108,886.77
Other Countries	12,921.45	10,156.45

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Company's revenue.

#### (II) Non-current assets(\*\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
India	6,754.67	3,538.73
Other Countries	-	-

(\*\*) (Excluding financial instruments and tax assets). All non-current assets of the Company are located in India.

### Note - 42

Forensic audit of the Company with regard to the financial statement of the Company in context with the disclosure of financial information and the business transactions initiated by SEBI during the year is still ongoing. The Company has been continuously co-operating with the authority in this regard by providing the details being sought from the Company.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under:

#### Current Reporting Period

No.	Particulars	In favour of	Description of Facility
(A)	<b>Property Plant &amp; Equipment</b>		
1	<ol style="list-style-type: none"> <li>1. Office No. 201, Setu Complex, Ahmedabad.</li> <li>2. Plot No.31, The Samast Brahmshatriya Chs, Chandranagar, Paldi, Ahmedabad</li> <li>3. P.No. C-4-B, Prathana Upavan Chs, Ahmedabad Jointly Owned By Company With M/S Specific Worldwide LLP.</li> <li>4. Plot No. 17, Orchid Greens, Gokuldham, Near Sanand Circle, Sanand, Ahmedabad.</li> <li>5. Factory Land &amp; Building Situated at new survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.</li> <li>6. Factory Land &amp; Building bearing Survey/ Block No. 1025/3, admeasuring about 40266 sq.mts., paiki northern side admeasuring about 22461 sq.mts. together with construction standing thereon of mouje &amp; Taluka: Kapadvanj, District: Kheda,</li> <li>7. NA Land at Sub –Plot No. 6, admeasuring about 4289.20 sq.mts., together with construction standing thereto in the “Kapadvanj Industrial Estate” of Gujarat Industrial Development Corporation situated upon non-agricultural lad bearing Survey Nos. 1035/P and 1039/P of mouje &amp; Taluka: Kapadvanj, District: Kheda,</li> <li>8. Plant &amp; Machinery located at new survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.</li> <li>9. Existing Plant &amp; Machinery of Kapadvanj plant acquired by Mangalam Global Enterprise Limited</li> </ol>	PNB Investment Services Limited as “Security Trustee” for SBI, HDFC Bank, PNB & Canara Bank (SBI Consortium)	Various Working Capital Facilities and GECL/ WCTL (Refer Note 17 and 21)

#### Current Reporting Period

No.	Particulars	In favour of	Description of Facility
(A)	<b>Property Plant &amp; Equipment</b>		
2	<ol style="list-style-type: none"> <li>1. Bungalow No-A- 1 Shakti Nagar, plot area admeasuring about 397.30 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as “Shakti Nagar society” constructed on non-agricultural residential land bearing survey No. 190/ 1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.</li> </ol>	ICICI bank Ltd.	Loan Against Property

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

**Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under: (Contd....)**

### Current Reporting Period

No.	Particulars	In favour of	Description of Facility
	<p>2. Bungalow No-A- 2 Shakti Nagar, plot area admeasuring about 318.50 sq.mtrs and construction admeasuring 167.55 sq.mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey No. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</p> <p>3. Bungalow No-A- 3 Shakti Nagar, plot area admeasuring about 315.50 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey No. 190/1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj,</p> <p>4. Bungalow No-A- 4 Shakti Nagar, plot area admeasuring about 260.92 sq. mtrs and construction admeasuring 167.55 sq. mtrs. super built-up area in the scheme as known as "Shakti Nagar society" constructed on non-agricultural residential land bearing survey No. 190 1,190/2,190/3 and 191/1 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj</p>	ICICI bank Ltd.	Loan Against Property

### Current Reporting Period

No.	Particulars	In favour of	Description of Facility
(A)	<b>Property Plant &amp; Equipment</b>		
3	<p>1. Bungalow 8-B Triveni Park, (Tenament No. 6/36/8/B) plot area admeasuring about 475 and construction admeasuring 83 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey No. 110/3 situated at kapadvanj, Taluka: Kapdavanj, District: Kheda and sub registration and registration sub district: kapadvanj.</p>	ICICI bank Ltd.	Loan Against Property

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

**Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under: (Contd....)**

**Current Reporting Period**

No.	Particulars	In favour of	Description of Facility
	2. Bungalow 8-A Triveni Park, (Tenament No. 6/36/7/B) plot area admeasuring about 416.57 and construction admeasuring 95.01 sq. mtrs. super built-up area in the scheme as known as "Triveni Park Co-operative Housing Society Ltd" constructed on non-agricultural residential land bearing survey No. 110/3 situated at kapadvanj, Taluka: Kapadvanj, District: Kheda and sub registration and registration sub district: kapadvanj	ICICI bank Ltd.	Loan Against Property
<b>(B)</b>	<b>Moveable Property</b> Commercial vehicles (JCB)	HDFC Bank Ltd	Auto Loan
<b>(C)</b>	<b>Stock/ Book debts/ Current Assets</b>	PNB Investment Services Limited as "Security Trustee" for SBI, HDFC Bank, PNB & Canara Bank (SBI Consortium)	Various working capital facilities and GECL/ WCTL (Refer Note 17 and 21) Working capital facilities are secured by Pari passu first charge by way of hypothecation over entire current assets of the Company
<b>(D)</b>	<b>Bank FDR / Liquid Securities</b>	PNB Investment Services Limited as "Security Trustee" for SBI, HDFC Bank, PNB & Canara Bank (SBI Consortium)	Various working capital facilities and GECL/ WCTL (Refer Note 17 and 21)

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

**Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under: (Contd....)**

Previous Reporting Period

No.	Particulars	In favour of	Description of Facility
<b>(A)</b>	<b>Property Plant &amp; Equipment</b>		
<b>1</b>	(i) Office No. 201, Setu Complex, Ahmedabad. (ii) Plot No.31, The Samast Brahmkshatriya CHS, Chandranagar, Paldi, Ahmedabad	HDFC Bank Ltd	Various working capital facilities & Working Capital Term loan GECL (Refer Note 17 and 21)
<b>2</b>	(i) P.No. C-4-B, Prathana Upavan CHS, Ahmedabad jointly owned by company with M/S Specific Worldwide LLP.	Punjab National Bank Limited	Various working capital facilities & Working Capital Term Loan GECL & CECF (Refer Note 17 and 21)
<b>3</b>	(i) Plot No. 17, Orchid Greens, Gokuldhama, Near Sanand Circle, Sanand, Ahmedabad. (ii) Factory Land & Building Situated at new survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad. (iii) Plant & Machinery located at new survey No. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.	State Bank of India	Various working capital facilities & Working Capital (Refer Note 17 and 21)
<b>(B)</b>	<b>Stock/Bookdebt/Current Asset</b>	HDFC Bank Ltd Punjab National Bank Limited State Bank Of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21) Working capital facilities sanctioned by HDFC Bank, PNB, & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank).
	<b>Bank FDR / Liquid Securities</b>	Punjab National Bank Limited	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
	<b>Bank FDR / Liquid Securities</b>	State Bank Of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related Parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

#### A. List of related parties :

##### (i) Subsidiaries Companies/ Firms :

Mangalam Gloabal (Singapore) Pte. Ltd.  
Mangalam Gloabal (UK) Limited  
Farpoint Enterprise LLP (upto 31st March, 2022)  
Rajgor Castor Derivatives Private Limited (upto 31st December, 2021)  
(Formerly known as Hindprakash Castor Derivatives Private Limited)

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##### (ii) Key Managerial Personnel ('KMP'):

Vipin Prakash Mangal	Chairman
Chanakya Prakash Mangal	Managing Director
Chandragupt Prakash Mangal	Managing Director
Chandravijay Arora	Whole Time Director (w.e.f 4th August 2022) and Chief Financial Officer (w.e.f 7th Feb 2023)
Ashutosh Mehta	Chief Financial Officer (upto 6th Feb 2023)
Dashang Manharlal Khatri	Company Secretary (w.e.f 5th December 2022)
Vrunda Patel	Company Secretary (upto 5th December 2022)

##### Independent Directors:

Praveen Gupta  
Sarika Sachin Modi  
Madhusudan Garg (upto 5th August, 2022)  
Shubhang Mittal  
Anil Agrawal  
Varsha Adhikari (w.e.f 10th September, 2022)

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##### (iii) Others:

Om Prakash Mangal  
Hemlata Mangal  
Rashmi Mangal  
Vasant A Mehta (upto 6th Feb 2023)

} Relatives of key managerial personnel

Mangalam Worldwide Limited  
(Formerly Known as Mangalm Worldwide Private Limited)  
Mangalam Dura Jet Technologies Private Limited  
Mangalam Multi Businesses Private Limited  
Mangalam ECS Environment Private Limited  
(Formerly Known as ECS Environment Private Limited)  
Mangalam Saarloh Private Limited  
Mangalam Finserv Private Limited  
Mangalam Logistics Private Limited  
Farpoint Enterprise LLP (w.e.f 1st April, 2022)  
Paradisaal Trade LLP  
Specific Worldwide LLP  
Shirshak Exim LLP  
Nitex Enterprise LLP  
Agrivolt Trade LLP  
Effervescent Tradeworld LLP

} Enterprise over which key managerial personnel or close member of their family exercise control



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### B. Details of related party transactions during the year:

(Rs. in Lakhs)

Nature of Transaction	Subsidiary Companies / Firms		Key Management Personnel		Enterprise over which KMP exercise Significant Influence		Relatives of key Managerial Personnel	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sale of Products / Services	-	1,616.77	-	-	8,867.74	1,664.48	-	-
Net Gain of Contract Settlement	-	-	-	-	851.10	1.21	-	-
Other Income	45.32	54.29	-	-	-	1.23	-	-
Interest Income	-	116.41	-	-	13.54	71.68	-	-
Purchase of Products / Services	-	2,859.15	-	-	14,268.17	1,274.12	-	-
Lease Rent Expense	-	108.44	18.69	18.46	-	-	-	0.12
Consultancy Fees	-	-	-	-	-	-	6.00	5.40
Interest Expense	-	0.50	34.37	31.09	-	0.21	-	-
Corporate Gurantee Commission Expense	-	8.98	-	-	-	-	-	-
Loan and Advances (Net of Reypayment)	-	28.12	-	-	-	255.75	-	-
Borrowings (Net of Reypayment)	-	-	2,328.21	(120.00)	-	(0.19)	-	-
Director Sitting Fees	-	-	6.63	6.81	-	-	-	-
Compensation Paid	-	-	22.05	28.49	-	-	4.00	23.55
Rent Deposit (Net of Refund)	-	(22.00)	-	0.30	-	-	-	-
Subscription of investment	-	374.16	-	-	-	-	-	-
Redemption of Investment	-	204.50	-	-	396.00	-	-	-
Issue of Convertible Warrants/Allotment money received against Convertible Warrants (Net of Allotment of Shares on Conversion)	-	-	-	365.64	-	-	-	-
Preferential Allotment of Shares (Including Securities Premium)	-	-	877.50	-	-	-	-	487.50
Distribution of Accumulated Loss by Subsidiary	-	38.21	-	-	-	-	-	-
Dividend Paid	-	-	18.23	-	-	-	-	-

**Note :** Balances below Rs. 500 denoted as 0.00

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Sale of Products / Services	Farpoint Enterprise LLP	1,601.85	574.99
	Paradisaal Trade LLP	1,353.78	570.54
	Shirshak Exim LLP	1,580.11	885.32
	Mangalam Global (Singapore) Pte Ltd	-	1,041.78
	Mangalam Multi Businesses Private Limited	3,430.21	208.62
	Mangalam Dura Jet Technologies Private Limited	901.79	-
Net Gain of Contract Settlement	Paradisaal Trade LLP	-	1.21
	Mangalam Dura Jet Technologies Private Limited	438.57	-
	Mangalam Multi Businesses Private Limited	412.53	-
Other Income	Mangalam ECS Environment Private Limited	-	1.23
	Mangalam Global (Singapore) Pte Ltd	45.32	54.29
Interest Income	Mangalam ECS Environment Private Limited	-	1.71
	Farpoint Enterprise LLP	-	0.89
	Shirshak Exim LLP	11.94	26.22
	Mangalam Dura Jet Technologies Private Limited	1.60	4.13
	Paradisaal Trade LLP	-	20.98
	Farpoint Enterprise LLP	-	35.64
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	79.88
	Mangalam Worldwide Limited	-	18.64
Purchase of Products / Services	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	2,768.67
	Mangalam Dura Jet Technologies Private Limited	58.40	108.73
	Mangalam ECS Environment Private Limited	0.09	-
	Mangalam Multi Businesses Private Limited	12,714.38	-
	Mangalam Worldwide Limited	2.36	-
	Paradisaal Trade LLP	876.92	1,165.39
	Shirshak Exim LLP	616.02	-
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	90.48
Lease Rent Expense	Hemlata Mangal	-	0.12
	Chanakya Prakash Mangal	18.53	18.32
	Chandragupt Prakash Mangal	0.16	0.14
	Farpoint Enterprise LLP	-	10.11
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	98.33
Consultancy Fees	Vasant A Mehta	6.00	5.40
Interest Expense	Farpoint Enterprise LLP	-	0.50
	Chanakya Prakash Mangal	16.55	4.98
	Chandragupt Prakash Mangal	2.56	6.69
	Mangalam Dura Jet Technologies Private Limited	-	0.21
	Paradisaal Trade LLP	0.79	-
	Shirshak Exim LLP	0.18	-
	Vipin Prakash Mangal	14.29	19.42

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Corporate Gurantee Commission Expense	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	8.98
Loan and Advances (Net of Repayment)	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	168.12
	Mangalam Worldwide Limited	-	905.24
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	(140.00)
	Mangalam Worldwide Limited	-	(649.49)
	Other Receivables (Net of Repayment)	Farpoint Enterprise LLP	492.00
	Farpoint Enterprise LLP	(492.00)	-
Borrowings (Net of Repayment)	Mangalam Dura Jet Technologies Private Limited	-	70.00
	Chanakya Prakash Mangal	2,010.00	475.00
	Chandragupt Prakash Mangal	895.00	535.00
	Vipin Prakash Mangal	1,418.00	1,260.20
	Mangalam Dura Jet Technologies Private Limited	-	(70.19)
	Chanakya Prakash Mangal	(1,214.43)	(477.06)
	Chandragupt Prakash Mangal	(149.56)	(488.49)
	Vipin Prakash Mangal	(630.80)	(1,424.65)
Director Sitting Fees	Praveen Gupta	1.55	1.40
	Sarika Sachin Modi	1.30	1.33
	Madhusudan Garg	0.60	1.75
	Shubhang Mittal	1.03	1.15
	Anil Agrawal	1.65	1.18
	Varsha Adhikari	0.50	-
Compensation Paid	Ashutosh K Mehta	7.20	6.46
	Chanakya Prakash Mangal	-	5.55
	Chandragupt Prakash Mangal	-	5.55
	Hemlata Mangal	-	6.00
	Rashmi Mangal	-	5.55
	Chandravijay Arora	8.00	-
	Dashang Manharlal Khatri	2.20	-
	Vipin Prakash Mangal	-	5.55
	Vrunda Patel	4.65	5.38
	Om Prakash Mangal	4.00	12.00
Rent Deposit (Net of Refund)	Chanakya Prakash Mangal	-	3.00
	Chanakya Prakash Mangal	-	(2.70)
	Farpoint Enterprise LLP	-	(2.00)
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	(20.00)
Subscription of Investment	Mangalam Global (Singapore) Pte Ltd	-	374.16
Redemption of Investment	Farpoint Enterprise LLP	396.00	-
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	204.50

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Issue of Convertible Warrants/ Allotment Money Received against Convertible Warrants (Net of Allotment of Shares on Conversion)	Chanakya Prakash Mangal	-	121.88
	Chandragupt Prakash Mangal	-	121.88
	Vipin Prakash Mangal	-	121.88
Preferential Allotment of Shares (Including Securities Premium) (Includes allotment of shares against convertible warrants)	Chanakya Prakash Mangal	292.50	-
	Chandragupt Prakash Mangal	292.50	-
	Vipin Prakash Mangal	292.50	-
	Rashmi Mangal	-	487.50
Distribution of Accumulated Loss by Subsidiary	Farpoint Enterprise LLP	-	38.21
Dividend Paid	Mangalam Worldwide Limited	18.05	-
	Vasant A Mehta	0.18	-

# Ceased to be Related Party.

#### Notes :

1. Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
2. Balances below Rs. 500/- denoted as 0.00

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Borrowings	Mangalam Global (UK) Limited	0.00	0.00
	Chanakya Prakash Mangal	812.88	2.42
	Chandragupt Prakash Mangal	800.27	52.53
	Vipin Prakash Mangal	800.07	-
Trade Receivables	Mangalam ECS Environment Private Limited	10.81	10.78
	Farpoint Enterprise LLP	465.16	12.22
	Mangalam Global (Singapore) Pte Ltd	3.70	260.38
	Mangalam Multi Businesses Private Limited	969.94	0.17
	Paradisal Trade LLP	381.47	-
	Shirshak Exim LLP	351.80	194.58
Trade Payables	Paradisal Trade LLP	-	47.26
	Mangalam Worldwide Limited	2.36	-
	Praveen Gupta	1.55	-
	Sarika Sachin Modi	1.30	-
	Madhusudan Garg	0.60	-
	Shubhang Mittal	1.03	-
	Anil Agrawal	1.65	-
	Varsha Adhikari	0.50	-
Advance to Suppliers	Mangalam Multi Businesses Private Limited	206.32	-
Investments	Mangalam ECS Environment Private Limited	242.55	242.55
	Mangalam Global (Singapore) Pte Ltd	1,090.92	1,090.92
	Farpoint Enterprise LLP	-	396.00

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2023	31 March 2022
Rent Deposit Given	Chanakya Prakash Mangal	3.00	3.00
	Chandragupt Prakash Mangal		
	(Nominee of Hemlata Mangal)	0.06	0.06
Guarantee by Related Party to Company's Bankers	<b>SBI Consortium</b>		
	- Vipin Prakash Mangal	19,798.00	-
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP	19,798.00	-
	<b>HDFC Bank</b>		
	- Vipin Prakash Mangal	-	7,734.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	<b>Punjab National Bank</b>		
	- Vipin Prakash Mangal	-	2,709.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP	-	2,709.00
	<b>State Bank of India</b>		
	- Vipin Prakash Mangal	-	2,500.00
- Chanakya Prakash Mangal			
- Chandragupt Prakash Mangal			
Corporate Guarantee to Subsidiary Company's Bank	Mangalam Global (Singapore) Pte Ltd [USD 60 Lakhs (FY 20-21: USD 60 Lakhs)]	4,933.01 -	4,548.43 -

# Ceased to be Related Party.

#### Notes :

- Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
- Balances below Rs. 500/- denoted as 0.00

#### E. Breakup of Compensation Paid to Key Managerial Personnel

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<b>Short-Term Employee Benefits</b>		
Vipin Prakash Mangal	-	5.55
Chanakya Prakash Mangal	-	5.55
Chandragupt Prakash Mangal	-	5.55
Chandravijay Arora	8.00	-
Ashutosh Mehta	7.20	6.46
Dashang Manharlal Khatri	2.20	-
Vrunda Patel	4.65	5.38

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

- F. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note - 45 - Corporate Social Responsibility ('CSR') Expenses

Based on the guidance note on accounting for expenditure on corporate social responsibility activities (CSR) issued by the institute of chartered accountants of india and Section 135 of the Companies Act, 2013, read with rules made thereunder, expenditure incurred by the Company on CSR activities is as follows:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
1. Amount Required to be Spent by the Company during the Year	11.70	9.90
2. Amount of Expenditure Incurred:		
<b>Nature of CSR Activities:</b>		
Promoting Healthcare Including Preventive Health Care	-	4.37
Promoting Activities Related to Animal Welfare	5.51	-
Promoting Activities Related to Yoga & Meditation	6.20	6.00
<b>Total Amount of Expenditure Incurred</b>	<b>11.71</b>	<b>10.37</b>
3. Shortfall at the end of Year	Nil	Nil
4. Total of Previous Years Shortfall	Nil	N.A.
5. Reason for Shortfall	N.A.	N.A.
6. Details of Related Party Transactions in Relation to CSR Expenses	-	-
7. Provision Movement during the Year:		
Opening Provision	-	-
Additions during the Year	11.71	10.37
Utilised during the Year *	(11.71)	(10.37)
Closing Provision #	-	-

\* Represents actual outflow during the Year.

# Balance amount required to be transferred to fund specified in Schedule VII on or before 30th September, 2023 (30th September, 2022).

### NOTE – 46 – LEASES (Right of Use Assets)

The Company's significant leasing arrangements are in respect of Land and Buildings, Plant & Equipment and Office Premises taken on leave and license basis.

The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use Assets (ROU Asset) at its carrying amount.

The break-up of current and non-current lease liabilities is as follows:

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Current lease liabilities	148.84	133.49
Non- current lease liabilities	1412.45	1561.28
<b>Total</b>	<b>1561.29</b>	<b>1694.77</b>

The movement in lease liabilities is as follows:

Particulars	(Rs in Lakhs)	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning	1694.77	716.09
Addition during the year	-	1,795.21
Finance Cost accrued	161.03	201.06
Payment of lease liabilities	294.51	365.66
Deduction / Reversal During the year	-	651.93
<b>Balance at the end</b>	<b>1561.29</b>	<b>1,694.77</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	295.82	294.53
1-2 Years	309.15	295.82
2-3 Years	312.49	309.15
More than 3 Years	1255.38	1,567.88

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments

#### Financial Risk Management – Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in foreign as well as domestic currency, money related to capital expenditures, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

#### A. Financial Assets and Liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Amortised Cost **	FVTPL ***	FVTOCI	Amortised Cost **	FVTPL ***	FVTOCI
<b>Assets Measured at</b>						
Investments*	-	63.05	242.55	-	55.12	242.55
Trade Receivables	16,168.04	-	-	5,066.40	-	-
Cash and Cash Equivalent	6.02	-	-	6.55	-	-
Other Bank Balances	402.17	-	-	284.02	-	-
Loans	257.55	-	-	-	-	-
Other Financial Assets	190.93	-	-	262.09	-	-
<b>Total</b>	<b>17,024.71</b>	<b>63.05</b>	<b>242.55</b>	<b>5,619.06</b>	<b>55.12</b>	<b>242.55</b>
<b>Liabilities Measured at</b>						
Borrowings (Including Current Maturities of Non-Current Borrowings)	22,254.32	-	-	9,758.94	-	-
Trade Payables	3,185.04	-	-	3,807.49	-	-
Lease Liabilities	1,561.29	-	-	1,694.77	-	-
Other Financial Liabilities	103.96	-	-	816.98	-	-
<b>Total</b>	<b>27,104.61</b>	<b>-</b>	<b>-</b>	<b>16,078.18</b>	<b>-</b>	<b>-</b>

- (\*) Investment in subsidiaries are measured at cost as per Ind AS 27, "Separate financial statements", and hence not presented here.
- (\*\*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk. The fair values are assessed by the management using Level 3 inputs.
- (\*\*\*) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

#### Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

#### The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

##### (a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

(Rs. in Lakhs)		
Particulars	As at	
	31st March, 2023	31st March, 2022
Borrowing bearing fixed rate of interest	2,665.14	3,44.95
Borrowing bearing variable rate of interest	19,589.17	9,413.99

##### ♦ Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

(Rs. in Lakhs)		
Particulars (*)	For the year ended on	
	31st March, 2023	31st March, 2022
Interest Rate – Increase by 50 Basis Points	(97.95)	(47.07)
Interest Rate – Decrease by 50 Basis Points	97.95	47.07

(\*) Holding all other variable constant. Tax impact not considered.

##### (b) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken certain forward contracts to manage its exposure.

##### ♦ Exposure to Foreign Currency Risk

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

(Figures in Lakhs)				
Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
Net Unhedged Assets (Trade Receivables, Other Receivables)	0.10	85.20	1.48	105.51
Net Unhedged Liabilities	-	-	0.84	62.23
<b>Net Exposure Assets / (Liabilities)</b>	<b>0.10</b>	<b>85.20</b>	<b>0.64</b>	<b>43.28</b>

##### ♦ Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(Figures in Lakhs)		
Particulars (*)	For the year ended on	
	31st March, 2023	31st March, 2022
INR / USD – Increase by 5%	4.26	2.16
INR / USD – Decrease by 5%	(4.26)	(2.16)

(\*) Holding all other variable constant. Tax impact not considered.



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### (c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Investments (FVTPL)	63.05	55.13
Investments (FVTOCI)	242.55	242.55

#### C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of Categorisation	Asset Class Exposed to Credit Risk	Provision for Expected Credit Loss
Low Credit Risk	Cash and Cash Equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate Credit Risk	Other Financial Assets	12 month expected credit loss, unless Fcredit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High Credit Risk	Other Financial Assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial Assets (other than Trade Receivables) that expose the entity to Credit Risk (Gross Exposure):

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Low Credit Risk</b>		
Cash and Cash Equivalents	6.02	6.55
Bank Balances other than above	402.28	284.02
Loans	257.55	-
Other Financial Assets	108.22	41.02
<b>Moderate/ High Credit Risk</b>		
Other Receivable	82.60	221.07
<b>Total</b>	<b>856.67</b>	<b>552.66</b>

#### (i) Cash and Cash Equivalent and Bank Balance:

Credit Risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### (ii) Loans and Other Financial Assets measured at Amortized Cost:

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### (iii) Trade Receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

#### (a) Concentration of Trade Receivables:

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentration of credit risk are controlled and managed accordingly. Such identified concentration of credit risk on trade receivables other than credit impaired are disclosed below:

Party Name	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Anvex Trade Private Limited	1,193.21	-
Bharat Jyoti Dairy Products Ltd	1,052.83	-
Kirti Agrovat Ltd	1,210.76	-
Mangalam Multi Businesses Private Limited	969.94	-
Suguna Foods Private Limited	1,377.94	-
Sun Agro Corporation	2,524.33	-
Mangalam Global (Singapore) Pte. Ltd.	3.70	260.38
Moneta Resource & Consulting Private Limited	924.44	524.67
Gokul Agro Resources Limited	1.36	694.97
Hindprakash Chemicals Private Limited	-	531.94
Parilay Global Enterprise Private Limited	1,293.95	606.40
Rajgor Castor Derivatives Private Limited	92.38	903.98

#### (iv) Expected credit losses:

Expected credit loss for trade receivables and other receivables under simplified approach:

The Company recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate.

The Provision Matrix at the end of Reporting Period is as Follows:

Particulars	Expected Loss Rate
< 90 Days	-
90 to 120 days	0.30%
120 to 180 days	0.50%
180 to 365 days	1.00%
1 Year to 2 Year	25.00%
2 Year to 3 Year	50.00%
3 Year >	100.00%

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

IV. Movement in Allowances on Trade Receivables / Deposits/ Other Receivables etc. (Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the reporting period	64.19	2.99
Pursuant to Amalgamation (Refer Note No 55 & 56)	5,521.46	-
Allowance Measured at Lifetime Expected Credit Losses	145.21	61.20
<b>Balance at the end of Reporting Period</b>	<b>5730.86</b>	<b>64.19</b>
(Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Other Receivables	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	106.48	-
Pursuant to Amalgamation (Refer Note No 55 & 56)	33.28	-
Allowance Measured at Lifetime Expected Credit Losses	(75.66)	106.48
<b>Balance at the end of Reporting Period</b>	<b>64.10</b>	<b>106.48</b>
(Rs in Lakhs)		
Movement in Allowance for Doubtful Advances to Supplier	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Allowance Measured at Lifetime Expected Credit Losses	16.11	-
<b>Balance at the end of Reporting Period</b>	<b>16.11</b>	<b>-</b>
(Rs in Lakhs)		
Movement in Allowance for Doubtful Loans	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Pursuant to Amalgamation (Refer Note No 55 & 56)	26.37	-
Allowance Measured at Lifetime Expected Credit Losses	-	-
<b>Balance at the end of Reporting Period</b>	<b>26.37</b>	<b>-</b>
(Rs in Lakhs)		
Movement in Allowance for Doubtful Security Deposits	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the Reporting Period	-	-
Pursuant to Amalgamation (Refer Note No 55 & 56)	56.08	-
Allowance Measured at Lifetime Expected Credit Losses	-	-
<b>Balance at the end of Reporting Period</b>	<b>56.08</b>	<b>-</b>

#### D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

#### ♦ Financing Arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the Reporting Period:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
<b>Expiring within One Year</b>		
- CC/EPC Facility	381.28	73.65
- Invoice Discounting Facility	-	3000.00
<b>Expiring beyond One Year</b>	-	-

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

#### ♦ Maturities of Financial Liabilities:

The table below analyses financial liabilities of the Company into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

##### Maturity Table of Financial Liabilities

(Rs. in Lakhs)					
As at 31st March, 2023					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	20,622.09	419.56	370.89	855.97	22,268.51
Trade Payables	3,185.04	-	-	-	3,185.04
Other Financial Liabilities	89.76	-	-	-	89.76
<b>Total</b>	<b>23,896.89</b>	<b>419.56</b>	<b>370.89</b>	<b>855.97</b>	<b>25,543.31</b>
(Rs. in Lakhs)					
As at 31st March, 2022					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	8,895.02	194.48	252.96	430.68	9,773.14
Trade Payables	3,807.49	-	-	-	3,807.49
Other Financial Liabilities	802.78	-	-	-	802.78
<b>Total</b>	<b>13,505.29</b>	<b>194.48</b>	<b>252.96</b>	<b>430.68</b>	<b>14,383.41</b>

#### E. Capital Management

The Company's capital management objectives are

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 47 – Financial Instruments (Contd...)

Particulars	(Rs in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Total Borrowings	22,254.32	9,758.94
Less: Cash and Cash Equivalents	6.02	6.55
<b>Net Debt (A)</b>	<b>22,248.30</b>	<b>9,752.39</b>
<b>Total Equity (B)</b>	<b>11,128.36</b>	<b>7,873.4</b>
<b>Capital Gearing Ratio (B/A)</b>	<b>0.50</b>	<b>0.81</b>

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

### Note – 48 - Balance Confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of trade receivable, other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

### Note – 49 - Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of trade payable and other Current Liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

### Note – 50 - Disclosure Under Section 186(4)

Loans given for the purpose of utilizing in the activity of the business (Outstanding Balance as on 31-03-2023): Indo Gum Products Private Limited Rs. 150.00 Lakhs (as on 31-03-2022 Rs. Nil) and Shree Jee Jewellers Rs. 107.56 Lakhs (as on 31-03-2022 Rs. Nil).

### Note – 51 - Events occurring after the Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but Prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

### Note – 52– Trade Receivables Ageing Schedule

Current reporting period		(Rs. in Lakhs)						
Particulars	Outstanding for following periods from due date of payment							
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total	
<b>Undisputed Trade Receivables</b>								
- Considered Good	-	14,890.12	850.65	371.33	260.16	5.18	16,377.44	
- Which have significant increase in credit risk	-	-	-	-	-	-	-	
- Credit Impaired	-	-	-	-	-	5,521.46	5,521.46	
	-	<b>14,890.11</b>	<b>850.6</b>	<b>371.33</b>	<b>260.16</b>	<b>5,526.64</b>	<b>21,898.90</b>	
Less: Allowance for Doubtful Debts							209.40	
Less: Allowance for Credit Impaired							5,521.46	
<b>Trade Receivables</b>							<b>16,168.04</b>	
Previous reporting period		(Rs. in Lakhs)						
Particulars	Outstanding for following periods from due date of payment							
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total	
<b>Undisputed Trade Receivables</b>								
- Considered Good	-	4,362.43	473.65	289.33	5.06	0.12	5,130.59	
- Which have significant increase in credit risk	-	-	-	-	-	-	-	
- Credit Impaired	-	-	-	-	-	-	-	
	-	<b>4,362.43</b>	<b>473.65</b>	<b>289.33</b>	<b>5.06</b>	<b>0.12</b>	<b>5,130.59</b>	
Less: Allowance for doubtful debts							64.19	
Less: Allowance for Credit Impaired							-	
<b>Trade Receivables</b>							<b>5,066.40</b>	

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 53– Trade Payables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	169.22	24.19	2,975.44	13.62	0.54	2.03	3,185.04
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-

Previous reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	164.89	21.40	3,596.28	10.78	12.12	2.02	3,807.49
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-

### Note – 54– Utilisation of borrowed funds and share premium

As on March 31, 2023 there is no Unutilised Amounts in respect of any Issue of Securities and Long Term Borrowings from Banks and Financial Institutions. The Borrowed Funds have been Utilised for the Specific Purpose for which the Funds were raised.

### Note – 55– H M Industrial Private Limited (HMIPL) (Corporate Insolvency Resolution Process) Resolution Plan

Vide order dated 20 September 2022, Hon'ble NCLT Ahmedabad (the adjudicating authority) has allowed, u/s 30(6) of the Insolvency and Bankruptcy Code, 2016 ("IBC, 2016"), the resolution plan submitted by Mangalam Global Enterprise Limited (MGEL) in respect of corporate debtor M/s H. M. Industrial Private Limited (HMIPL) (under Corporate Insolvency Resolution Process (CIRP)).

As per the composite scheme of arrangement submitted along with the approved plan, Steel Division of HMIPL is to be demerged and to be vested into Mangalam Worldwide Limited (MWL) a group company; and HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20 September 2022. Consequently, effect of the scheme including the tax impact has been given in the financial statements in accordance with Ind AS 103 – Business Combinations.

The salient features of the approved Resolution Plan are given below:

#### (a) The liabilities payable under the resolution plan:

				(Rs. in Lakhs)
Sr. No.	Category of Stakeholder	Amount of Claim Admitted	Amount Payable	Unpaid as on 31st March, 2023
1	Unpaid CIRP Cost	100.00	100.00	Nil
2	Secured Financial Creditors			
	- Bank of Baroda	12,122.92	3,100.00	Nil
	- HDFC Bank	59.53	19.25	Nil
	- Ashv Finance Ltd (Erstwhile Jainsons Finlease Limited)	190.17	2.00	Nil
2	Unsecured Financial Creditors	241.92	5.00	Nil
3a	Non-Related Operational Creditors including Statutory Dues	11,243.30	15.00	Nil
3b	Dues towards Workman/Employees	28.16	10.00	Nil
	<b>Total</b>	<b>23,986.00</b>	<b>3,251.25</b>	<b>Nil</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 55– H M Industrial Private Limited (HMIPL) (Corporate Insolvency Resolution Process) Resolution Plan (Contd...)

(b) The above liabilities were paid as under in accordance with the approved plan: (Rs. in Lakhs)

Sr. No.	Paid / Discharged by	Amount (Rs. In Lakhs)	Unpaid as on 31-03-2023	Remarks
1	MWL	2151.25	Nil	Steel Division
2	MGEL	1100.00	Nil	Remainder including Agro Product Division
	<b>Total</b>	<b>3,251.25</b>	<b>Nil</b>	

(c) On approval of the resolution plan, the suspended board of directors of HMIPL was replaced by MGEL nominees to the effect that HMIPL became an entity under common control.

(d) The resolution plan inter-alia provides for a composite scheme of arrangement (scheme of arrangement) in the nature of demerger and amalgamation. As per the said scheme of arrangement, Steel Division of HMIPL is demerged and vested into MWL whereas remainder of HMIPL is amalgamated into MGEL.

The Order dated 20 September 2022 of Hon'ble the NCLT Ahmedabad (the adjudicating authority) provides -

- That the approved Resolution Plan shall become effective from the date of passing of the order (20/09/2022).
- That the order of moratorium dated 07/06/2019 passed by the Adjudicating Authority under section 14 of the IBC, 2016 shall cease to have effect from the date of the order.
- That Hon'ble the NCLT has made following observation:

*“18. As far as reliefs and concessions claimed by the Resolution Applicant, the law has been well settled by the Hon'ble Supreme Court in the case of Ghanshyam Mishra and Sons Private Limited Vs Edelweiss Asset Reconstruction Company Limited and Ors. Reported in Manu/SC/0273/2021 in the following words:*

- “The legislative intent behind this is, to freeze all the claims so that the resolution applicant starts on a clean slate and is not flung with any surprise claims. If that is permitted, the very calculations on the basis of which the resolution applicant submits its plan, would go haywire and the plan would be unworkable.*
- We have no hesitation to say, that the word “other stakeholders” would squarely cover the central government, any state government or any local authorities. The legislature, noticing that on account of obvious omission, certain tax authorities were not abiding by the mandate of I&B Code and continuing with the proceedings, has brought out the 2019 amendments so as to cure the said mischief...”*

*19. In view of the above we hold that the Resolution Applicant cannot be saddled with any previous claims against the corporate debtors prior to initiation of its CIRP. For the permits, licenses, leases or any other statutory rights vested in the Corporate Debtors shall remain with the Corporate Debtors and for the continuation of such statutory rights, the resolution applicant has to approach the concerned statutory authorities under relevant laws.”*

(d) In view of (c) above, the Company is not liable for any liability / demand / claim except those specifically admitted as payable as described here-in-before as regards the all kind of previous claims against HMIPL.

### Note – 56- Amalgamation of remaining business of H M Industrial Private Limited (Transferor Company) with Mangalam Global Enterprise Limited (Transferee Company)

As mentioned above HMIPL and its rest business (i.e. Agro Business - Castor and Cotton) is amalgamated with MGEL with effect from appointed date i.e. 20 September 2022. Consequently, effect of the scheme including the tax impact has been given in the accounts.

Upon the approved scheme coming into effect, the MGEL has accounted for the amalgamation of the remaining business of Transferor Company (HMIPL) in accordance with “Pooling of Interest Method” of accounting as prescribed in the scheme of arrangement and as laid down in Appendix C of Ind AS-103 (Business combination of entities under common control) as per details given below:

- MGEL has recorded assets and liabilities of the acquired business of HMIPL vested in it pursuant to the scheme, at the carrying value in the same form as appearing in the books of HMIPL.
- The identity of the reserves of the HMIPL has been preserved and has been recorded in the same form and at the same carrying amount.
- Inter corporate deposit / loans and advances / intercompany balances outstanding between MGEL and HMIPL has been cancelled.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 56- Amalgamation of remaining business of H M Industrial Private Limited (Transferor Company) with Mangalam Global Enterprise Limited (Transferee Company) (Contd...)

- (d) Necessary adjustments/ adjusting entries has been passed to ensure that the merged financial statement reflects the financial position based on consistent accounting policies followed by MGEL.
- (e) The surplus (between the net assets acquired and cancellation of share capital of the acquired entity (in this case - Nil) has been credited to other equity (Amalgamation Reserve).
- (f) The financial information in the financial statements in respect of prior periods is not restated since the HMIPL has become 'entity under common control' during the financial year.
- (g) The amalgamation has taken place with effect from the appointed date and in accordance with the provisions of section 2(1B) of the Income tax act 1961.
- (h) Accordingly, the amalgamation has resulted in transfer of assets and liabilities in accordance with the terms of the scheme at the following summarised values:

Particulars	As at 20th September 2022
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
Property Plant & Equipment	544.43
Financial Assets	
- Investments (Net of Impairment in Value of Investments)	-
- Other Financial Assets (Net of Allowance for doubtful Security Deposits)	-
Other Tax Assets (Net) (Net of Impairment Reserve)	-
Deferred Tax Assets (Net)	1976.52
<b>Total Non-Current Assets</b>	<b>2520.95</b>
<b>Current Assets</b>	
Financial Assets	
- Trade Receivables (Net of Allowance for Credit Impaired)	-
- Cash and Cash Equivalents	7.38
- Bank Balances Other than Cash and Cash Equivalents	325.14
- Loans (Net of Allowance for doubtful Loans)	-
- Other Financial Assets (Net of Allowance for doubtful Receivable)	-
Other Current Assets	61.65
<b>Total Current Assets</b>	<b>394.16</b>
<b>TOTAL ASSETS (A)</b>	<b>2915.12</b>
<b>EQUITY AND LIABILITIES</b>	
<b>EQUITY</b>	
Other Equity – (Deficit)/Surplus in Profit and Loss	(457.58)
<b>Total Equity</b>	<b>(457.58)</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Financial Liabilities	
- Trade Payables	24.56
- Other Short Term Financial Liabilities	1399.03
Short Term Provisions	0.75
<b>Total Current Liabilities</b>	<b>1424.33</b>
<b>TOTAL LIABILITES</b>	<b>1424.33</b>
<b>TOTAL EQUITY AND LIABILITIES (B)</b>	<b>966.75</b>
<b>Total Net Assets/Net Impact Transferred to other Equity (Amalgamation Reserve) (A-B)</b>	<b>1948.37</b>



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 56- Amalgamation of remaining business of H M Industrial Private Limited (Transferor Company) with Mangalam Global Enterprise Limited (Transferee Company) (Contd...)

As per the approved Resolution Plan, approval of the Resolution Plan is to be treated as waiver of all the past liabilities under the Income Tax Act, including but not restricted to MAT, Interest, Fine, Penalty etc. on Corporate Debtor – HMIPL. Under the circumstances any income tax / direct tax liabilities which may arise on filing of income tax return or otherwise for the period up to 19-09-2022 has not been measured and no provision for the same is made in the books of account.

### Note – 57– Additional regulatory information

- (a) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except as given below:

Relevant Line Item in the Balance Sheet	Description of Item of Property	Gross Carrying Value	Title Deeds Held in the Name of	Whether Title Deed Holder is a Promoter, Director or Relative of Promoter/ Director or Employee of Promoter/ Director	Property Held Since which Date	Reason for not being Held in the Name of the Company
PPE	Land	Rs. 13.61 Lakhs	Allotment letter in the name of H.M. Industrial Private Limited, issued by Gujarat Industrial Development Corporation	No	20/09/2022 (effective date of amalgamation)	Lease deed execution is under process

- (b) The Company does not have any Investment Property.
- (c) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets.
- (d) There are no Loans or Advances in the nature of loans that are granted to Promoters, Directors, KMPs and their Related Parties (as defined under Companies act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2023:
- (i) Repayable on Demand; or
- (ii) Without specifying any terms or period of repayment
- (e) Capital Work in Progress ageing schedule: Refer Note No. 2D
- (f) There are no Intangible Assets under development as on 31 March 2023.
- (g) No Proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (h) Borrowings Secured against Current Assets: Refer Note No. 21.5.
- (i) The Company is not declared Willful Defaulter by any Bank or Financial Institution or Other Lender.
- (j) The Company has not undertaken any transactions with Companies struck off under section 248 of the companies act, 2013 or section 560 of companies act, 1956.
- (k) No Charges or satisfaction of charges are yet to be registered with registrar of companies beyond the statutory period as on 31 March 2023 except in case of hypothecation of commercial vehicle Loans (HDFC Bank), where company is awaiting certification on charge registration form (ROC Form) from lender.
- (l) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with Companies (restriction on number of layers) Rules, 2017.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 57– Additional regulatory information (Contd...)

#### (m) Accounting Ratios:

Sr. No.	Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change	Reason for Variance
A	Current Ratio (In Times)	Current Assets	Current Liabilities	1.17	1.35	(13.33%)	
B	Debt- Equity Ratio (In Times)	Total Debt	Shareholder's Equity	2.44	2.05	19.02%	
C.	Debt Service Coverage Ratio (In Times)	Earning Available for Debt Service = PAT + Depreciation + Interest	Total Debt Service = Principal Repayments + Interest	1.95	1.49	30.87%	Refer (i) Below
D	Return on Equity Ratio (In %)	Net Profit After Tax	Average Shareholders' Equity	12.52%	5.38%	132.74%	Refer (ii) Below
E	Inventory Turnover Ratio (In Times)	Cost of Goods Sold	Average Inventory	12.50	16.45	(24.01%)	
F	Trade Receivables Turnover Ratio(In Times)	Revenue from Operations	Average Trade Receivable	11.55	22.24	(48.07%)	Refer (iii) Below
G	Trade payables Turnover Ratio (In Times)	Purchase	Average Trade Payable	30.76	50.52	(39.11%)	Refer (iii) Below
H	Net capital Turnover Ratio (In Times)	Revenue from Operations	Net Working Capital = Current Assets – Current Liabilities	29.71	24.55	21.02%	
I	Net Profit Ratio (In %)	Net Profit	Revenue form Operation	0.97%	0.33%	193.94%	Refer (iv) Below
J	Return on Capital Employed (In %)	Earning before Interest and Taxes	Capital Employed = Tangible Net worth + Debt + Lease Liability	7.61%	7.31%	4.10%	
K	Return on Investment (In %)	Income Generated from Investment Funds	Average Invested Funds	0.53%	-1.98%	(126.87%)	Refer (v) Below

#### Reason for Variance

- (i) Ratio has improved on account of increased earnings available for servicing the debts.
  - (ii) Ratio has improved on account of increased earnings during the year.
  - (iii) The company is in the process of regularisation of its operating/ manufacturing cycle for new business units viz. Castor & Cotton at Kapadvanj, and introduction of new business vertical viz. consumer packing division.
  - (iv) On account of improved margins and regularisation of operating/ manufacturing cycle of the company.
  - (v) The Ratio has improved on account of returns on investments and withdrawal of erstwhile contribution in a LLP.
- (n) No Scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 except as disclosed in note no: 55 and 56.
- (o) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2023

### Note – 57– Additional regulatory information (Contd...)

- (p) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (ultimate beneficiaries) by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (q) No Transactions has been surrendered or disclosed as income during the year in the tax assessment under the income tax act, 1961. There are no such previously unrecorded income or related assets.
- (r) Corporate Social Responsibility (CSR): Refer Note No. 45
- (s) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**Note – 58** - Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

### Note – 59 - Authorisation of financial statements

The Financial statements for the year ended 31 March 2023 were approved by the board of directors on 15th May 2023.

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For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN: 02825511)

**Chandravijay Arora**  
Whole Time Director & Chief Financial Officer (DIN:07228580)

Place : Ahmedabad  
Date : 15th May, 2023

**Chanakya Prakash Mangal**  
Managing Director (DIN: 06714256)

**Dashang Manharlal Khatri**  
Company Secretary (M. No.: A47946)

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF  
MANGALAM GLOBAL ENTERPRISE LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

1. We have audited the consolidated financial statements of Mangalam Global Enterprise Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 Group as at 31st March 2022, and their consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.
4. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was address in our audit
<p><b>Revenue Recognition:</b> Revenue of the Company mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each contract/ customer purchase order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- Assessing the Holding Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li> <li>- Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li> <li>- Performed testing on selected samples of customer contracts/ customer purchase orders. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/ customer purchase orders.</li> </ul>

### **Information Other than the Consolidated Financial Statements and Auditors' Report thereon**

6. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the consolidated financial statements and our auditor's report thereon) and the rest of the Annual Report (the "Other Information"). The Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibility of Management and those charged with governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. Further, in terms of the provisions of the respective applicable laws in India/ other countries, the respective Board of Directors of the companies/ Designated Partners of the LLP, as may be applicable, included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions applicable laws, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the Board of Directors of the companies/ Designated Partners of the LLP included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Designated Partners either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors of the Companies/ Designated Partners of the LLP included in the Group are also responsible for overseeing the financial reporting process of the respective companies/ LLP in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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 Consolidated Financial Statements.
11. 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 Holding Company has adequate internal financial controls system 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 Board of Directors;
  - Conclude on the appropriateness of Board of Director'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 Group'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 Consolidated 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 Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information/ financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors, 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Matter**

16. The accompanying consolidated financial statements includes the financial statements/ financial information in respect of:
- a) One subsidiary, located in Singapore, whose annual financial statements reflect total assets of Rs. 4,437.41 Lakhs as at 31st March 2022, total revenue of Rs. 9,754.83 Lakhs, and net cash inflow of Rs. 143.44 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These annual financial statements of the subsidiary have been audited by its respective independent auditor.
- The independent auditor's report on the financial statements of the aforesaid subsidiary have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such auditor.
- b) One subsidiary, located in United Kingdom, whose unaudited annual financial statements and unaudited annual other financial information reflect total assets of Rs. 0.12 Lakhs as at 31st March 2022, total revenue of Rs. NIL and net cash flow of Rs. NIL for the year ended on that date, as considered in the consolidated financial statements.
- The unaudited annual financial statements and unaudited annual other financial information have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the

amounts and disclosures included in respect of aforesaid subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on unaudited annual financial statements and unaudited annual other financial information as provided by the Management. In our opinion, and according to the information and explanations given to us by the management, these financial statement and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

17. In case of subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries, as noted in "Other Matter" section, we report to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended);
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, are disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report, which is based on the auditors' report of holding company. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act;
  - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in "Other Matter" section:
    - i. The Group does not have any pending litigations which would impact its financial position.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.

- iv. (a) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in Note 57(l) to the consolidated financial statements, 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 Holding Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.
  - (b) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in Note 57(m) to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.
  - (c) Based on such audit procedures as 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 18(g)(iv)(a) and 18(g)(iv)(b) contain any material misstatement.
  - v. The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.
  - h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.
19. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

### **MANGALAM GLOBAL ENTERPRISE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

(Referred to in para 18 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Independent Auditors’ Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (I) Of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

#### **Opinion**

1. In conjunction with our audit of the Consolidated Financial Statements of Mangalam Global Enterprise Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) as at and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Holding Company, as at that date. As at 31st March 2022, subsidiaries included in the Group are not covered under the Act.
2. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, has in all material respects, adequate internal financial controls over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting with reference to the consolidated financial statements were operating effectively as at 31st March 2022, based on the internal controls over financial reporting with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such 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 (the “Guidance Note”).

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

3. The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting established by the Holding Company considering the essential components of internal controls stated in the Guidance Note. 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 Company’s 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 Act.

#### **Auditors’ Responsibility**

4. Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to financial statements. 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 with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to the consolidated financial statements of the Holding Company.

#### **Other Matter**

7. Since, as at 31st March 2022, subsidiaries included in the Group are not covered under the Act, our aforesaid report does not apply to them. Accordingly, our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to the consolidated financial statements relates to the Holding Company alone.

### **Meaning of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

8. A company's internal financial controls over financial reporting with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting with reference to the consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and payments 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 consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

9. Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

### **MANGALAM GLOBAL ENTERPRISE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

(Referred to in paragraph 19 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Matters Specified Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”/ “the Order”) Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given in their reports under the Order:

<b>Sr.No.</b>	<b>Name</b>	<b>CIN</b>	<b>Holding Company/ Subsidiary</b>	<b>Clause number of the CARO Report which is unfavourable or qualified or adverse</b>
1	Mangalam Global Enterprise Limited	L24224GJ2010PLC062434	Holding	3(ii)(b)

## Consolidated Balance Sheet as at 31st March, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-Current Assets</b>			
a)	Property Plant & Equipment	2	2,043.13	3,209.28
b)	Right of Use Assets	2	1,730.99	44.26
c)	Intangible Assets	2	3.22	2.92
d)	Capital Work-In-Progress	2	-	-
e)	Goodwill on Consolidation	2	-	180.18
f)	Financial Assets			
-	Investments	3	297.67	329.13
-	Loans		-	-
-	Other Financial Assets	4	115.99	34.27
g)	Other Tax Assets (Net)	5	18.72	103.16
h)	Deferred Tax Assets (Net)	6	46.31	90.34
i)	Other Non-Current Assets	7	46.80	719.85
	<b>Total Non-Current Assets</b>		<b>4,302.83</b>	<b>4,713.39</b>
<b>B</b>	<b>Current Assets</b>			
a)	Inventories	8	11,824.36	2,243.94
b)	Financial Assets			
-	Trade Receivables	9	7,881.74	9,829.20
-	Cash and Cash Equivalents	10	179.73	326.63
-	Bank Balances other than Cash and Cash Equivalents	11	1,434.97	2,746.95
-	Loans	12	38.15	238.98
-	Other Financial Assets	13	185.41	458.50
c)	Other Current Assets	14	1,242.08	1,633.67
	<b>Total Current Assets</b>		<b>22,786.44</b>	<b>17,477.87</b>
	<b>TOTAL ASSETS</b>		<b>27,089.27</b>	<b>22,191.26</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
a)	Equity Share Capital	15	2,602.36	2,508.61
b)	Other Equity - attributable to owners of the Company	16	5,360.43	4,373.04
c)	Non-Controlling Interest		4.01	77.73
	<b>Total Equity</b>		<b>7,966.80</b>	<b>6,959.38</b>
<b>2</b>	<b>LIABILITIES</b>			
<b>A</b>	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
-	Long Term Borrowings	17	865.92	1,368.85
-	Long Term Lease Liabilities	18	1,561.28	39.36
-	Other Long Term Financial Liabilities	19	14.20	12.47
b)	Long Term Provisions	20	29.14	21.70
c)	Deferred Tax Liabilities (Net)	6	0.12	0.13
d)	Other Non-Current Liabilities		-	-
	<b>Total Non-Current Liabilities</b>		<b>2,470.66</b>	<b>1,442.51</b>
<b>B</b>	<b>Current Liabilities</b>			
a)	Financial Liabilities			
-	Short Term Borrowings	21	11,127.78	10,761.07
-	Short Term Lease Liabilities	22	133.49	14.71
-	Trade Payables			
(i)	Total outstanding dues of Micro Enterprise and Small Enterprises	23	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprise and Small Enterprises	23	4,286.24	2,919.54
-	Other Short Term Financial Liabilities	24	1,089.28	89.77
b)	Short Term Provisions	25	12.02	4.28
c)	Other Current Liabilities		-	-
d)	Current Tax Liabilities (Net)	26	3.00	-
	<b>Total Current Liabilities</b>		<b>16,651.81</b>	<b>13,789.37</b>
	<b>Total Liabilities</b>		<b>19,122.47</b>	<b>15,231.88</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,089.27</b>	<b>22,191.26</b>
	The accompanying notes are integral part of these Consolidated financial statements	1-59		

This is the Consolidated Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)

Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)

**Consolidated Statement of Profit & Loss for the year ended on 31st March, 2022** (Rs. in Lakhs)

Sr. Particulars No.	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>I Income</b>			
a) Revenue from Operations	27	127,727.63	95,987.42
b) Other Income	28	594.40	481.85
<b>Total Income</b>		<b>128,322.03</b>	<b>96,469.27</b>
<b>II Expenses</b>			
a) Cost of Materials Consumed	29	68,435.50	59,546.63
b) Purchase of Stock-in-Trade	30	56,553.18	31,542.89
c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	31	(2,625.77)	(574.33)
d) Employee Benefit Expenses	32	705.21	619.38
e) Finance Costs	33	1,054.31	702.17
f) Depreciation and Amortization Expense	34	375.45	293.16
g) Other Expenses	35	3,644.49	3,745.29
<b>Total Expenses</b>		<b>128,142.37</b>	<b>95,875.19</b>
<b>III Profit Before Exceptional Item &amp; Tax (I-II)</b>		<b>179.66</b>	<b>594.08</b>
<b>IV Exceptional Items</b>	36	270.24	-
<b>V Profit Before Tax (PBT) (After Exceptional Item) (III+IV)</b>		<b>449.90</b>	<b>594.08</b>
<b>VI Tax Expense</b>	37		
a) Current Tax		195.87	187.23
b) Deferred Tax		(91.66)	(66.90)
c) Income Tax (Prior Period)		(15.77)	(0.10)
<b>Total Tax Expenses</b>		<b>88.44</b>	<b>120.23</b>
<b>VII Profit After Tax (PAT) (V-VI)</b>		<b>361.46</b>	<b>473.85</b>
<b>VIII Other Comprehensive Income</b>			
a) Items that will not be reclassified to Profit or Loss			
Remeasurement Gain/(Loss) on defined benefit plan / Forex Translation		47.04	(19.08)
Income tax in respect of above		(2.38)	-
b) Items that will be reclassified to Profit or Loss			
Cash flow hedge reserve		4.69	-
Income tax in respect of above		(1.18)	-
<b>Total Other Comprehensive Income</b>		<b>48.17</b>	<b>(19.08)</b>
<b>IX Total Comprehensive Income for the Year (VII+VIII)</b>		<b>409.63</b>	<b>454.77</b>
<b>X Net Profit/ (Loss) after tax for the period attributable to:</b>			
- Owners of the Company		430.29	579.26
- Non-Controlling Interests		(68.83)	(105.41)
		<b>361.46</b>	<b>473.85</b>
<b>XI Total Other Comprehensive Income/ (Expense) attributable to:</b>			
- Owners of the Company		48.17	(19.08)
- Non-Controlling Interests		-	-
		<b>48.17</b>	<b>(19.08)</b>
<b>XII Total Comprehensive Income/ (Expense) for the period attributable to:</b>			
- Owners of the Company		478.46	560.18
- Non-Controlling Interests		(68.83)	(105.41)
		<b>409.63</b>	<b>454.77</b>
<b>XIII Earnings per Equity Share of Rs. 10/- each</b>			
a) Basic (in Rs.)	38	1.44	1.94
b) Diluted (in Rs.)	38	1.41	1.94

The accompanying notes are integral part of these Consolidated financial statements

1-59

This is the Consolidated Statement of Profit & Loss For and on behalf of the Board of Directors, referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**

Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)  
**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)  
Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)  
**Ashutosh Mehta**  
Chief Financial Officer  
(PAN:AAWPM1688A)

## Notes to the Consolidated Statement of changes in Equity for the year ended on 31st March, 2022

### A. Equity Share Capital

Current reporting period		(Rs. in Lakhs)
Particulars	Amount	
<b>As at 1 April 2021</b>	<b>2,508.61</b>	
Changes in Equity Share Capital due to prior period errors	-	
Restated balance as at 1 April 2021	2,508.61	
Changes in Equity Share Capital during the year	93.75	
<b>As at 31 March 2022</b>	<b>2,602.36</b>	
Previous reporting period		
Particulars	Amount	
<b>As at 1 April 2020</b>	<b>1,605.74</b>	
Changes in Equity Share Capital due to prior period errors	-	
Restated balance as at 1 April 2020	1,605.74	
Changes in Equity Share Capital during the year	902.87	
<b>As at 31 March 2021</b>	<b>2,508.61</b>	

### B. Other Equity

Current reporting period							(Rs. in Lakhs)
Particulars	Reserves & Surplus		Other Comprehensive Income	Money received against share warrants	Attributable to Non Controlling Interests	Total	
	Securities Premium	Retained Earnings					
<b>Balance as at 1 April, 2021</b>	<b>3,259.24</b>	<b>1,096.07</b>	<b>17.73</b>	-	<b>77.73</b>	<b>4,450.77</b>	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	
<b>Restated balance as at 1 April 2021</b>	<b>3,259.24</b>	<b>1,096.07</b>	<b>17.73</b>	-	<b>77.73</b>	<b>4,450.77</b>	
Net Profit/ (Loss) during the Year	-	430.29	-	-	(68.83)	361.46	
Remeasurement Gain/(Loss) on defined benefit plan / Forex Translation (net of tax)	-	-	44.66	-	-	44.66	
Movement in cash flow hedge reserve (net of tax)	-	-	3.51	-	-	3.51	
<b>Total Comprehensive Income/ (Expense)</b>	<b>-</b>	<b>430.29</b>	<b>48.17</b>	-	<b>(68.83)</b>	<b>409.63</b>	
Dividend paid on equity shares	-	(52.28)	-	-	-	(52.28)	
Adjustment on Disposal of Subsidiary	(198.03)	-	-	-	(4.89)	(202.92)	
Transfer to retained earnings	-	-	-	-	-	-	
Securities Premium on issue of Equity Share Capital	393.75	-	-	-	-	393.75	
Utilized Towards Issue of Bonus Shares	-	-	-	-	-	-	
Share warrants issued during the year	-	-	-	853.13	-	853.13	
Allotment of Equity shares on conversion of share Warrants	-	-	-	(487.50)	-	(487.50)	
Other Adjustments	-	(0.14)	-	-	-	(0.14)	
<b>Balance as at 31 March, 2022</b>	<b>3,454.96</b>	<b>1,473.94</b>	<b>65.90</b>	<b>365.63</b>	<b>4.01</b>	<b>5,364.44</b>	

## Notes to the Consolidated Statement of changes in Equity for the year ended on 31st March, 2022

### B. Other Equity (Contd...)

Previous reporting period

(Rs. in Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income	Money received against share warrants	Attributable to Non Controlling Interests	Total
	Securities Premium	Retained Earnings				
<b>Balance as at 1 April, 2020</b>	<b>3,742.11</b>	<b>546.73</b>	<b>36.81</b>	-	<b>142.54</b>	<b>4,468.19</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance as at 1 April 2020</b>	<b>3,742.11</b>	<b>546.73</b>	<b>36.81</b>	-	<b>142.54</b>	<b>4,468.19</b>
Net Profit/ (Loss) during the Year	-	579.26	-	-	(105.41)	473.85
Remeasurement Gain/(Loss) on defined benefit plan / Forex Translation (net of tax)	-	-	(19.08)	-	-	(19.08)
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-	-
<b>Total Comprehensive Income/ (Expense)</b>	-	<b>579.26</b>	<b>(19.08)</b>	-	<b>(105.41)</b>	<b>454.77</b>
Dividend paid on equity shares	-	(29.87)	-	-	-	(29.87)
Adjustment due to change in ownership ratio	-	-	-	-	40.60	40.60
Transfer to retained earnings	-	-	-	-	-	-
Securities Premium on issue of Equity Share Capital	320.00	-	-	-	-	320.00
Utilized Towards Issue of Bonus Shares	(802.87)	-	-	-	-	(802.87)
Share warrants issued during the year	-	-	-	-	-	-
Allotment of Equity shares on conversion of share Warrants	-	-	-	-	-	-
Other Adjustments	-	(0.05)	-	-	-	(0.05)
<b>Balance as at 31 March, 2021</b>	<b>3,259.24</b>	<b>1,096.07</b>	<b>17.73</b>	-	<b>77.73</b>	<b>4,450.77</b>

#### Nature and Purpose of Reserves

- (a) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these Consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**

Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,

Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)

Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Ashutosh Mehta**  
Chief Financial Officer  
(PAN:AAWPM1688A)

**Consolidated Statement of Cash Flows for the year ended on 31st March, 2022**

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) Before Exceptional Items & Tax	449.91	594.07
<b>Adjustments for:</b>		
Depreciation on Property Plant and Equipment, Right of Use Assets and Intangible Assets	375.45	293.16
Dividend Income	(4.50)	-
Interest Income	(271.80)	(196.10)
Finance Costs	1,054.31	702.17
Non-Cash Items	6.03	2.32
(Gain)/Loss on sale of Property, Plant and Equipments (Net)	-	(5.30)
(Gain)/Loss on sale of Investments (Net)	(2.30)	(3.96)
Unrealised foreign exchange (Gain)/Loss (Net)	(1.27)	(32.07)
(Increase)/Decrease in Foreign Currency Translation Reserve (Net)	44.66	(19.08)
Other Expenses related to Financing Activities	12.03	46.89
Allowance for Doubtful Debts	271.75	1.14
Loss Distributed by LLP	52.16	40.60
<b>Operating Profit/ (Loss) before working capital changes</b>	<b>1,986.43</b>	<b>1,423.84</b>
<b>Changes in working capital:</b>		
<b>Adjustments for:</b>		
(Increase)/ Decrease in Trade Receivables	1,669.47	(7,713.85)
(Increase)/ Decrease in Inventories	(9,580.41)	5.39
(Increase)/ Decrease in Other Financial Assets	243.72	302.79
(Increase)/ Decrease in Other Non-Current assets	1.42	(2.00)
(Increase)/ Decrease in Other Current assets	298.15	(493.83)
Increase/ (Decrease) in Trade Payables	1,434.24	2,248.23
Increase/ (Decrease) in Provisions	3.17	0.93
Increase/ (Decrease) in Other Liabilities	1,041.62	10.24
<b>Cash generated from operations</b>	<b>(2,902.19)</b>	<b>(4,218.26)</b>
Income taxes paid (Net of refunds)	43.01	(231.11)
<b>Net cash flow from/ (utilised in) operating activities (A)</b>	<b>(2,859.18)</b>	<b>(4,449.37)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Property, Plant & Equipment, including capital advances	1,806.93	(1,070.66)
Proceeds from Sale of Property, Plant & Equipment	-	163.44
(Increase)/Decrease in Lease Deposits	(214.50)	50.00
Long-Term investments in Subsidiaries / Contribution in LLP	-	-
Loss Distributed by LLP	(52.16)	-
Long-term investments in other Securities	30.00	-
Investment in Mutual Funds	3.76	(14.20)
Loans to Subsidiaries	-	-
Loans to Others	238.98	(238.98)
Interest Received	289.61	192.48
(Investment in) / Proceeds from Bank Balances other than Cash and Cash Equivalents - Fixed Deposits	1,311.97	(522.46)
Dividend Received	4.50	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>3,419.09</b>	<b>(1,440.38)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares, Securities Premium & Convertible Equity Warrants	655.10	420.00
Share issue expenses	(12.03)	(46.89)
Other Expenses related to Financing Activities	-	-
Increase / (Decrease) in Long Term Borrowings	(791.14)	243.19
Increase / (Decrease) in Short Term Borrowings	651.14	6,296.49
Payment of Lease Liability	(265.33)	(80.39)
Increase / (Decrease) in Other Short Term Borrowings	-	-
Repayment of other Short Term Borrowings	-	-
Payment of Dividend	(52.28)	(29.87)
Interest Paid / Finance Cost	(892.27)	(699.53)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(706.81)</b>	<b>6,103.00</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(146.90)</b>	<b>213.25</b>
<b>E. Add: Cash and Cash Equivalents at the beginning of the year</b>	<b>326.63</b>	<b>114.85</b>
<b>F. Less: (Loss) / Gain on restatement of foreign currency Cash and Cash Equivalents</b>	<b>-</b>	<b>1.47</b>
<b>G. Cash and Cash Equivalents at the end of the year</b>	<b>179.73</b>	<b>326.63</b>

**Consolidated Statement of Cash Flows for the year ended on 31st March, 2022 (Contd..)**

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
<b>Cash and Cash Equivalents includes</b>	<b>179.73</b>	<b>326.63</b>
(a) Cash on Hand	6.77	18.99
(b) Balances with Banks		
(i) In Current Accounts	172.96	307.64
(ii) In Fixed Deposit Accounts	-	-
(iii) In Cash Credit/ Bank Overdraft Accounts	-	-

**2** The Consolidated statement of cash flows has been prepared in accordance with the "Indirect method" as set out in the Ind AS - 7 : 'Statement of Cash Flows'.

**3** Movement in Financial Liabilities arising from Financing Activities:

**Current reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2021</b>	<b>1,777.00</b>	<b>10,352.92</b>	<b>51.54</b>	<b>1.73</b>	-	-
Payment of Lease Liabilities	-	-	(265.33)	-	-	-
Increase/ (Decrease) in Short Term Borrowings	-	651.14	-	-	-	-
Increase/ (Decrease) in Long Term Borrowings	(791.14)	-	-	-	-	-
Interest / Expenses Paid	-	-	-	(892.27)	-	(12.03)
Dividend Paid	-	-	-	-	(52.28)	-
<b>Net Cash Movement during the year</b>	<b>(791.14)</b>	<b>651.14</b>	<b>(265.33)</b>	<b>(892.27)</b>	<b>(52.28)</b>	<b>(12.03)</b>
Lease Liabilities recognised during the year	-	-	1,795.21	-	-	-
Finance Cost Accrued	-	-	148.69	-	-	-
Lease Liabilities reversed during the year	-	-	(35.34)	-	-	-
Interest on fixed loan amortisation	3.78	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	1,054.31	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(158.87)	-	-
<b>Balance as at 31 March 2022</b>	<b>989.64</b>	<b>11,004.06</b>	<b>1,694.77</b>	<b>4.90</b>	-	-

**Previous reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2020</b>	<b>1,529.34</b>	<b>4,056.43</b>	<b>777.56</b>	<b>0.81</b>	-	-
Payment of Lease Liabilities	-	-	(80.39)	-	-	-
Increase/ (Decrease) in Short Term Borrowings	-	6,296.49	-	-	-	-
Increase/ (Decrease) in Long Term Borrowings	243.19	-	-	-	-	-
Interest / Expenses Paid	-	-	-	(699.53)	-	(46.89)
Dividend Paid	-	-	-	-	(29.87)	-
<b>Net Cash Movement during the year</b>	<b>243.19</b>	<b>6,296.49</b>	<b>(80.39)</b>	<b>(699.53)</b>	<b>(29.87)</b>	<b>(46.89)</b>
Lease Liabilities recognised during the year	-	-	-	-	-	-
Finance Cost Accrued	-	-	(3.80)	-	-	-
Lease Liabilities reversed during the year	-	-	(641.83)	-	-	-
Interest on fixed loan amortisation	4.47	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	702.17	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(1.72)	-	-
<b>Balance as at 31 March 2021</b>	<b>1,777.00</b>	<b>10,352.92</b>	<b>51.54</b>	<b>1.73</b>	-	-

This is the Consolidated Statement of Cash Flows referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)  
**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)  
Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)  
**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)



## NOTE - 1 - Notes to the Consolidated Financial Statements for the year ended on March 31, 2022

### 1.1 Corporate Information:

Mangalam Global Enterprise Limited ('the Company' / 'the Holding Company') is a public listed limited Company domiciled and incorporated in India. The registered office of the Company is located at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad -380009 Gujarat, India. Its Equity Shares are listed on Main Board of National Stock Exchange of India Limited (NSE). These Consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred to as the "Group") (individually referred to as the "Entity") for the year ended 31 March 2022.

The Group is engaged in activity of manufacturing/dealing/trading of Edible/Non-edible Oil/Seeds and its derivatives, Rice, Wheat and other Agro commodities, other merchandise and agency service activity.

Following are the details of the subsidiaries consolidated in these Financial statements:

Name of the Entity	Principal Activities	Country of Incorporation	% Equity Interest	
			31 March 2022	31 March 2021
Mangalam Global (Singapore) Pte Ltd	Dealing in variety of goods without dominant product	Singapore	100%	100%
Rajgor Castor Derivatives Private Limited (Formerly known as Hindprakash Castor Derivatives Private Limited)	Manufacturing /Dealing in Agro based commodities etc.	India	51.01% upto 31 Dec, 2021	51.01%
Farpoint Enterprise LLP	General Trading	India	99%	99%
Mangalam Global UK Ltd (operation not yet started)	-	United Kingdom	100%	100%

### 1.2 General Information & Statement of Compliance with Ind AS:

These financial statements are the separate financial statements of the Group (also called as consolidated financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under The Companies Act, 2013 ("The Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### 1.3 Significant Accounting Policies:

#### 1.3.1 Basis of Preparation and Presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Certain Financial Assets and Liabilities (including derivative instruments), and
- Defined Benefit Plans – Plan Assets

The consolidated financial statements have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

#### Basis of consolidation

The consolidated financial statements have comprised financial statements of the Holding Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the cumulative translation differences recorded in equity.

- recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

### 1.3.2 Fair Value Measurement

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 1.3.3 Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current/ Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.3.4 Property, Plant and Equipment

#### (a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net

charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

### Depreciation

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II / as per technical evaluation as given below:

Name of Property, Plants and Equipment	Useful Life*
Factory Building	30-40 Years
Building (Other than Factory Building)	60 Years
Plant and Machineries (Including Continuous Process Plant)	8 - 30 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer and Other Data Processing units	3 Years
Motor Vehicles	8 Years
Electrical Installation and Other Equipment	5 Years

\* The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case of one subsidiary Farpoint Enterprise LLP, depreciation is calculated using Written Down Value method at the rates prescribed under Income Tax Act,1961. The Details is given below:

Name of Property, Plants and Equipment	% applied
Factory Building	10%
Plant and Machineries (Including Continuous Process Plant)	15%
Electrical Installation and Other Equipment	15%

### Derecognition

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### (b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as "Other Non-Current Assets".

### (c) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

#### **Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

<b>Particulars</b>	<b>Useful Life</b>
Accounting and Antivirus Software	3 Years
Other Firewall and Operating Software	6 Years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

The Entity assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **1.3.6 Lease**

#### **(a) As a Lessee**

The Entity, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Entity has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Entity measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Entity uses incremental borrowing rate.

#### **(b) As a Lessor**

Leases for which the Entity is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection

is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably.

### **1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

### **1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

### **1.3.10 Employee Benefits**

#### **(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

#### **(B) Post-Employment Benefits**

##### **(i) Defined Contribution Plans**

The Entity recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

##### **(ii) Defined Benefit Plans**

(a) Gratuity Scheme: The Entity pays gratuity to the employees who have completed five years of service with the Entity at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

##### **(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees.

### **1.3.11 Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Entity is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Entity has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Entity expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

#### Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

#### Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

#### Dividend Income

Dividend Income is recognised when the Entity's right to receive the amount has been established.

#### Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Entity, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

#### Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Entity is reasonably certain of their ultimate collections.

#### Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

### **1.3.12 Foreign Currency Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

### **1.3.13 Government Grants and Subsidies**

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Entity will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Entity will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Entity recognizes interest expense corresponding to such grants.

### **1.3.14 Financial Instruments – Financial Assets**

#### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**(B) Subsequent Measurement**

**a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Entity, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Entity has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Entity recognizes dividend income from such instruments in the Statement of Profit and Loss.

**c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Entity changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under “Current Investments” under “Current portion of Non-Current Investments” in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, “Financial Instruments” is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

**(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Entity has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

**(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Entity uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

**1.3.15 Financial Instruments – Financial Liabilities**

**(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Entity enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Entity formally establishes a hedge relationship between such forward currency contracts (‘hedging instrument’) and recognised financial assets (‘hedged item’) through a formal documentation at the inception of the hedge relationship in line with the Entity’s Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, ‘Financial Instruments’.

#### Recognition and measurement of cash flow hedge:

The Entity strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

#### Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

#### Fair Value Hedge:

The Entity designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### 1.3.17 Derecognition of Financial Instruments

The Entity derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Entity's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 1.3.18 Financial Instruments – Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Entity has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 1.3.19 Taxes on Income

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

#### (a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

#### (b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### Presentation

The Entity offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Entity has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Entity.



### **1.3.20 Segment Reporting**

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Group has considered as Business Segments as Primary Segments.

#### Segments Accounting Policies

The Group prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

#### Inter - Segment Transfer

The Group generally accounts the Inter - Segment transfers at an agreed value of the transactions.

#### Allocation of Common Costs

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

#### Unallocated Items

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

### **1.3.21 Research and Development**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

### **1.3.22 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

### **1.3.23 Provisions, Contingent Liabilities**

Provisions are recognised when the Entity has 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

### **1.3.24 Events after Reporting Date**

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **1.3.25 Non – Current Assets Held For Sales**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

### **1.3.26 Cash Flows Statement**

Cash Flows Statements are reported using the method set out in the Ind AS – 7, “Cash Flow Statements”, whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual 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 of the Group are segregated.

### 1.3.27 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.3.28 (A) Amendments to Schedule III of Companies Act, 2013

On 24 March, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of consolidated financial statements.

All amount disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule-III, unless otherwise stated.

The company has given effect of the same in current years account.

### (B) Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022 as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109

in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

The preparation of the Group's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

##### **1.4.1 Income Tax**

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

##### **1.4.2 Property Plant and Equipment/ Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Entity's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

##### **1.4.3 Defined Benefits Obligations**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

##### **1.4.4 Fair value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

##### **1.4.5 Recoverability of Trade Receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

##### **1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

##### **1.4.7 Impairment of Financial and Non – Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Entity uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Entity's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets Entity estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

##### **1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Entity uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress

#### A. PROPERTY, PLANT & EQUIPMENTS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land	Building	Computer Equip. ments	Electrical Insta-llation	Furniture & Fixture	Plant & Machinery	Office Equip-ments	Vehicle	Total
Cost as at 1 April 2021	665.72	924.78	26.70	-	125.95	1,835.94	43.50	81.70	3,704.29
Addition	582.79	199.45	1.12	37.39	72.83	128.24	26.96	-	1,048.78
Disposals/ Adjustments	(137.94)	(530.81)	-	-	(69.60)	(1,726.11)	(0.62)	(12.56)	(2,477.64)
<b>Cost as at 31 March 2022</b>	<b>1,110.57</b>	<b>593.42</b>	<b>27.82</b>	<b>37.39</b>	<b>129.18</b>	<b>238.07</b>	<b>69.84</b>	<b>69.14</b>	<b>2,275.43</b>
Accumulated depreciation as at 1 April 2021	-	103.68	14.04	-	19.04	310.27	17.57	30.41	495.01
Depreciation charge for the year	-	36.81	6.48	0.47	(1.11)	102.56	20.13	9.32	174.66
Reversal on Disposal/Adjustments	-	(53.48)	(0.65)	-	-	(367.85)	(11.23)	(4.16)	(437.37)
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>87.01</b>	<b>19.87</b>	<b>0.47</b>	<b>17.93</b>	<b>44.98</b>	<b>26.47</b>	<b>35.57</b>	<b>232.30</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>1,110.57</b>	<b>506.41</b>	<b>7.95</b>	<b>36.92</b>	<b>111.25</b>	<b>193.09</b>	<b>43.37</b>	<b>33.57</b>	<b>2,043.13</b>

##### Previous reporting period

Particulars	Land	Building	Computer Equip. ments	Electrical Insta-llation	Furniture & Fixture	Plant & Machinery	Office Equip-ments	Vehicle	Total
Cost as at 1 April 2020	665.72	924.78	21.30	-	125.90	1,873.49	55.23	81.70	3,748.12
Addition	-	6.42	6.83	-	2.86	111.82	4.55	-	132.48
Disposals/ Adjustments	-	(6.42)	(1.43)	-	(2.81)	(149.37)	(16.28)	-	(176.31)
<b>Cost as at 31 March 2021</b>	<b>665.72</b>	<b>924.78</b>	<b>26.70</b>	<b>-</b>	<b>125.95</b>	<b>1,835.94</b>	<b>43.50</b>	<b>81.70</b>	<b>3,704.29</b>
Accumulated depreciation as at 1 April 2020	-	61.95	7.48	-	10.61	185.17	11.23	20.71	297.15
Depreciation charge for the year	-	41.67	6.93	-	8.67	131.63	9.15	9.70	207.75
Reversal on Disposal/Adjustments	-	0.06	(0.37)	-	(0.24)	(6.53)	(2.81)	-	(9.89)
<b>Accumulated depreciation as at 31 March 2021</b>	<b>-</b>	<b>103.68</b>	<b>14.04</b>	<b>-</b>	<b>19.04</b>	<b>310.27</b>	<b>17.57</b>	<b>30.41</b>	<b>495.01</b>
<b>Net Carrying Amount as at 31 March 2021</b>	<b>665.72</b>	<b>821.10</b>	<b>12.66</b>	<b>-</b>	<b>106.91</b>	<b>1,525.67</b>	<b>25.93</b>	<b>51.29</b>	<b>3,209.28</b>

- The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Refer Note No. - 43

#### B - RIGHT OF USE ASSETS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land & Building	Plant & Machinery	Total
Cost as at 1 April 2021	72.70	1.17	73.87
Addition	80.78	1,836.17	1,916.95
Disposals/Adjustments	(72.70)	(3.36)	(76.06)
<b>Cost as at 31 March 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
Accumulated ammortisation as at 1 April 2021	29.08	0.53	29.61
Ammortization charge for the year	15.21	184.25	199.46
Reversal on Disposal of assets	(37.56)	(7.74)	(45.30)
<b>Accumulated ammortisation as at 31 March 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>74.05</b>	<b>1,656.94</b>	<b>1,730.99</b>

##### Previous reporting period

Particulars	Land & Building	Plant & Machinery	Total
Cost as at 1 April 2020	72.70	752.71	825.41
Addition	-	-	-
Disposals/Adjustments	-	(751.54)	(751.54)
Cost as at 31 March 2021	72.70	1.17	73.87
<b>Accumulated ammortisation as at 1 April 2020</b>	<b>14.54</b>	<b>16.82</b>	<b>31.36</b>
Ammortization charge for the year	14.54	69.77	84.31
Reversal on Disposal/Adjustments	-	(86.06)	(86.06)
<b>Accumulated ammortisation as at 31 March 2021</b>	<b>29.08</b>	<b>0.53</b>	<b>29.61</b>
<b>Net Carrying Amount as at 31 March 2021</b>	<b>43.62</b>	<b>0.64</b>	<b>44.26</b>

Refer Note No. - 46

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### C. INTANGIBLE ASSETS

(Rs. in Lakhs)		
Current reporting period		
Particulars	Software	Total
<b>Cost as at 1 April 2021</b>	<b>5.03</b>	<b>5.03</b>
Addition	1.63	1.63
Dispoals/Adjustments	-	-
<b>Cost as at 31 March 2022</b>	<b>6.66</b>	<b>6.66</b>
<b>Accumulated ammortisation as at 1 April 2021</b>	<b>2.11</b>	<b>2.11</b>
Ammortization charge for the year	1.33	1.33
Reversal on Disposal of assets	-	-
<b>Accumulated ammortisation as at 31 March 2022</b>	<b>3.44</b>	<b>3.44</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>3.22</b>	<b>3.22</b>
Previous reporting period		
Particulars	Software	Total
<b>Cost as at 1 April 2020</b>	<b>4.23</b>	<b>4.23</b>
Addition	0.80	0.80
Dispoals/Adjustments	-	-
<b>Cost as at 31 March 2021</b>	<b>5.03</b>	<b>5.03</b>
<b>Accumulated ammortisation as at 1 April 2020</b>	<b>1.01</b>	<b>1.01</b>
Ammortization charge for the year	1.10	1.10
Reversal on Disposal/Adjustments	-	-
<b>Accumulated ammortisation as at 31 March 2021</b>	<b>2.11</b>	<b>2.11</b>
<b>Net Carrying Amount as at 31 March 2021</b>	<b>2.92</b>	<b>2.92</b>

#### D. CAPITAL WORK-IN-PROGRESS

**Note:** Ageing schedule of Capital Work-in-progress for closing balance has not been given as closing / opening balance is NIL. There are no projects which are overdue or has exceeded its cost compared to its original plan.

#### E. GOODWILL ON CONSOLIDATION

(Rs. in Lakhs)		
Current reporting period		
Particulars	Goodwill	Total
<b>Cost as at 1 April 2021</b>	<b>180.18</b>	<b>180.18</b>
Addition	-	-
Dispoals/Adjustments	(180.18)	(180.18)
<b>Cost as at 31 March 2022</b>	<b>-</b>	<b>-</b>
Previous reporting period		
Particulars	Goodwill	Total
<b>Cost as at 1 April 2020</b>	<b>180.18</b>	<b>180.18</b>
Addition	-	-
Dispoals/Adjustments	-	-
<b>Cost as at 31 March 2021</b>	<b>180.18</b>	<b>180.18</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 3 - Investments- Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>UNQUOTED INVESTMENTS</b>		
<b>Investment in Others (Measured at FVTOCI)#</b>		
(i) 8,08,510 (PY - 8,08,510) Equity Shares of ECS Environment Private Limited - (Fully Paidup) of Rs 10 each. Cost is representing and taken as equivalent to Fair Value.	242.55	242.55
(ii) NIL (PY - 1,20,000) Equity Shares of Mehsana Urban Co-operative Bank Limited - (Fully Paidup) of Rs 25 each. Cost is representing and taken as equivalent to Fair Value.	-	30.00
<b>Investment in Mutual Funds (measured at FVTPL)</b>		
Edelweiss Infrastructure Yield Plus	55.12	56.58
<b>Total - Unquoted Investments</b>	<b>297.67</b>	<b>329.13</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	297.67	329.13
Aggregate amount of impairment in value of investments	-	-

# The company has considered cost is representing the fair value.

### Note - 4 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non Current - Unsecured Considered Good</b>		
Security Deposits	106.99	25.37
Bank Deposits with more than 12 months maturity	0.10	-
Others	8.90	8.90
<b>Total</b>	<b>115.99</b>	<b>34.27</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above includes due from:</b>		
Directors (Rent Deposit)	2.16	2.38
Other Officers of the Company	-	-
Firm in which any director is partner:	-	-
Private Company in which director is director or member:	-	-

### Note - 5 - Other Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Income Tax/ TDS (Net of Prov, if any)	18.72	103.16
<b>Total</b>	<b>18.72</b>	<b>103.16</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 6 - Deferred Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Assets (DTA)</b>		
Provision for Employee Benefits	13.46	8.13
Preliminary Expenditure	10.38	13.05
Disallowances for items to be allowed in subsequent years	1.18	-
Allowance for doubtful debts	42.95	0.60
Deferred tax on lease liability and deposit created under Ind AS 116	454.65	182.72
Unabsorbed Loss/Business Loss	-	194.89
<b>Total DTA</b>	<b>522.62</b>	<b>399.39</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Property Plant & Equipments & Intangible Assets	38.25	134.76
Deferred Tax on Amorisation of Expenses	2.52	2.89
Deferred Tax on ROU Asset created under Ind AS 116	435.66	171.53
<b>Total DTL</b>	<b>476.43</b>	<b>309.18</b>
<b>Net DTA / (DTL)</b>	<b>46.19</b>	<b>90.21</b>
Deferred Tax Liabilities	0.12	0.13
Deferred Tax Assets	46.31	90.34
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>46.19</b>	<b>90.21</b>

Disclosure in Consolidated Balance Sheet is based on entity wise recognition, as above.

#### Current reporting period

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2021	Deferred Tax charge/credit to Statement of Profit & Loss	DeferredT ax charge/credit to other Comprehensive Income	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	8.13	7.71	(2.38)	13.46
Preliminary Expenditure	13.05	(2.67)	-	10.38
Disallowances for items to be allowed in subsequent years	-	2.36	(1.18)	1.18
Allowance for doubtful debts	0.60	42.35	-	42.95
Deferred Tax on lease liability and deposit created under Ind AS 116	182.72	271.93	-	454.65
Unabsorbed Loss/ Business Loss	194.89	(194.89)	-	-
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	134.76	(96.51)	-	38.25
Deferred Tax on Amorisation of Expenses	2.89	(0.37)	-	2.52
Deferred Tax on ROU Asset created under Ind AS 116	171.53	264.13	-	435.66
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>90.21</b>	<b>(40.46)</b>	<b>(3.56)</b>	<b>46.19</b>
Tax on Exceptional Item	-	(51.20)	-	-
<b>Net Charged / Credited to Statement of Profit or Loss</b>	<b>-</b>	<b>(91.66)</b>	<b>(3.56)</b>	<b>-</b>

#### Previous reporting period

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2020	Deferred Tax charge/credit to Statement of Profit & Loss	DeferredT ax charge/credit to other Comprehensive Income	As at 31st March, 2021
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	7.75	0.38	-	8.13
Preliminary Expenditure	12.88	0.17	-	13.05
Disallowances for items to be allowed in subsequent years	-	-	-	-
Allowance for doubtful debts	0.32	0.28	-	0.60
Deferred Tax on lease liability and deposit created under Ind AS 116	388.56	(205.84)	-	182.72
Unabsorbed Loss/ Business Loss	101.87	93.02	-	194.89
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	100.93	33.83	-	134.76
Deferred Tax on Amorisation of Expenses	3.38	(0.49)	-	2.89
Deferred Tax on ROU Asset created under Ind AS 116	383.76	(212.23)	-	171.53
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>23.31</b>	<b>66.90</b>	<b>-</b>	<b>90.21</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 7 - Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances (Unsecured Considered Good)	45.82	717.45
Prepaid Expenses	0.86	0.90
Other Advances / Receivables	0.12	1.50
<b>Total</b>	<b>46.80</b>	<b>719.85</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above includes due from:</b>		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-

### Note - 8 - Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	6,945.90	2.48
Work-in-Progress	581.87	826.05
Finished Goods/ Stock in Trade	4,039.62	1,198.30
Packing Materials	93.07	208.08
Consumable, Stores and Spares	163.90	9.03
<b>Total</b>	<b>11,824.36</b>	<b>2,243.94</b>

**Note:** Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No -1.3.8.

Inventories are hypothecated to secured working capital facilities from Bank (Refer Note No - 43)

### Note - 9 - Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Unsecured - Considered Good	8,049.00	9,832.76
Credit Impaired	-	-
Less: Allowance for doubtful debts	167.26	3.56
<b>Total</b>	<b>7,881.74</b>	<b>9,829.20</b>

**Note:** 1. Trade Receivables are hypothecated to secured working capital facilities from Bank (Refer Note No - 43)

2. Trade Receivables ageing Schedule (Refer Note No - 53)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Receivable include due from:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Shirshak Exim LLP	194.58	-
Private Company in which director is director or member		
Mangalam Dura Jet Technologies Private Limited	-	45.51
Mangalam Worldwide Limited	122.49	142.92
Mangalam Multi Businesses Private Limited	0.17	-
ECS Environment Private Limited	10.78	46.60



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 10 - Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash in Hand	6.77	18.99
Bank Balance		
In Current Accounts	172.96	307.64
In Deposit Accounts (maturity within 3 months from reporting date)	-	-
<b>Total</b>	<b>179.73</b>	<b>326.63</b>

### Note - 11 - Bank Balances other than Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with bank in Fixed Deposit accounts (Refer Note below)	1,434.97	2,746.95
<b>Total</b>	<b>1,434.97</b>	<b>2,746.95</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from HDFC Bank (Refer Note No - 43) (MGEL)	-	551.11
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from MUCB Bank (Refer Note No - 43) (MGEL)	-	111.33
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from SBI Bank (Refer Note No - 43) (MGEL)	115.13	-
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from PNB Bank (Refer Note No - 43) (MGEL)	168.79	1,339.90
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from Indian Bank, Singapore (Refer Note No - 43) (MGSPPL)	768.56	377.03
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/ working capital facilities from IOB Bank, Singapore (Refer Note No - 43) (MGSPPL)	382.49	367.52

### Note - 12 - Loans

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured Considered Good</b>		
Loans to Related Parties	-	238.98
Loans to Others	38.15	-
<b>Total</b>	<b>38.15</b>	<b>238.98</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director / Company is partner		
Private Company in which director is director or member		
Mangalam Worldwide Limited #		
(Formerly known as Mangalam Worldwide Pvt. Ltd.)	-	238.98

# The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan has been utilized for the purpose it was granted.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 13 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
M2M of Foreign Exchange Forward Contract	-	2.51
Export Incentives Receivables	40.86	24.87
Other Receivables	251.03	431.12
Less: Allowance for doubtful receivable (on Other Receivables)	106.48	-
<b>Total</b>	<b>185.41</b>	<b>458.50</b>

### Note - 14 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured Considered Good</b>		
Advance to Supplier (Other than capital advances)	314.98	904.63
Balances with Government Authorities	776.49	590.18
Prepaid Expenses	59.46	46.39
Others	91.15	92.47
<b>Total</b>	<b>1,242.08</b>	<b>1,633.67</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any Director / Company is Partner		
Paradisaal Trade LLP	-	227.32
Private Company in which Director is Director or Member		

### Note - 15 - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
5,00,00,000 (PY - 4,00,00,000) Equity Shares of Rs. 10/- each	5,000.00	4,000.00
<b>Issued</b>		
2,60,23,615 (PY - 2,50,86,115) Equity Shares of Rs. 10/- each	2,602.36	2,508.61
<b>Subscribed &amp; Paid up</b>		
2,60,23,615 (PY - 2,50,86,115) Equity Shares of Rs. 10/- each	2,602.36	2,508.61
<b>Total</b>	<b>2,602.36</b>	<b>2,508.61</b>

#### 15.1 Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**15.2** Company issued and allotted 80,28,705 bonus shares(as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of one shares for every two share held on 02 September 2020.

Company issued and allotted 93,01,928 bonus shares(as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of four shares for every one share held on 03 December 2019.

**15.3** : During the year ended 31st March 2021, the company had made preferential allotment of 10,00,000 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 42/- per equity shares (including share premium of Rs 32/- per equity share) aggregating to Rs 100.00 Lakhs(Face Value) & Rs 320.00 Lakhs (Share Premium). The aforementioned equity shares were allotted on 05 December 2020.

**15.4** : During the year ended 31st March 2022, pursuant to exercise by warrant holder of 9,37,500 convertible warrants the company has made allotment of 9,37,500 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 52/- per equity shares (including share premium of Rs 42/- per equity share) aggregating to Rs 93.75 Lakhs (Face Value) & Rs 393.75 Lakhs (Share Premium). The aforementioned equity shares were allotted on 22 March 2022. The aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### 15.5 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

#### Current reporting period (Rs. in Lakhs)

Particulars	As at 31st March, 2022	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares outstanding at the beginning of the year	25,086,115	2,508.61
Add: Bonus Shares Issued during the year	-	-
Add: Shares Issued during the year	937,500	93.75
Less: Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>26,023,615</b>	<b>2,602.36</b>

#### Previous reporting period

Particulars	As at 31st March, 2021	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares outstanding at the beginning of the year	16,057,410	1,605.74
Add: Bonus Shares Issued during the year	8,028,705	802.87
Add: Shares Issued during the year	1,000,000	100.00
Less: Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>25,086,115</b>	<b>2,508.61</b>

### 15.6 Shares in the company held by each shareholder holding more than 5 percent shares

#### Current reporting period

Name of Shareholder	As at 31st March, 2022	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,489,725	13.41%
Chandragupt Prakash Mangal	3,623,320	13.92%
Om Prakash Mangal	2,142,870	8.23%
Rashmi Mangal	2,797,835	10.75%
Vipin Prakash Mangal	1,935,410	7.44%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	1,983,934	7.62%
Specific Worldwide LLP	3,021,540	11.61%

#### Previous reporting period

Name of Shareholder	As at 31st March, 2021	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,286,150	13.10%
Chandragupt Prakash Mangal	3,623,320	14.44%
Om Prakash Mangal	2,142,870	8.54%
Rashmi Mangal	1,760,335	7.02%
Vipin Prakash Mangal	1,835,410	7.32%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	2,625,015	10.46%
Specific Worldwide LLP	3,021,540	12.04%

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### 15.7 Shareholding of Promoters

#### Current reporting period

Name of Promoters	As at 31st March, 2022		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each:</b>			
Vipin Prakash Mangal	1,935,410	7.44%	0.12%
Chanakya Prakash Mangal	3,489,725	13.41%	0.31%
Chandragupt Prakash Mangal	3,623,320	13.92%	(0.52%)
<b>Total</b>	<b>9,048,455</b>	<b>34.77%</b>	<b>(0.09%)</b>

#### Previous reporting period

Name of Promoters	As at 31st March, 2021		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each:</b>			
Vipin Prakash Mangal	1,835,410	7.32%	1.36%
Chanakya Prakash Mangal	3,286,150	13.10%	0.18%
Chandragupt Prakash Mangal	3,623,320	14.44%	0.75%
<b>Total</b>	<b>8,744,880</b>	<b>34.86%</b>	<b>2.29%</b>

### 15.8 Share Warrants

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Share Warrants outstanding at the beginning of the year	-	-
Add: Share Warrants issued during the year	853.13	-
Less: Allotment of Equity Shares on conversion of share warrants	(487.50)	-
<b>Share Warrants outstanding at the end of the year</b>	<b>365.63</b>	<b>-</b>

The Company has issued 37,50,000 Convertible Equity Warrants at an issue price of Rs. 52/- per warrant on preferential basis to the Promoters and Person belonging to Promoters' Group on receipt of the subscription money Rs. 487.50 Lakhs being 25% of the issue price on 22 November 2021.

Such warrants are convertible into equivalent number of fully paid up Equity Shares of face value of Rs.10/- at a premium of Rs. 42/- each, at an option of the Warrant Holders, at any time, in one or more tranches, within 18 months from the date of issue of warrants on the payment of balance 75% amount due on warrants.

During the year, on receipt of Rs. 365.63 Lakhs being 75% of the issue price due on warrants from one warrant holder, the Company has converted 9,37,500 convertible warrants and allotted equivalent number of equity shares on 22 March, 2022.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 16 - Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	3,259.24	3,742.11
Add : Securities premium credited on share issue	393.75	320.00
Less: Utilised towards issue of bonus shares during the year	-	(802.87)
Less: Adjustment on Disposal of Subsidiary	(198.03)	-
<b>Balance at the end of the year</b>	<b>3,454.96</b>	<b>3,259.24</b>
<b>Retained Earning</b>		
Balance at the beginning of the year	1,096.07	546.73
Add: Net Profit/(Net Loss) For the year	430.29	579.26
Other Adjustment	(0.14)	(0.05)
Less: Dividend on Equity Shares #	(52.28)	(29.87)
<b>Balance at the end of the year</b>	<b>1,473.94</b>	<b>1,096.07</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	17.73	36.81
<b>Changes during the year</b>		
Remeasurement Gain/(Loss) on defined benefit plan/Forex Transaction(net of taxes)	44.66	(19.08)
Cash Flow hedge reserve (net of taxes)	3.51	-
<b>Balance at the end of the year</b>	<b>65.90</b>	<b>17.73</b>
<b>Money Received Against Share Warrants</b>		
Balance at the beginning of the year	-	-
Add : Share Warrants issued during the year	853.13	-
Less : Allotment of Equity Shares on conversion of Share Warrants	(487.50)	-
<b>Balance at the end of the year</b>	<b>365.63</b>	<b>-</b>
<b>Total Other Equity</b>	<b>5,360.43</b>	<b>4,373.04</b>

### # Dividend on equity shares paid during the year

Particulars	As at 31st March, 2022	As at 31st March, 2021
Final dividend for the year 2020-21 (Rs 1 (previous year (2019-20) Rs. 1) per equity share of Rs 10 each)	52.28	29.87

**Note:** Board of Directors of the Company have proposed final dividend of Rs 1/- per equity share for the financial year 2021-22. Proposed dividend on equity shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2022. No interim dividend was declared and paid during the financial year 2021-22.

### Note - 17 - Long Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Borrowings</b>		
From Banks	863.92	1,341.63
<b>Unsecured Borrowings</b>		
Inter Corporate Deposits	2.00	-
Loan from Directors	-	27.22
Loan from Directors Relatives	-	-
<b>Total</b>	<b>865.92</b>	<b>1,368.85</b>

Refer Note below: (Contd...)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 17 - Long Term Borrowings (Contd...)

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 1. 31-3-22 2. 31-3-21	Details	Security
1	HDFC Bank : GECL-WCTL (MGEL)	1. 222.46 2. 234.00	Sanctioned: Rs 234.00  Int: Reference rate + 0.80% (presently 8.25%)  Tenure: 48 Months  Repayment: 12 months moratorium, 36 months Instalments after moratorium. Interest to be serviced on monthly basis.	Primary Security:- Hypothecation of stock & book debts (created out of HDFC GECL-WCTL)  All stock & book debts (Second Charge on GECL Exposure): Collateral Security:- Equitable mortgage of following properites (Second Charge on GECL Exposure): 1. Office no. 201,Setu Complex, Ahmedabad (Owned by Company) 2. B No. 19/B, Kalyan Society, Ahmedabad (Owned by Director) 3. B No. 21, Sarthi CHS Ltd,Ahmedabad (Owned by Director) 4. Plot No 31, Chandranagar, Paldi, The Samast Bhrahmkshatriya Co Op Hou. Society Ltd Opp. Chandranagar BRTS Paldi, Ahmedabad -380007.  Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal  The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.
2	Punjab National Bank: PNB Covid-19 Emergency Credit Facility (CECF) (MGEL)	1. 70.09 2. 248.33	Sanctioned: Rs 250.00  Int: One Year MCLR + 0.50% (presently 7.85%)  Tenure: 24 Months Repayment: 6 months moratorium. 18 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1st pari passu charge by way of hypothecation of entire current assets(Present & future) of company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. kept at all leased factory premises of the company or at any other place.  Collateral Security:- 1st pari passu charge by mortgage over land and building sitatuted at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s. Specific Worldwide LLP  The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)  Personal Gaurantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal  Corporate Gaurantee:- Specific Worldwide LLP

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 17 - Long Term Borrowings (Contd...)

Sr.No.	Name of the Lender	Amount Outstanding Rupees in Lakhs 1. 31-3-22 2. 31-3-21	Details	Security
3	Punjab National Bank: Guaranteed Emergency Credit Line (GECL)  (MGEL)	1. 144.00 2. 144.00	Sanctioned: Rs 144.00  Int: One Year MCLR Subject to maximum 9.25% (presently 7.35%)  Tenure: 48 Months Repayment: 12 months moratorium. 36 months Instalments after moratorium.  Interest to be served as & when charged.	Primary Security:- 1. Extension of 2nd charge on entire present and future current assets of the borrower 2. Extension of 2nd charge on entire present and future current assets of the Company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables and all other current assets of the company.  The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.  Collateral Security:- Exclusive 2nd charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP  The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)
4	Punjab National Bank : Guaranteed Emergency Credit Line (GECL)  (MGEL)	1. 557.00 2. Nil	Sanctioned: Rs 557.00  Int: One Year MCLR Subject to maximum 9.25% (presently 7.25%)  Tenure: 72 Months  Repayment: 24 months moratorium. 48 months Instalments after moratorium.  Interest to be served as & when charged.	As mentioned above in <b>Sr. No. 3</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 18 - Long Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	1,561.28	37.34
Deferred Lease Deposit	-	2.02
<b>Total</b>	<b>1,561.28</b>	<b>39.36</b>

Refer Note No. - 46

### Note - 19 - Other Long Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent Deposit	14.20	12.47
<b>Total</b>	<b>14.20</b>	<b>12.47</b>

### Note - 20 - Long Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee Benefits (Refer note no - 39)		
Gratuity (Unfunded)	13.91	8.47
Leave Encashment	15.23	13.23
<b>Total</b>	<b>29.14</b>	<b>21.70</b>

### Note - 21 - Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured (Repayable on Demand) (Working Capital Facilities from Bank)</b>		
HDFC Bank	3,431.32	4,628.42
Punjab National Bank	2,499.19	2,359.68
State Bank of India	2,495.84	-
<b>Unsecured (Repayable on Demand)</b>		
From Bank - Bill/Invoice Discounting - Trust Receipt (Refer No. 21.6)	2,232.26	2,535.68
<b>Current Maturities of Non-Current Borrowings</b>		
Current Maturities of Long - Term Borrowings	123.72	408.15
<b>From Others</b>		
Inter Corporate Deposit	290.00	243.19
Directors	55.45	350.43
Directors Relative	-	235.52
<b>Total</b>	<b>11,127.78</b>	<b>10,761.07</b>



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 21 - Short Term Borrowings (Contd...)

**21.1** Mangalam Global Enterprise Ltd-MGEL has created a charge in favour of HDFC Bank Ltd, to the extent of Rs.6500 Lakhs (PY Rs 6500 Lakhs) by way of hypothecation of stock and book debts (Under MBA see note 21.5) on entire exposure as a security for various working capital facilities viz CC, EPC, PCFC, FBP, FBD, Invoice Discounting etc granted by the bank.

The above facilities are further collaterally secured by way of equitable mortgage of company's property office no 201, Setu Complex, Ahmedabad & Plot no 31 The Samast Bhram Kshatriya CHS Ltd Paldi Ahmedabad.

The MGEL has given Fixed Deposit under lien in this regard (Refer Note No: 11)

The above facilities are guaranteed by three directors of the MGEL in their personal capacity.

In addition to above property, Bungalow on plot no 19/B Kalyan Society Mithakhali Ahmedabad and Bungalow no 21 Sarthi-3 CHS Ltd Thaltej Ahmedabad owned by a director of MGEL, are given as collateral security by way of mortgage.

**21.2** Mangalam Global Enterprise Ltd-MGEL has created a charge in favour of HDFC Bank Ltd, to the extent of Rs. 500 Lakhs (revised sanctioned value) (PY Rs 1500 Lakhs) by way of pledge of Stock of warehouse receipt/storage receipts as security for Short Term loan against Pledge of physical commodities Facility granted by the bank. The facility is further guaranteed by three directors of MGEL in their personal capacity.

**21.3** Mangalam Global Enterprise Ltd-MGEL has created charge in favour of Punjab National Bank (PNB), to the extent of Rs. 2853 Lakhs (revised sanctioned value) (PY Rs 2750 Lakhs).

1st pari pasu charge by way of hypothecation of entire current assets (Under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz CC, PCFC, FOBP, FOUPB, FABC etc granted by the bank.

Collateral Securities: property at C-4-B Prarthan Upvan CHS Ltd, Taluka Sanand, jointly owned by MGEL and M/s Specific Worldwide LLP.

Guarantee/Corporate Guarantee: Three directors of MGEL in their personal capacity and M/s Specific Worldwide LLP.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

**21.4** Mangalam Global Enterprise Ltd-MGEL has created 1st Pari pasu charge in favour of State Bank of India (SBI), to the extent of Rs.2500 Lakhs (PY Rs Nil). 1st pari pasu charge by way of hypothecation of entire current assets (under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz FBWC, CC, PCFC, FOBP, FOUPB, FABC etc granted by the bank.

The above facilities are further under Collateral Securities: (i) MGEL's property at survey no 155 / paiki mouje Lodariyal Village, Sanand, Dist. Ahmedabad (ii) MGEL's property at Plot No.17, Orchid Greens, Sanand, Ahmedabad (iii) Hypothecation of company's Plant & Machinery located at S No.155/paiki of khata no.447 of Village Lodariyal Dist: Sanand, Ahmedabad.

The above facilities are further Collaterally Secured by Factory Land & Building at survey no 122, Kukrana road, Harij, Patan owned by Farpoint Enterprise LLP(FELLP) (subsidiary company).

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

Guarantee/Corporate Guarantee: Three directors of MGEL in their personal capacity and M/s. Farpoint Enterprise LLP

**21.5** Working capital facilities sanctioned by HDFC Bank, PNB & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank). (Mangalam Global Enterprise Ltd-MGEL)

**21.6** The Mangalam Global (Singapore) Pte Ltd - MGSP (Subsidiary Company) - Trust Receipts, Nominal Int Rate CY 2.85-4.20% (PY 3.11-3.972%)

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 21 - Short Term Borrowings (Contd...)

#### 21.7 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-21	Working Capital Lenders*	Inventory	3,675.63	4,367.63	(692.00)	
Jun-21	Working Capital Lenders*	Trade Receivable	3,473.23	3,313.24	159.99	
Jun-21	Working Capital Lenders*	Advance to Suppliers	1,024.43	1,586.66	(562.23)	
Jun-21	Working Capital Lenders*	Trade Payable	492.13	173.88	318.25	
Jun-21	Working Capital Lenders*	Advance from Customers	145.94	156.50	(10.56)	
Sep-21	Working Capital Lenders*	Inventory	4,704.32	4,744.86	(40.54)	
Sep-21	Working Capital Lenders*	Trade Receivable	3,532.19	2,588.90	943.29	
Sep-21	Working Capital Lenders*	Advance to Suppliers	532.78	1,335.15	(802.37)	Refer note below
Sep-21	Working Capital Lenders*	Trade Payable	416.65	86.78	329.87	
Sep-21	Working Capital Lenders*	Advance from Customers	173.36	38.76	134.60	
Dec-21	Working Capital Lenders*	Inventory	11,077.31	11,559.33	(482.02)	
Dec-21	Working Capital Lenders*	Trade Receivable	2,547.73	2,319.51	228.22	
Dec-21	Working Capital Lenders*	Advance to Suppliers	577.13	846.45	(269.32)	
Dec-21	Working Capital Lenders*	Trade Payable	2,202.60	2,111.52	91.08	
Dec-21	Working Capital Lenders*	Advance from Customers	290.90	115.81	175.09	
Mar-22 #	Working Capital Lenders*	Inventory	11,815.15	11,897.19	(82.04)	
Mar-22 #	Working Capital Lenders*	Trade Receivable	5,130.59	3,888.86	1,241.73	
Mar-22 #	Working Capital Lenders*	Advance to Suppliers	309.49	1,442.82	(1,133.33)	
Mar-22 #	Working Capital Lenders*	Trade Payable	3,807.49	1,592.57	2,214.92	
Mar-22 #	Working Capital Lenders*	Advance from Customers	763.58	782.77	(19.19)	

\* PNB, HDFC, SBI are represented as working capital lenders

#### Reason for material differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from / to customers/vendors. Further the Company consolidates more than one account of the same party lying in different groups/classifications.

- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/system. However at the quarter end company identify the value of inventory based on accounting policy adopted by the company.

- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.

- # Company has filed provisional return as on 26 March 2022 with banks for quarter ended 31 March 2022, as per due date.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 22 - Short Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Maturities of Long Lease Liabilities	133.49	14.19
Current Maturities of Long Lease Deposit Received	-	0.52
<b>Total</b>	<b>133.49</b>	<b>14.71</b>

Refer Note No. 46

### Note - 23 - Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Outstanding dues of Micro Enterprise and Small Enterprise	-	-
Total Outstanding dues of Creditor of other than Micro Enterprise and Small Enterprise	4,286.24	2,919.54
<b>Total</b>	<b>4,286.24</b>	<b>2,919.54</b>

#### Note : Trade Payables ageing Schedule (Refer Note No. 54)

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	-	-
- Principal amount due to micro and small enterprise	-	-
- Interest due on above	-	-
- Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
- Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**Note:** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 24 - Other Short Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues	34.32	22.61
Payable for Capital Goods	4.87	40.94
Advance from Customers	1,006.55	26.22
Unpaid Dividend	0.09	-
Deferred Income	49.32	-
<b>Current Maturities of Non-Current Borrowings</b>		
Forward Contract Currency Hedging	(5.87)	-
<b>Total</b>	<b>1,089.28</b>	<b>89.77</b>

### Note - 25 - Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Expenses / Interest not due	4.91	1.74
Provision for Employee Benefits (Refer note no 39)		
Gratuity (Unfunded)	3.70	2.54
Leave Encashment	3.41	-
<b>Total</b>	<b>12.02</b>	<b>4.28</b>

### Note - 26 - Current Tax Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Income Tax [net of prepaid taxes]	3.00	-
<b>Total</b>	<b>3.00</b>	<b>-</b>

### Note - 27 - Revenue From Operations

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Sale of Products</b>		
Export Sales	18,869.50	18,607.54
Domestic Sales	108,494.26	77,201.04
<b>Sale of Services</b>		
Sale of Services	261.53	138.50
<b>Other Operating Revenue</b>		
Lease Rental Income	2.04	3.24
Other Income	100.30	37.10
<b>Total</b>	<b>127,727.63</b>	<b>95,987.42</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 28 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income	271.80	196.10
<b>Other Non-Operating Income</b>		
Gain on Foreign Exchange Fluctuation (net)	75.33	162.62
Gain on Lease Termination (net)	11.74	-
Corporate Guarantee Commission Income	1.01	-
Profit on Sale of Asset	-	9.44
Income from Investment Activities	6.80	3.96
Other Non-Operating Income	227.72	109.73
<b>Total</b>	<b>594.40</b>	<b>481.85</b>
<b>28.1 Interest Income Comprises:</b>		
Interest on Loans and Advances	64.89	24.79
Interest from Banks on Deposit	47.27	118.72
Interest from Trade Receivables / Advances	140.75	48.61
Interest on Income Others	1.74	0.33
Interest on Income Tax Refund	9.06	0.03
Interest Income - Amortisation	8.09	3.62
<b>Total</b>	<b>271.80</b>	<b>196.10</b>
<b>28.2 Income from Investment Activities Comprises:</b>		
Dividend Income	4.50	-
Gain on Mutual Fund	2.30	3.96
Profit on Sale of Investment	-	-
<b>Total</b>	<b>6.80</b>	<b>3.96</b>
<b>28.3 Other Non Operating Income Comprises:</b>		
Sale of Scrap	1.93	-
Management Consultancy Income	1.23	7.36
Lease Rental Income	32.17	77.44
Compensation on Order Cancellation	167.02	-
Cash Discount	23.08	13.09
Other Income	2.29	11.84
<b>Total</b>	<b>227.72</b>	<b>109.73</b>

### Note - 29 - Cost Of Materials Consumed

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock at the beginning of the year	2.48	418.30
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	75,378.92	59,130.81
Less : Closing Stock at the end of the year	6,945.90	2.48
<b>Total</b>	<b>68,435.50</b>	<b>59,546.63</b>

### Note - 30 - Purchase of Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchases and Incidental Expenses (Net of returns, claims/discount, if any)	56,553.18	31,542.89
<b>Total</b>	<b>56,553.18</b>	<b>31,542.89</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 31 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Opening Stock</b>		
Work-in-Progress	826.05	787.39
Finished Goods / Stock-in Trade	1,198.30	662.63
	<b>2,024.35</b>	<b>1,450.02</b>
<b>Closing Stock</b>		
Work-in-Progress	581.87	826.05
Finished Goods / Stock-in Trade	4,068.25	1,198.30
	<b>4,650.12</b>	<b>2,024.35</b>
<b>Total</b>	<b>(2,625.77)</b>	<b>(574.33)</b>

### Note - 32 - Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries, Wages and Bonus	595.93	545.87
Contributions to Provident and Other Funds	26.68	13.16
Gratuity and Leave Encashment (net of reversals, if any)	34.26	14.35
Staff Welfare Expenses	48.34	46.00
<b>Total</b>	<b>705.21</b>	<b>619.38</b>

Refer Note No. 39

### Note - 33 - Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Interest expense:</b>		
On Fixed Loans from Banks	121.51	140.65
On CC & Other Working Capital Borrowing	671.08	434.40
On Other Borrowing	73.59	90.79
Unwinding of Discount on Lease	155.08	(2.75)
Others	12.03	12.90
Other Finance Cost	21.02	26.18
<b>Total</b>	<b>1,054.31</b>	<b>702.17</b>

### Note - 34 - Depreciation & Amortisation Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation on Property, Plant and Equipments	174.66	207.75
Depreciation on Right of Use Assets	199.46	84.31
Amortisation of Intangible Assets	1.33	1.10
<b>Total</b>	<b>375.45</b>	<b>293.16</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 35 - Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Manufacturing &amp; Service Cost</b>		
Factory Consumables	283.15	76.98
Loading-Unloading Expenses	188.61	168.61
Other Factory Expenses	29.94	36.71
Packing Expenses	109.96	190.48
Power & Fuel	949.94	403.08
Repair & Maintenance - Building	9.99	8.28
Repair & Maintenance - Others	2.98	5.33
Repair & Maintenance - Plant & Machinery	75.46	121.30
<b>Total Manufacturing &amp; Service Cost</b>	<b>1,650.03</b>	<b>1,010.77</b>
<b>Administration, Selling &amp; Other Expenses</b>		
Bank Charges	60.93	48.53
Brokerage Expenses	4.88	33.28
Business Promotion Expenses	48.07	6.63
Cash Discount	15.03	2.45
Conveyance Expense	5.97	5.78
Corporate Social Responsibility Expenses (Refer Note No 45)	10.37	-
Director Sitting Fees	8.37	7.37
Donation	0.15	2.53
Electricity Expenses	12.27	4.32
Exchange / Listing Expenses	4.66	6.57
Exchange Rate Difference Loss	-	-
Export Expenses (C&F, Commission and Others)	548.76	1,309.93
Godown / Storage Tank Rent	11.62	16.20
GST Expenses	1.47	-
Insurance Expenses	49.79	20.12
Lease Rent Expenses	20.71	19.32
Legal and Professional Consultancy Fees	122.22	143.89
Legal Expenses	67.69	45.84
Loss Distributed by LLP	52.16	-
Misc. Expenses	6.02	4.63
Office Expenses	30.64	19.11
Other Expenses	0.06	54.41
Outwards Freight / Loading, Unloading & Handling Expenses	516.31	733.60
Payment to Statutory Auditors	11.00	9.04
Postage & Courier Expenses	1.59	1.76
Printing & Stationery Expenses	6.55	8.20
Provision for Doubtful Debt	271.75	1.14
Rates & Taxes	14.76	3.51
Repair & Maintenance - Building	2.53	2.11
Repair & Maintenance - Others	5.57	5.38
Sales Commission Expenses	55.10	186.07
Sundry Balances Written off / (Written Back)	6.33	1.62
Telecommunication Expenses	5.28	4.10
Testing Fees	10.01	20.38
Travelling Expenses	5.84	6.70
<b>Total Administration, Selling &amp; Other Expenses</b>	<b>1,994.46</b>	<b>2,734.52</b>
<b>Total</b>	<b>3,644.49</b>	<b>3,745.29</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 35 - Other Expenses (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Payment to Statutory Auditors</b>		
Audit Fees	548.76	1,309.43
Certification and Others	-	0.50
Reimbursement of Expenses	-	-
<b>Total</b>	<b>548.76</b>	<b>1,309.93</b>

### Note - 36 - Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net gain due to consolidation, on disposal of subsidiary	270.24	-
<b>Total</b>	<b>270.24</b>	<b>-</b>

### Note - 37 - Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Tax Expenses	195.87	187.23
Deffered Tax Expenses/(Reversal)	(91.66)	(66.90)
Tax in Respect of Earlier Years/(Reversal)	(15.77)	(0.10)
<b>Total</b>	<b>88.44</b>	<b>120.23</b>

### Note - 38 - Earnings Per Share

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit After Tax (Rs. in Lakhs)	361.46	473.85
<b>Closing Equity Shares Outstanding (nos.)</b>		
Opening Equity Shares Outstanding (nos.)	25,086,115	16,057,410
Add: Bonus Shares issued during the year	-	8,028,705
Add: Shares issued during the year	-	1,000,000
Add: Shares issued during the year pursuant to conversion of share warrants	937,500	-
<b>Closing Equity Shares Outstanding (nos.)</b>	<b>26,023,615</b>	<b>25,086,115</b>
Weighted avg no. of Shares Outstanding (nos.) (basic)	25,112,000	24,404,000
Weighted avg no. of Shares Outstanding (nos.) (diluted)	25,556,000	24,404,000
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic EPS (Rs.)	1.44	1.94
Diluted EPS (Rs.)	1.41	1.94

### Note - 39 - Employee Benefits

The Company has the following post-employment benefit plans:

#### A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under:

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employer's contribution to provident fund	23.07	13.12



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans :

##### Gratuity (Unfunded) :

- (i) The Company / Group administers its employees' gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- (ii) Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under:  
 Benefits offered : 15 / 26 x salary x duration of service  
 Salary definition : Basic salary including Dearness Allowance (If any)  
 Benefit ceiling : Benefit ceiling of Rs. 20 Lakhs (not applied)  
 Vesting conditions : 5 years of continuous service (not applicable in case of death/ disability)  
 Benefit eligibility : Upon death or resignation or withdrawal or retirement  
 Retirement age : 58, 60, 65 or 62 years
- (iii) Risks Associated to the Defined Benefit Plan of Gratuity:
- (a) Investment / Interest Risk: The present value of defined benefit plan liability is calculated using discount rate determined with reference to market yield on government bonds denominated in Indian rupees. A decrease in the bond interest rate will increase the plan liability.
- (b) Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- (c) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
- (d) Legislative Risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Changes in Present Value of Benefit Obligations</b>		
Present value of Benefit Obligations (Opening)	11.01	7.60
Current Service Cost	10.47	6.09
Interest Cost	0.73	0.49
Benefits Paid	-	-
Actuarial Losses/ (Gains)	(4.07)	(3.17)
<b>Present value of Benefit Obligation (Closing)</b>	<b>18.14</b>	<b>11.01</b>
<b>Bifurcation of Actuarial Losses/ (Gains)</b>		
Actuarial Losses/ (Gains) arising from change in financial assumptions	(0.58)	0.36
Actuarial Losses/ (Gains) arising from change in demographic assumptions	-	-
Actuarial Losses/ (Gains) arising from experience adjustments	(3.49)	(3.54)
<b>Actuarial losses/ (gains)</b>	<b>(4.07)</b>	<b>(3.17)</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	3.70	2.54
Non-Current – Amount due after one year	13.91	8.47
<b>Total</b>	<b>17.61</b>	<b>11.01</b>
<b>Expected Benefit Payments in Future Years</b> <b>(Projections are for current members and their currently accumulated benefits)</b>		
Year 1	3.70	2.54
Year 2	1.01	0.40
Year 3	1.03	0.83
Year 4	1.30	0.29
Year 5	0.48	0.62
Year 6 and above	10.08	6.33

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans: (Contd...)

##### Gratuity (Unfunded): (Contd...)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions</b>		
Discount Rate - 1 Percent Increase	15.91	9.62
Discount Rate - 1 Percent Decrease	19.67	12.15
Salary Escalation Rate - 1 Percent Increase	19.65	12.13
Salary Escalation Rate - 1 Percent Decrease	15.90	9.62
Withdrawal Rate - 1 Percent Increase	17.59	10.68
Withdrawal Rate - 1 Percent Decrease	17.62	10.82
<b>Amounts recognized in Balance Sheet</b>		
Present Value of Benefit Obligation as at 31st March 2022	-	17.61
Present Value of Benefit Obligation as at 31st March 2021	-	11.01
<b>Amounts recognized in Statement of Profit and Loss</b>		
Current Service Cost	10.47	6.09
Interest Cost	0.73	0.49
Expected Return on Plan Assets	-	-
Net actuarial losses/ (gains) recognized in the year (OCI)	(4.07)	(3.17)
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>7.13</b>	<b>3.41</b>
<b>Actuarial Assumptions</b>		
Discount Rate (%) (Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees)	6.80%	6.50%
Salary Escalation Rate (%) (Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market)	7.00%	7.00%
Retirement Age	60	60
Attrition Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

#### C. Other Long-Term Employee Benefits Leave Encashment (Unfunded):

(i) The value of obligation is determined based on Company's leave policy. The key features are as under:

Salary for Encashment	: Gross Salary
Salary for Availment	: Cost to Company
Benefit Event	: Death or Resignation or Retirement

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	3.41	-
Non-Current – Amount due after one year	15.23	13.23
<b>Total</b>	<b>18.64</b>	<b>13.23</b>
<b>(ii) Amounts recognized in Balance Sheet</b>		
Benefit Obligation as at 31st March 2022	-	18.64
Benefit Obligation as at 31st March 2021	-	13.23
<b>(iii) Amounts recognized in Statement of Profit and Loss</b>		
Expenses recognized in Statement of Profit and Loss	23.06	10.95

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 40 - Contingent Liabilities and Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(I) Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts:	NIL	NIL
b) Corporate Guarantees given to Banker's of foreign subsidiary company (Mangalam Global (Singapore) Pte. Ltd.)(MG SPL) (USD 60.00 Lakhs (FY 20-21 USD : 60 Lakhs)	4,548.43	4,410.28
c) Counter Guarantee given to Bank for issue of Standby Letter of Credit in favour of foreign subsidiary (MG SPL) [NIL (FY 20-21: USD 5 Lakhs)]	NIL	367.52
<b>(II) Capital Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	NIL	NIL

### Note - 41 - Covid-19

The outbreak of Covid-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group's operations and revenue were impacted partially due to Covid-19. Except above, there was no further significant impact on the operations of the company during the year 2021-22.

### Note - 42 - Operating Segment Information

(a) The Group has identified "Agro based commodities" viz edible/non-edible oil/seeds and its derivatives, rice, wheat and other agro commodities, which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

#### (b) Geographical Information

The geographical information analyses of the Group's revenues and non-current assets by the holding company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

#### (I) Total Operating Revenue(\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	108,858.17	77,379.86
Other Countries	18,869.47	18,607.55

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Group's revenue.

#### (II) Non-current assets(\*\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	3,823.47	4,155.63
Other Countries	0.67	0.86

(\*\*) (excluding financial instruments and tax assets).

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

Particulars	Borrower	in favour of	Description of facility
<b>Property Plant &amp; Equipment</b>			
(i) Office no. 201, Setu Complex, Ahmedabad. (MGEL)	Mangalam Global Enterprise Limited (MGEL)	HDFC Bank Ltd	Various working capital facilities & Working Capital Term loan GECL (Refer Note 17 and 21)
(ii) Plot No. 31, The Samast Brahmshatriya CHS, Chandranagar, Paldi, Ahmedabad (MGEL)			
(i) P.No. C-4-B, Prathana Upavan CHS, Ahmedabad jointly owned by company (MGEL) with M/S Specific Worldwide LLP.	Mangalam Global Enterprise Limited (MGEL)	Punjab National Bank	Various working capital facilities & Working Capital Term Loan GECL & CECF (Refer Note 17 and 21)
(i) Plot no. 17, Orchid Greens, Gokuldham, Near Sanand Circle, Sanand, Ahmedabad.	Mangalam Global Enterprise Limited (MGEL)	State Bank Of India	Various working capital facilities & Working Capital (Refer Note 17 and 21)
(ii) Factory Land & Building Situated at new survey no. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad. (MGEL)			
(iii) Factory Land & Building Situated at survey no 122, Kukrana road, Harij, Patan owned by (FELLP) (subsidiary company)			
(i) Plant & Machinery located at new survey no. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad. (MGEL)			
<b>Stock/Bookdebt/Current Asset (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	HDFC Bank Ltd  Punjab National Bank  State Bank of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)  Working capital facilities sanctioned by HDFC Bank, PNB, & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank).
<b>Bank FDR / Liquid Securities (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	Punjab National Bank	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>Bank FDR / Liquid Securities (MGEL)</b>	Mangalam Global Enterprise Limited (MGEL)	State Bank of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>Trade Receivable/ Advances (Trust Receipts) / Fixed Deposit Receipts (MGSP)</b>	Mangalam Global (Singapore) Pte Ltd (MGSP)	Banks at Singapore	Invoice Discounting etc (Refer Note 21)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

#### A. List of Related Parties :

##### (i) Key Managerial Personnel ('KMP'):

###### (a) Holding Company

Vipin Prakash Mangal	Chairman
Chanakya Prakash Mangal	Managing Director
Chandragupt Prakash Mangal	Managing Director
Ashutosh Mehta	Chief Financial Officer
Vrunda Patel	Company Secretary (w. e. f. 14th May, 2020)
Rutu Shah	Company Secretary (Upto 14th May, 2020)

###### Independent Directors:

Praveen Gupta
Sarika Sachin Modi
Madhusudan Garg
Shubhang Mittal
Anil Agrawal
Manish Bagadia (upto 31st March, 2021)

###### (b) Rajgor Castor Derivatives Private Limited (Upto 31st December, 2021) (Formerly known as Hindprakash Castor Derivatives Private Limited)

Chanakya Prakash Mangal	Director
Chandragupt Prakash Mangal	Director
Brijeshkumar Vasantlal Rajgor	Director

###### Independent directors:

Anil Agrawal
Madhusudan Garg

###### (c) Mangalam Global (Singapore) Pte. Ltd.

Vipin Prakash Mangal	Director
Chanakya Prakash Mangal	Director
Chandragupt Prakash Mangal	Director
Fok Chee Khuen	Director
Soon Kwai Ying	Secretary

###### (d) Mangalam Global (UK) Limited

Vipin Prakash Mangal	Director
Chandragupt Prakash Mangal	Director

###### (e) Farpoint Enterprise LLP

Vipin Prakash Mangal	Desingnated Partner
Chandragupt Prakash Mangal	Desingnated Partner
Chanakya Prakash Mangal (representing Mangalam Global Enterprise Limited)	Desingnated Partner

##### (ii) Others:

Om Prakash Mangal
Hemlata Mangal
Rashmi Mangal
Vasant A Mehta



Relatives of Key Managerial Personnel

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### A. List of Related Parties : (Contd...)

##### (ii) Others: (Contd...)

Anilkumar Vasudev Rajgor

Induben Vasantkumar Rajgor

Jagrutiben Pareshkumar Rajgor

Kiranben Maheskumar Rajgor

Maheshkumar Shankarlal Rajgor

Pareshkumar Vasudev Rajgor

Rahul Vasudev Rajgor

Shankarlal Rajgor

Vasantkumar Shankarlal Rajgor

~~Zenishaben Anilkumar Rajgor~~

Vasudev Rajgor

Mangalam Worldwide Limited (Formerly known as Mangalm Worldwide Private Limited)

Mangalam Dura Jet Technologies Private Limited

Mangalam Multi Businesses Private Limited

ECS Environment Private Limited

Paradisal Trade LLP

Specific Worldwide LLP

Shirshak Exim LLP

Mangalam Saarloh Private Limited

Mangalam Finserv Private Limited

Mangalam Logistics Private Limited

Nitex Enterprise LLP

Agrivolt Trade LLP

Effervescent Tradeworld LLP

Dev Cotton Industries

Om Oil Industries

Rajgor Castor Private Limited

Relatives of Key Managerial Personnel  
(upto 31st December, 2021)

Enterprise over which Key Managerial Personnel  
or close member of their family exercise control

or close member of their family exercise control  
Enterprise over which Key Managerial Personnel  
(upto 31st December, 2021)

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### B. Details of Related Party Transactions During the year:

(Rs. in Lakhs)

Nature of Transaction	Key Management Personnel		Enterprise over which KMP Exercise Significant		Relatives of Key Managerial Personnel Influence	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Sale of Products / Services	-	-	1,664.48	488.32	-	-
Other Income	-	-	41.16	7.36	-	-
Interest Income	-	-	78.61	38.23	-	-
Lease Rent Income	0.21	0.18	0.21	0.18	4.32	2.88
Purchase of Products / Services	-	-	1,418.10	655.37	-	1.38
Lease Rent Expense	20.66	19.75	-	-	0.12	0.18
Consultancy Fees	-	-	-	-	5.40	4.20
Interest Expense	38.99	76.78	0.21	3.86	3.52	4.15
Loan and Advances (Net of Repayment)	-	-	255.75	231.00	-	-
Borrowings (Net of Repayment)	(5.72)	(943.69)	1.81	-	-	(170.00)
Director Sitting Fees	6.81	5.57	-	-	-	-
Compensation Paid	28.49	61.14	-	-	23.55	40.28
Rent Deposit Given (Net of Refund)	0.32	-	-	-	-	0.06
Rent Deposit Received (Net of Refund)	-	-	(0.08)	0.08	-	-
Share Capital Received in LLP	-	4.00	-	-	-	-
Issue of Bonus Shares	-	274.10	-	188.22	-	128.32
Issue of Convertible Warrants (Net of allotment of shares on conversion)	365.64	-	-	-	-	-
Preferential Allotment of Shares (including securities premium) @	-	220.50	-	-	487.50	73.50
Dividend Paid	-	0.02	-	-	-	0.09

@ Includes allotment of shares against Convertible Warrants during the year ended 31 March 2022.

Note: Balances below Rs. 500/- denoted as 0.00

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in Respect of Transactions with Related Parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Sale of Products / Services	Paradisaal Trade LLP	570.54	-
	Shirshak Exim LLP	885.32	-
	Mangalam Multi Businesses Private Limited	208.62	-
	Mangalam Worldwide Limited	5.57	445.15
	Mangalam Dura Jet Technologies Private Limited	-	488.32
Other Income	ECS Environment Private Limited	1.23	7.36
	Paradisaal Trade LLP	1.21	-
	Mangalam Worldwide Limited	38.72	-
Interest Income	ECS Environment Private Limited	1.71	14.93
	Shirshak Exim LLP	26.22	-
	Mangalam Dura Jet Technologies Private Limited	10.68	4.33
	Paradisaal Trade LLP	21.36	10.35
	Mangalam Worldwide Limited	18.64	8.62
Lease Rent Income	Brijeshkumar Vasantlal Rajgor #	0.21	0.18
	Rajgor Castor Private Limited #	0.21	0.18
	Vasantkumar Shankarlal Rajgor #	1.44	0.96
	Maheshkumar Shankarlal Rajgor #	1.44	0.96
	Pareshkumar Vasudev Rajgor #	1.44	0.96
Purchase of Products / Services	Mangalam Dura Jet Technologies Private Limited	252.71	167.92
	Paradisaal Trade LLP	1,165.39	240.76
	Shirshak Exim LLP	-	246.69
	Maheshkumar Shankarlal Rajgor #	-	1.38
Lease Rent Expense	Hemlata Mangal	0.12	0.18
	Chanakya Prakash Mangal	19.82	19.75
	Chandragupt Prakash Mangal	0.84	-
Consultancy Fees	Vasant A Mehta	5.40	4.20
Interest Expense	Chanakya Prakash Mangal	8.50	9.54
	Chandragupt Prakash Mangal	10.39	10.91
	Mangalam Dura Jet Technologies Private Limited	0.21	3.86
	Vipin Prakash Mangal	20.10	31.92
	Brijeshkumar Vasantlal Rajgor #	-	24.41
	Rashmi Mangal	3.52	4.15
Loan and Advances (Net of Repayment)	Mangalam Worldwide Limited	905.24	331.00
	Paradisaal Trade LLP	20.00	-
	Vipin Prakash Mangal	10.98	-
	Vipin Prakash Mangal	(10.98)	-
	Mangalam Worldwide Limited	(649.49)	(100.00)
	Paradisaal Trade LLP	(20.00)	-
Borrowings (Net of Repayment)	Mangalam Dura Jet Technologies Private Limited	70.00	-
	Chanakya Prakash Mangal	475.00	175.00
	Chandragupt Prakash Mangal	535.00	175.00
	Vipin Prakash Mangal	1,260.70	955.00
	Paradisaal Trade LLP	2.00	-
	Brijeshkumar Vasantlal Rajgor #	176.00	261.09
	Vipin Prakash Mangal	(1,456.87)	(1,671.25)
	Mangalam Dura Jet Technologies Private Limited	(70.19)	-
	Chanakya Prakash Mangal	(507.06)	(261.12)
	Chandragupt Prakash Mangal	(488.49)	(274.72)
	Brijeshkumar Vasantlal Rajgor #	-	(472.69)



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in Respect of Transactions with Related Parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Director Sitting Fees	Praveen Gupta	1.40	1.25
	Sarika Sachin Modi	1.33	1.43
	Madhusudan Garg	1.75	1.30
	Shubhang Mittal	1.15	0.88
	Anil Agrawal	1.18	0.43
	Manish Bagadia (Upto 31st March, 2021)	-	0.28
Compensation Paid	Ashutosh Mehta	6.46	8.52
	Chanakya Prakash Mangal	5.55	16.28
	Chandragupt Prakash Mangal	5.55	16.28
	Hemlata Mangal	6.00	12.00
	Rashmi Mangal	5.55	16.28
	Rutu Shah	-	0.33
	Vipin Prakash Mangal	5.55	16.28
	Vrunda Patel	5.38	3.45
	Om Prakash Mangal	12.00	12.00
Rent Deposit Given (Net of Refund)	Chanakya Prakash Mangal	3.00	-
	Hemlata Mangal	-	0.06
	Chanakya Prakash Mangal	(3.08)	-
	Chandragupt Prakash Mangal	0.40	-
Rent Deposit Received (Net of Refund)	Brijeshkumar Vasantlal Rajgor #	(0.04)	0.04
	Rajgor Castor Private Limited #	(0.04)	0.04
Share Capital Received in LLP	Chandragupt Prakash Mangal	-	2.00
	Vipin Prakash Mangal	-	2.00
Issue of Bonus Shares	Chanakya Prakash Mangal	-	103.71
	Chandragupt Prakash Mangal	-	114.94
	Hemlata Mangal	-	3.45
	Om Prakash Mangal	-	71.43
	Rashmi Mangal	-	52.84
	Vipin Prakash Mangal	-	55.35
	Rutu Shah	-	0.10
	Vasant A Mehta	-	0.60
	Mangalam Worldwide Limited	-	87.50
Specific Worldwide LLP	-	100.72	
Issue of Convertible Warrants (Net of Allotment of Shares on Conversion)	Chanakya Prakash Mangal	121.88	-
	Chandragupt Prakash Mangal	121.88	-
	Vipin Prakash Mangal	121.88	-
Preferential Allotment of Shares (including Securities Premium)	Chanakya Prakash Mangal	-	73.50
	Chandragupt Prakash Mangal	-	73.50
	Vipin Prakash Mangal	-	73.50
	Rashmi Mangal @	487.50	73.50
Dividend Paid	Rutu Shah	-	0.02
	Vasant A Mehta	-	0.09

@ Includes allotment of shares against Convertible Warrants during the year ended 31 March 2022.

# Ceased to be related party.

- Notes :**
1. Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
  2. Balances below Rs. 500/- denoted as 0.00

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

D. Year end balances		(Rs. in Lakhs)	
Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Loan and Advances	Mangalam Worldwide Limited	-	238.98
Borrowings	Chanakya Prakash Mangal	2.42	60.10
	Chandragupt Prakash Mangal	52.53	30.10
	Vipin Prakash Mangal	0.50	357.69
	Rashmi Mangal	-	30.10
	Brijeshkumar Vasantlal Rajgor #	(*)	113.25
	Induben Vasantkumar Rajgor #	(*)	35.00
	Jagrutiben Pareshkumar Rajgor #	(*)	35.00
	Kiranben Maheshkumar Rajgor #	(*)	35.00
	Rahul Rajgor #	(*)	40.61
	Shankarlal Rajgor #	(*)	15.50
	Zenishaben Anilkumar Rajgor #	(*)	35.00
	Paradisal Trade LLP	2.00	-
	Trade Receivables	ECS Environment Private Limited	10.78
Mangalam Multi Businesses Private Limited		0.17	-
Mangalam Dura Jet Technologies Private Limited		-	45.52
Shirshak Exim LLP		194.58	-
Maheshkumar Shankarlal Rajgor #		(*)	1.13
Pareshkumar Vasudev Rajgor #		(*)	1.13
Vasantkumar Shankarlal Rajgor #		(*)	1.13
Mangalam Worldwide Limited		122.49	142.92
Brijeshkumar Vasantlal Rajgor #		0.25	0.05
Rajgor Castor Private Limited #		0.25	0.05
Trade Payables	Paradisal Trade LLP	47.26	-
	Om Oil Industries (Capital Goods) #	(*)	12.49
Advance to Suppliers	Paradisal Trade LLP	-	227.32
	Om Oil Industries #	(*)	5.41
	Dev Cotton Industries (Capital Goods) #	8.90	8.90
Other Current Liabilities / Payables	Chanakya Prakash Mangal	-	3.25
	Chandragupt Prakash Mangal	-	3.26
	Hemlata Mangal	-	0.86
	Om Prakash Mangal	-	0.86
	Rashmi Mangal	-	3.26
	Vasant A Mehta	-	0.46
	Vipin Prakash Mangal	-	3.26
Investments	ECS Environment Private Limited	242.55	242.55
Rent Deposit Held	Brijeshkumar Vasantlal Rajgor #	-	0.04
	Rajgor Castor Private Limited #	-	0.04
Rent Deposit Given	Chanakya Prakash Mangal	3.00	3.08
	Chandragupt Prakash Mangal	0.06	-
	Hemlata Mangal	-	0.06
Other Current Assets / Receivables	Vipin Prakash Mangal	0.07	0.37
	Chandragupt Prakash Mangal	0.07	-
	Rashmi Mangal	-	0.27
	Anilkumar Vasudev Rajgor #	-	4.49

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Other Current Assets / Receivables	Induben Vasantkumar Rajgor #	-	4.49
	Jagrutiben Pareshkumar Rajgor #	-	4.49
	Kiranben Maheshkumar Rajgor #	-	4.49
	Maheshkumar Shankarlal Rajgor #	-	4.49
	Pareshkumar Vasudev Rajgor #	-	4.49
	Vasantkumar Shankarlal Rajgor #	-	4.49
	Zenishaben Anilkumar Rajgor #	-	4.49
Guarantee by Related Party to Company's Bank	<b>HDFC Bank Limited</b>		
	- Vipin Prakash Mangal	}	8,234.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	<b>Punjab National Bank</b>		
	- Vipin Prakash Mangal	}	2,750.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP		
	<b>State Bank of India</b>		
	- Vipin Prakash Mangal	}	-
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	<b>Axis Bank Limited</b>		
	- Chanakya Prakash Mangal	}	400.00
	- Chandragupt Prakash Mangal		
	<b>IndusInd Bank (1 &amp; 2)</b>		
	- Chanakya Prakash Mangal	}	500.00
	- Chandragupt Prakash Mangal		

# Ceased to be Related Party.

(\*) Disclosure not applicable as on 31st March, 2022 as ceased to be related party.

**Notes :** 1. Transaction / Outstanding balances are reported, where Related Party Relationship existed at the time when transaction took place.

2. Balances below Rs. 500/- denoted as 0.00

#### E. Breakup of compensation paid to key managerial personnel

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Shot-Term Employee Benefits</b>		
Ashutosh Mehta	6.46	8.52
Chanakya Prakash Mangal	5.55	16.28
Chandragupt Prakash Mangal	5.55	16.28
Vipin Prakash Mangal	5.55	16.28
Vrunda Patel	5.38	3.45
Rutu Shah (Upto 14th May, 2020)	-	0.33

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

F. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note - 45 - Corporate Social Responsibility ('CSR') Expenses

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of The Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities for the year ended 31 March 2022 it being the first year of applicability of the provisions.

		(Rs. in Lakhs)
Particulars		As at 31st March, 2022
1. Amount required to be spent by the Company during the year		9.90
2. Amount of expenditure incurred:		
<b>Nature of CSR Activities:</b>		
Promoting healthcare including preventing health care		4.37
Spiritual Activity, Yoga & Mental Peace		6.00
<b>Total amount of expenditure incurred</b>		<b>10.37</b>
3. Shortfall at the end of year		Nil
4. Total of previous years shortfall		N.A.
5. Reason for shortfall		N.A.
6. Details of related party transactions in relation to CSR expenses		-
7. Provision movement during the year:		
Opening provision		-
Additions during the year		10.37
Utilised during the year *		(10.37)
Closing provision #		-

\* Represents actual outflow during the year.

# Balance amount required to be transferred to fund specified in Schedule VII on or before 30 September, 2022.

### NOTE – 46 – LEASES (Right of Use Assets)

The Group's significant leasing arrangements are in respect of Land and buildings, Plant & Equipment and office premises taken on lease and license basis.

The Group has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities is 10.00 %

The break-up of current and non-current lease liabilities is as follows:

		(Rs in Lakhs)	
Particulars	As at 31st March, 2022	As at 31st March, 2021	
Current lease liabilities	133.49	14.20	
Non-Current lease liabilities	1561.28	37.34	
<b>Total</b>	<b>1694.77</b>	<b>51.54</b>	

The movement in lease liabilities is as follows:

		(Rs in Lakhs)	
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021	
Balance at the beginning	51.54	777.56	
Addition during the year	1,795.21	-	
Finance cost accrued	148.69	(3.80)	
Payment of lease liabilities	265.33	80.39	
Deduction / Reversal During the year	35.34	641.83	
<b>Balance at the end</b>	<b>1,694.77</b>	<b>51.54</b>	

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

		(Rs in Lakhs)	
Particulars	As at 31st March, 2022	As at 31st March, 2021	
Not later than one year	294.53	18.55	
1-2 Years	295.82	19.85	
2-3 Years	309.15	21.23	
More than 3 Years	1,567.88	-	

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments

#### Financial Risk Management – Objectives and Policies

The Group's financial liabilities mainly comprise the loans and borrowings in foreign as well as domestic currency, money related to capital expenditures, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Group is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The respective Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the respective Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Group's financial performance.

The following disclosures summarize the Group's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Group.

#### A. Financial Assets and Liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Amortised Cost **	FVTPL ***	FVTOCI	Amortised Cost **	FVTPL ***	FVTOCI
<b>Assets Measured At</b>						
Investments	-	55.12	242.55	-	56.58	272.55
Trade Receivables	7,881.74	-	-	9,829.20	-	-
Cash and Cash Equivalent	179.73	-	-	326.63	-	-
Other Bank Balances	1,435.07	-	-	2,746.95	-	-
Loans	38.15	-	-	238.98	-	-
Other Financial Assets	301.30	-	-	490.25	2.51	-
<b>Total</b>	<b>9,835.99</b>	<b>55.12</b>	<b>242.55</b>	<b>13,632.01</b>	<b>59.09</b>	<b>272.55</b>
<b>Liabilities Measured At</b>						
Borrowings (including current maturities of non-current borrowings)	11,993.70	-	-	12,129.92	-	-
Trade Payables	4,286.24	-	-	2,919.54	-	-
Lease Liabilities	1,694.78	-	-	54.07	-	-
Other Financial Liabilities	1,103.48	-	-	102.24	-	-
<b>Total</b>	<b>19,078.20</b>	<b>-</b>	<b>-</b>	<b>15,205.77</b>	<b>-</b>	<b>-</b>

- (\*\*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.
- (\*\*\*) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

#### Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

#### The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: “Interest Rate Risk, Currency Risk and Other Price Risk”. Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

##### (a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Group. The Group is exposed to long term and short - term borrowings. The Group manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Group has not used any interest rate derivatives.

##### ♦ Exposure to Interest Rate Risk (Rs. in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Borrowing bearing fixed rate of interest	347.45	1,632.08
Borrowing bearing variable rate of interest	11,646.25	10,148.80

##### ♦ Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

Particulars (*)	For the year ended on 31st March, 2022		For the year ended on 31st March, 2021	
Interest Rate – Increase by 50 Basis Points	(58.23)		(50.74)	
Interest Rate – Decrease by 50 Basis Points	58.23		50.74	

(\*) holding all other variable constant. Tax impact not considered.

##### (b) Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the respective Company. Considering the volume of foreign currency transactions, the Group has taken certain forward contracts to manage its exposure.

##### ♦ Exposure to Foreign Currency Risk

The Carrying amount of Group’s unhedged Foreign Currency denominated monetary items are as follows:

Particulars	(INR / USD in Lakhs)			
	As at 31st March, 2022		As at 31st March, 2021	
	SGD / USD	USD / INR	SGD / USD	USD / INR
	USD	INR	USD	INR
Net Unhedged Assets (Trade Receivables, Other Receivables, Cash and Cash Equivalents, & Loans Given)	0.29	105.51	0.28	(108.95)
Net Unhedged Liabilities	0.12	62.23	0.06	429.17
<b>Net Exposure Assets / (Liabilities)</b>	<b>0.17</b>	<b>43.28</b>	<b>0.22</b>	<b>(538.12)</b>

##### ♦ Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### (b) Foreign Currency Risk (Contd...)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
INR / USD – Increase by 5%	-	2.16	-	(26.91)
INR / USD – Decrease by 5%	-	(2.16)	-	26.91
USD / SGD – Increase by 5%	0.01	-	0.01	-
USD / SGD – Decrease by 5%	(0.01)	-	(0.01)	-

(\*) holding all other variable constant. Tax impact not considered.

#### (c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Group is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Investments (FVTPL)	55.12	56.58
Investments (FVTOCI)	242.55	272.55

#### C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The respective Management of the Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Entities assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Entities operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate credit risk	Other financial assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): –

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Low Credit Risk</b>		
Cash and cash equivalents	179.73	326.63
Bank Balances other than above	1,434.97	2,746.95
Loans	38.15	238.98
Other Financial Assets	80.33	492.77
<b>Moderate/ High Credit Risk</b>		
Other Receivable	221.07	-
<b>Total</b>	<b>1,954.26</b>	<b>3,805.33</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### C. Credit Risk (Contd...)

##### (i) Cash and cash equivalent and bank balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

##### (ii) Loans and Other financial assets measured at amortized cost:

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

##### (iii) Trade receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

##### (a) Concentration of trade receivables:

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Details of the such identified concentrations of credit risk are disclosed below:

Party Name	Balance as per book of	(Rs in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
Adani Wilmar Limited	MGEL	56.01	1,579.69
China Sinopharm Healthcare Industries Company	MGEL	-	346.86
Dalian Chem Import and Export Group Co. Limited	MGEL	-	369.12
Gokul Agro Resources Limited	MGEL	694.97	-
Hindprakash Chemicals Private Limited	MGEL	531.94	-
Mangalam Global (Singapore) Pte Limited	MGEL	260.38	771.09
Moneta Resource & Consulting Private Limited	MGEL	524.67	175.31
Parilay Global Enterprise Private Limited	MGEL	606.40	-
Rajgor Castor Derivatives Private Limited	MGEL	903.98	-
Asiatic Colour-Chem Industries Private Limited	MGSPPL	267.83	2618.95
Mangalam Alloys Limited	MGSPPL	-	772.51
Sarf Commodities DMCC	MGSPPL	511.50	1041.34
Elegant Exim Pte. Ltd.	MGSPPL	953.24	-

##### (iv) Expected credit losses:

##### Expected credit loss for trade receivables and other receivables under simplified approach:

The Entities recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trend of default based on the **criteria defined below and such provision percentage determined have been considered to recognize life time** expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the entities has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The entities compute credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate.



## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### C. Credit Risk (Contd...)

(Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning of the reporting period	3.56	2.42
Loss Allowance measured at lifetime expected credit losses	163.70	1.14
<b>Balance at the end of reporting period</b>	<b>167.26</b>	<b>3.56</b>

(Rs in Lakhs)		
Movement in Expected Credit Loss Allowance on Other Receivables	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning of the reporting period	-	-
Loss Allowance measured at lifetime expected credit losses	106.48	-
<b>Balance at the end of reporting period</b>	<b>106.48</b>	<b>-</b>

#### D. Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

##### ♦ Maturities of Financial Liabilities:

The table below analyses financial liabilities of the Group into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

##### Maturity Table of Financial Liabilities

###### As at 31st March, 2022

(Rs. in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of Non-Current Borrowing other Long Term Financial Liabilities and excluding Lease Liabilities)	11,127.78	196.48	252.96	430.68	12,007.90
Trade payables	4,286.24	-	-	-	4,286.24
Other financial liabilities	1,089.28	-	-	-	1,089.28
<b>Total</b>	<b>16,503.30</b>	<b>196.48</b>	<b>252.96</b>	<b>430.68</b>	<b>17,383.42</b>

###### As at 31st March, 2021

(Rs. in Lakhs)					
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of Non-Current Borrowing other Long Term Financial Liabilities and excluding Lease Liabilities)	10,761.07	445.25	308.10	627.97	12,142.39
Trade payables	2,919.54	-	-	-	2,919.54
Other financial liabilities	89.77	-	-	-	89.77
<b>Total</b>	<b>13,770.38</b>	<b>445.25</b>	<b>308.10</b>	<b>627.97</b>	<b>15,151.70</b>

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### E. Capital Management

The Company's capital management objectives are

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to share holders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	(Rs in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Total Borrowings	11,993.70	12,129.92
Less: Cash and Cash Equivalents	179.73	326.63
<b>Net Debt (A)</b>	<b>11,813.97</b>	<b>11,803.29</b>
<b>Total Equity (B)</b>	<b>7,966.80</b>	<b>6,959.38</b>
<b>Capital Gearing Ratio (B/A)</b>	<b>0.67</b>	<b>0.59</b>

#### Note – 48 - Balance confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

#### Note – 49 - Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

#### Note – 50 - Disclosure under section 186(4)

Loans given for the purpose of utilizing in the activity of the business (outstanding balance as on 31-03-2022): Mangalam Worldwide Ltd (Formerly Known As Mangalam Worldwide Private Limited). Rs. Nil (as on 31-03-2021 Rs.238.98 lakhs), Rajgor Castor Derivatives Pvt Ltd (Formerly Known as Hindprakash Castor Derivatives Pvt Ltd) Rs. Nil (as on 31-03-2021 Rs. 691.36 lakhs).- (MGEL)

#### Note – 51 - Events occurring after the Balance sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

#### Note – 52 -

The consolidated results for the year ended 31st March 2022 are not comparable with that of the previous year, due to following:

#### Divestment / Liquidation of subsidiaries during the year:

Sr.No.	Name of Entity	Nature of Entity	With effect from
1	Hindprakash Castor Derivatives Private Limited	Subsidiary	01st January, 2022

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 53– Trade Receivables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	6,650.89	884.94	339.61	173.44	0.12	8,049.00
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
	-	<b>6,650.89</b>	<b>884.94</b>	<b>339.61</b>	<b>173.44</b>	<b>0.12</b>	<b>8,049.00</b>
Less: Allowance for doubtful debts							167.26
<b>Trade Receivables</b>							<b>7,881.74</b>
Previous reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	9,410.87	167.39	226.16	19.90	8.44	9,832.76
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
	-	<b>9,410.87</b>	<b>167.39</b>	<b>226.16</b>	<b>19.90</b>	<b>8.44</b>	<b>9,832.76</b>
Less: Allowance for doubtful debts							3.56
<b>Trade Receivables</b>							<b>9,829.20</b>

### Note – 54– Trade Payables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	181.27	21.40	3,831.24	238.20	12.12	2.02	<b>4286.25</b>
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-
Previous reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	204.29	8.92	2,677.69	26.62	2.02	-	<b>2,919.54</b>
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-

### Note – 55– Utilisation of borrowed funds and share premium

As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

Note - 56 - Disclosure of Additional Information Pertaining to the Holding Company and its Subsidiaries as per Schedule III of Companies Act, 2013:

(Rs. in Lakhs)

Name of Company		Holding Company					Subsidiaries					Add/ (Less)			Total
		Mangalam Global Enterprise Limited	Mangalam Global (Singapore) Pte. Ltd.	Mangalam Global (UK) Ltd.	Hindprakash Castor Derivatives Private Limited	Farpoint Enterprise LLP	Adjustment arising out of consolidation	Exchange differences on translation of foreign operations	Non-controlling interest						
Country Year		India	Singapore	United Kingdom	India	India									
<b>Net Assets (Total Asset Minus Total Liabilities)</b>															
Net Assets	31 March, 22	7,873.42	1,173.90	-	-	399.97	(1,480.49)	-	(4.01)	<b>7,962.79</b>					
As % Of Consolidated Net Assets		98.88	14.74	-	-	5.02	(18.59)	-	(0.05)	<b>100.00</b>					
	31 March, 21	6,670.73	841.58	-	149.71	400.35	(1,102.99)	-	(77.73)	<b>6,881.65</b>					
		96.94	12.23	-	2.18	5.82	(16.03)	-	(1.13)	<b>100.00</b>					
<b>Share In Profit Or Loss</b>															
Profit / Loss	31 March, 22	391.28	(73.01)	-	(139.43)	(52.67)	304.13	-	(68.83)	<b>361.46</b>					
As % Of Consolidated Profit Or Loss		108.25	(20.20)	-	(38.57)	(14.57)	84.14	-	(19.04)	<b>100.00</b>					
	31 March, 21	528.68	95.35	-	(180.18)	2.65	132.76	-	(105.41)	<b>473.85</b>					
		111.57	20.12	-	(38.02)	0.56	28.02	-	(22.25)	<b>100.00</b>					
<b>Share In Other Comprehensive Income Oci</b>															
Other Comprehensive Income	31 March, 22	10.58	-	-	-	-	-	37.59	-	<b>48.17</b>					
As % Of Consolidated OCI		21.96	-	-	-	-	-	78.04	-	<b>100.00</b>					
	31 March, 21	-	-	-	-	-	-	(19.08)	-	<b>(19.08)</b>					
		-	-	-	-	-	-	<b>100.00</b>	-	<b>100.00</b>					
<b>Share In Total Comprehensive Income Tci</b>															
Total Comprehensive Income	31 March, 22	401.86	(73.01)	-	(139.43)	(52.67)	304.13	37.59	(68.83)	<b>409.63</b>					
As % of consolidated TCI		98.10	(17.82)	-	(34.04)	(12.86)	74.24	9.18	(16.80)	<b>100.00</b>					
	31 March, 21	528.68	95.35	-	(180.18)	2.65	132.76	(19.08)	(105.41)	<b>454.77</b>					
		116.25	20.97	-	(39.62)	0.58	29.19	(4.20)	(23.18)	<b>100.00</b>					

## Notes to the Consolidated Financial Statements for the year ended on 31st March, 2022

### Note – 57– Additional regulatory information

- (a) The Group does not have any investment property.
- (b) The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- (c) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2022:
  - (i) repayable on demand; or
  - (ii) without specifying any terms or period of repayment
- (d) Aging schedule of Capital Work-in-progress for closing balance has not been given as opening/closing balance is NIL. There are no projects which are overdue or has exceeded its cost compared to its original plan.
- (e) There are no Intangible assets under development as on 31 March 2022.
- (f) No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (g) Borrowings secured against current assets: Refer Note No. 21.7
- (h) The group is not declared willful defaulter by any bank or financial institution or other lender.
- (i) The group has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (j) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (k) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (l) The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (m) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall 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.
- (n) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- (o) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note – 58** - Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

### Note – 59 - Authorisation of financial statements

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 29 April 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited  
(CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)

Place : Ahmedabad

Date : 29th April, 2022

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MANGALAM GLOBAL ENTERPRISE LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

1. We have audited the standalone financial statements of Mangalam Global Enterprise Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

##### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was address in our audit
<b>Revenue Recognition:</b> Revenue of the Company mainly comprises of sale of goods to its customers. Revenue from sale of goods is recognized when control is transferred to the customer and there is no other unfulfilled obligation. This requires detailed analysis of each contract/customer purchase order regarding timing of revenue recognition. Inappropriate assessment could lead to a risk of revenue being recognized on sale of goods before the control in the goods is transferred to the customer. Accordingly, timing of recognition of revenue is a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"><li>- Assessing the Company's accounting policies for revenue recognition by comparing with the applicable accounting standards;</li><li>- Testing the design, implementation and operating effectiveness of key internal controls over timing of recognition of revenue from sale of goods;</li><li>- Performed testing on selected samples of customer contracts/customer purchase orders. Checked terms and conditions related to acceptance of goods, acknowledged delivery receipts and tested the transit time to deliver the goods and its revenue recognition. Our tests of details focused on cut-off samples to verify only revenue pertaining to current year is recognized based on delivery documents along with terms and conditions set out in customer contracts/customer purchase orders.</li></ul>

##### Information Other than the Standalone Financial Statements and Auditors' Report thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report (but does not include the standalone financial statements and our auditor's report thereon) and the rest of the Annual Report (the "Other Information"). The Other Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and those charged with governance for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. 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 standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial 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 system with reference to standalone 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 the Board of Directors;
  - Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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**

16. As required by Section 143(3) of the Act, we report to the extent applicable, 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 of the standalone financial statements;
  - 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended);
  - 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 with reference to standalone financial statements 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2022.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 54(o) to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note 54(p) to the standalone financial statements, no funds have been received by the Company from any persons



or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as 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 16(g)(iv)(a) and 16(g)(iv)(b) contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the 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(16) of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

17. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure B’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

### **MANGALAM GLOBAL ENTERPRISE LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

(Referred to in para 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

#### **Independent Auditors’ Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of Sub-Section 3 Of Section 143 of the Companies Act, 2013 (“the Act”)**

##### **Opinion**

1. We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Mangalam Global Enterprise Limited (“the Company”) as at 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to the standalone financial statements and such internal financial controls over financial reporting with reference to the standalone financial statements were operating effectively as at 31st March 2022, based on the internal financial controls over financial reporting with reference to the standalone financial statements criteria established by the Company considering the essential components of such 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 (the “Guidance Note”).

##### **Responsibilities of Management and those charged with governance for internal financial controls**

3. The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct 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 Act.

##### **Auditors’ Responsibility**

4. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting with reference to standalone financial statements. 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 with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, 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 standalone financial statements, whether due to fraud or error.
6. 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 over financial reporting with reference to the standalone financial statements.

##### **Meaning of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

7. A company’s internal financial controls over financial reporting with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting with reference to the standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and payments 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 standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to the Standalone Financial Statements**

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE TO THE MEMBERS OF**

MANGALAM GLOBAL ENTERPRISE LIMITED ON THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2022

(Referred to in paragraph 17 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)  
**Report on the Matters Specified Paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) Issued by the Central Government in Terms of Section 143(11) of the Companies Act, 2013 (“the Act”)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 1 (a) (A) The Company has maintained records showing full particulars including quantitative details and situation of property, plant and equipment (PPE), which, in our opinion, are proper.  
(B) The Company has maintained records showing full particulars of intangible assets, which, in our opinion, are proper.
- (b) The Company has a regular programme of physical verification of its PPE by which PPE are verified in a phased manner over a period of three years. In accordance with this programme, certain PPE were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its PPE. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made there under.
- 2 (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods- in-transit, subsequent evidence of delivery has been verified. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by the management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

- (b) As disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly statements filed by the Company with such banks are not in agreement with the books of account of the Company and the details are as follows:

(Rs. in Lakhs)

Quarter	Particulars of Security	As per unaudited books of account	As reported in the quarterly return statement	Difference	Reason for Discrepancy
Jun-21	Inventory	3,675.63	4,367.63	(692.00)	<p>- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from/ to customers/ vendors. Further the Company consolidates more than one account of the same party lying in different groups/ classifications.</p> <p>- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/ system. However at the quarter end, the company identify the value of inventory based on accounting policy adopted by the company.</p> <p>- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.</p>
Jun-21	Trade Receivable	3,473.23	3,313.24	159.99	
Jun-21	Advance to Suppliers	1,024.43	1,586.66	(562.23)	
Jun-21	Trade Payable	492.13	173.88	318.25	
Jun-21	Advance from Customers	145.94	156.50	(10.56)	
Sep-21	Inventory	4,704.32	4,744.86	(40.54)	
Sep-21	Trade Receivable	3,532.19	2,588.90	943.29	
Sep-21	Advance to Suppliers	532.78	1,335.15	(802.37)	
Sep-21	Trade Payable	416.65	86.78	329.87	
Sep-21	Advance from Customers	173.36	38.76	134.60	
Dec-21	Inventory	11,077.31	11,559.33	(482.02)	
Dec-21	Trade Receivable	2,547.73	2,319.51	228.22	
Dec-21	Advance to Suppliers	577.13	846.45	(269.32)	
Dec-21	Trade Payable	2,202.60	2,111.52	91.08	
Dec-21	Advance from Customers	290.90	115.81	175.09	
Mar-22 #	Inventory	11,815.15	11,897.19	(82.04)	
Mar-22 #	Trade Receivable	5,130.59	3,888.86	1,241.73	
Mar-22 #	Advance to Suppliers	309.49	1,442.82	(1,133.33)	
Mar-22 #	Trade Payable	3,807.49	1,592.57	2,214.92	
Mar-22 #	Advance from Customers	763.58	782.77	(19.19)	

# Company has filed provisional return as on 26th March 2022 with the banks for quarter ended 31st March 2022

- 3 (a) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to loans or advances in the nature of loans and guarantees or security (A) to subsidiaries, joint ventures and associates, and (B) to parties other than subsidiaries, joint ventures and associates are as under:

(Rs. in Lakhs)

Aggregate amount granted / provided during the year	Loans	Advances in nature of loans	Guarantees	Security
• Subsidiaries	168.12	-	-	-
• Joint Ventures	-	-	-	-
• Associates	-	-	-	-
• Others	649.49	-	-	-

(Rs. in Lakhs)

Balance Outstanding as the Balance Sheet date in respect of above cases	Loans	Advances in nature of loans	Guarantees	Security
• Subsidiaries	-	-	4548.43	-
• Joint Ventures	-	-	-	-
• Associates	-	-	-	-
• Others	-	-	-	-

- (b) In our opinion, investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and advances and guarantees provided, prima facie, are not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) There is no amount overdue remaining outstanding as at the year end.
- (e) There is no loan or advance in the nature of loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- 4 In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5 The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- 6 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 7 (a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- No undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.
- (b) There are no dues of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited as on 31st March 2022 on account of any dispute.
- 8 The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, clause 3(viii) of the Order is not applicable.
- 9 (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lenders.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) The term loans obtained during the year were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, in our opinion, 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 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. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate companies or joint ventures as defined under the Act.

- 10 (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) In relation to the preferential allotment of convertible warrants and subsequent allotment of shares on conversion of convertible warrants, in our opinion the company has complied with the requirements of section 42 and section 62 of the act. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. The Company has not made allotment of any fully or partly convertible debentures during the year.
- 11 (a) No fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There are no whistle blower complaints received by the Company during the year.
- 12 The Company is not a Nidhi Company. Accordingly clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable.
- 13 In our opinion, the Company's transactions with its related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- 14 (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- 15 In our opinion, the Company has not entered into non-cash transactions covered under the provisions of Section 192 of the Act with its directors or persons connected with its directors. Accordingly, paragraph 3 (xv) of the order is not applicable to the Company.
- 16 (a) & (b) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.
- (c) & (d) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.
- 17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- 18 There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- 19 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 standalone 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 standalone balance sheet as and when they fall due within a period of one year from the standalone 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 standalone balance sheet date, will get discharged by the Company as and when they fall due.
- 20 There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**KUNAL KEDIA**

(M. No.: 149403), Partner  
for and on behalf of

**K K A K & CO.**

Chartered Accountants

FRN: 148674W

UDIN: 22149403AIDDMZ8847

Ahmedabad; 29th April 2022

## Standalone Balance Sheet as at 31st March, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-Current Assets</b>			
a)	Property Plant & Equipment	2	1,757.84	749.04
b)	Right of Use Assets	2	1,730.99	681.50
c)	Intangible Assets	2	3.22	2.92
d)	Capital Work-In-Progress	2	-	-
e)	Financial Assets			
-	Investments	3	1,784.60	1,616.39
-	Loans		-	-
-	Other Financial Assets	4	104.31	16.47
f)	Other Tax Assets (Net)	5	19.60	57.30
g)	Deferred Tax Assets (Net)	6	46.31	7.19
h)	Other Non-Current Assets	7	46.68	718.35
	<b>Total Non-Current Assets</b>		<b>5,493.55</b>	<b>3,849.16</b>
<b>B</b>	<b>Current Assets</b>			
a)	Inventories	8	11,815.15	2,223.89
b)	Financial Assets			
-	Trade Receivables	9	5,066.40	5,639.45
-	Cash and Cash Equivalents	10	6.55	46.66
-	Bank Balances other than Cash and Cash Equivalents	11	283.92	2,002.40
-	Loans	12	-	930.34
-	Other Financial Assets	13	157.89	421.75
c)	Other Current Assets	14	1,183.25	1,402.40
	<b>Total Current Assets</b>		<b>18,513.16</b>	<b>12,666.89</b>
	<b>TOTAL ASSETS</b>		<b>24,006.71</b>	<b>16,516.05</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
a)	Equity Share Capital	15	2,602.36	2,508.61
b)	Other Equity	16	5,271.06	4,162.12
	<b>Total Equity</b>		<b>7,873.42</b>	<b>6,670.73</b>
<b>2</b>	<b>LIABILITIES</b>			
<b>A</b>	<b>Non-Current Liabilities</b>			
a)	Financial Liabilities			
-	Long Term Borrowings	17	863.92	449.05
-	Long Term Lease Liabilities	18	1,561.28	633.58
-	Other Long-Term Financial Liabilities	19	14.20	11.14
b)	Long Term Provisions	20	29.14	20.53
c)	Deferred Tax Liabilities (Net)		-	-
d)	Other Non-Current Liabilities		-	-
	<b>Total Non-Current Liabilities</b>		<b>2,468.54</b>	<b>1,114.30</b>
<b>B</b>	<b>Current Liabilities</b>			
a)	Financial Liabilities			
-	Short Term Borrowings	21	8,895.02	7,523.05
-	Short Term Lease Liabilities	22	133.49	85.05
-	Trade Payables			
(i)	Total Outstanding Dues of Micro Enterprise and Small Enterprises	23	-	-
(ii)	Total Outstanding Dues of Creditors Other than Micro Enterprise and Small Enterprises	23	3,807.49	1,072.69
-	Other Short-Term Financial Liabilities	24	802.78	45.95
b)	Short-Term Provisions	25	12.02	4.28
c)	Other Current Liabilities	26	13.95	-
d)	Current Tax Liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		<b>13,664.75</b>	<b>8,731.02</b>
	<b>Total Liabilities</b>		<b>16,133.29</b>	<b>9,845.32</b>
	<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>24,006.71</b>	<b>16,516.05</b>
	The accompanying notes are integral part of these Standalone Financial Statements	1-57		

This is the Standalone Balance Sheet referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)  
**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)  
Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)  
**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)



**Standalone Statement of Profit & Loss for the year ended on 31st March, 2022**

(Rs. in Lakhs)

Sr. Particulars No.	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>I Income</b>			
a) Revenue from Operation	27	118,876.20	90,815.31
b) Other Income	28	817.51	589.73
<b>Total Income</b>		<b>119,693.71</b>	<b>91,405.04</b>
<b>II Expenses</b>			
a) Cost of Materials Consumed	29	71,204.17	60,395.94
b) Purchase of Stock-in-Trade	30	45,120.90	25,862.36
c) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	31	(2,607.99)	(564.37)
d) Employee Benefit Expenses	32	656.83	577.07
e) Finance Costs	33	926.62	525.37
f) Depreciation and Amortization Expense	34	311.30	214.71
g) Other Expenses	35	3,560.78	3,691.23
<b>Total Expenses</b>		<b>119,172.61</b>	<b>90,702.31</b>
<b>III Profit Before Exceptional Item &amp; Tax (I-II)</b>		<b>521.10</b>	<b>702.73</b>
<b>IV Exceptional Items</b>		0.13	-
<b>V Profit Before Tax (PBT) (After Exceptional Item) (III-IV)</b>		<b>520.97</b>	<b>702.73</b>
<b>VI Tax Expense</b>			
a) Current Tax	37	188.00	169.29
b) Deferred Tax		(42.68)	4.76
c) Income Tax (Prior Period)		(15.63)	-
<b>Total Tax Expenses</b>		<b>129.69</b>	<b>174.05</b>
<b>VII Profit After Tax (PAT) (V-VI)</b>		<b>391.28</b>	<b>528.68</b>
<b>VIII Other Comprehensive Income</b>			
a) Items that will not be reclassified to Profit & Loss			
Remeasurement Gain/Loss on defined benefit plan		9.45	-
Income Tax in respect of above		(2.38)	-
b) Items that will be reclassified to Profit & Loss			
Cash Flow hedge reserve		4.69	-
Income Tax in respect of above		(1.18)	-
<b>Total Other Comprehensive Income</b>		<b>10.58</b>	<b>-</b>
<b>IX Total Comprehensive Income for the Year (VII+VIII)</b>		<b>401.86</b>	<b>528.68</b>
<b>X Earnings per Equity Share of Rs. 10/- each</b>			
a) Basic (in Rs.)	38	1.60	2.17
b) Diluted (in Rs.)	38	1.57	2.17
The accompanying notes are integral part of these Standalone Financial Statements		1-57	

This is the Standalone Statement of Profit & Loss referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)  
**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)  
Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)  
**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)

## Notes to the Standalone Statement of changes in Equity for the year ended on 31st March, 2022

### A. Equity Share Capital

Current Reporting Period		(Rs. in Lakhs)
Particulars	Amount	
<b>As at 1 April, 2021</b>	<b>2,508.61</b>	
Changes in Equity Share Capital Due to Prior Period Errors	-	
Restated Balance as at 1 April 2021	2,508.61	
Changes in Equity Share Capital during the year	93.75	
<b>As at 31 March, 2022</b>	<b>2,602.36</b>	
Previous Reporting Period		
Particulars	Amount	
<b>As at 1 April, 2020</b>	<b>1,605.74</b>	
Changes in Equity Share Capital due to Prior Period Errors	-	
Restated Balance as at 1 April 2020	1,605.74	
Changes in Equity Share Capital during the year	902.87	
<b>As at 31 March, 2021</b>	<b>2,508.61</b>	

### B. Other Equity

Current Reporting Period		(Rs. in Lakhs)			
Particulars	Reserves & Surplus		Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium	Retained Earnings			
<b>Balance as at 1 April, 2021</b>	<b>3,061.22</b>	<b>1,100.90</b>	-	-	<b>4,162.12</b>
Changes in Accounting Policy or Prior Period Errors	-	-	-	-	-
<b>Restated balance as at 1 April, 2021</b>	<b>3,061.22</b>	<b>1,100.90</b>	-	-	<b>4,162.12</b>
Net Profit/ (Loss) during the Year	-	391.28	-	-	391.28
Remeasurement Gain/(Loss) on defined Benefit Plan (Net of Tax)	-	-	7.07	-	7.07
Movement in Cash Flow Hedge Reserve (Net of Tax)	-	-	3.51	-	3.51
<b>Total Comprehensive Income / (Expense)</b>	<b>-</b>	<b>391.28</b>	<b>10.58</b>	<b>-</b>	<b>401.86</b>
Dividend paid on Equity Shares	-	(52.28)	-	-	(52.28)
Transfer to Retained Earnings	-	-	-	-	-
Securities Premium on Issue of Equity Share Capital	393.75	-	-	-	393.75
Utilized Towards Issue of Bonus Shares	-	-	-	-	-
Share Warrants Issued during the year	-	-	-	853.13	853.13
Allotment of Equity Shares on Conversion of Share Warrants	-	-	-	(487.50)	(487.50)
Other Adjustments	-	(0.01)	-	-	(0.01)
<b>Balance as at 31 March, 2022</b>	<b>3,454.97</b>	<b>1,439.89</b>	<b>10.58</b>	<b>365.63</b>	<b>5,271.06</b>

## Notes to the Standalone Statement of changes in Equity for the year ended on 31st March, 2022

### B. Other Equity (Contd...)

Previous reporting period

(Rs. in Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium	Retained Earnings			
<b>Balance as at 1 April, 2020</b>	<b>3,544.09</b>	<b>602.20</b>	-	-	<b>4,146.29</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at 1 April 2020</b>	<b>3,544.09</b>	<b>602.20</b>	-	-	<b>4,146.29</b>
Net Profit/ (Loss) during the Year	-	528.68	-	-	528.68
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	-	-	-	-	-
Movement in cash flow hedge reserve (net of tax)	-	-	-	-	-
<b>Total Comprehensive Income/ (Expense)</b>	-	<b>528.68</b>	-	-	<b>528.68</b>
Dividend paid on equity shares	-	(29.87)	-	-	(29.87)
Transfer to retained earnings	-	-	-	-	-
Securities Premium on issue of Equity Share Capital	320.00	-	-	-	320.00
Utilized Towards Issue of Bonus Shares	(802.87)	-	-	-	(802.87)
Share warrants issued during the year	-	-	-	-	-
Allotment of Equity shares on conversion of share warrants	-	-	-	-	-
Other Adjustments	-	(0.11)	-	-	(0.11)
<b>Balance as at 31 March, 2021</b>	<b>3,061.22</b>	<b>1,100.90</b>	-	-	<b>4,162.12</b>

### Nature and Purpose of Reserves

- (a) **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve.
- (b) **Retained Earnings:** Retained Earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions to shareholders.

The accompanying notes are integral part of these standalone financial statements

This is the Standalone Statement of Changes in Equity referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner

For & on behalf of  
**K K A K & Co**

Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN:02825511)

**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)

Place : Ahmedabad  
Date : 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN:06714256)

**Ashutosh Mehta**  
Chief Financial Officer  
(PAN:AAWPM1688A)

**Standalone Statement of Cash Flows for the year ended on 31st March, 2022**

(Rs. in Lakhs)

Sr. Particulars No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) Before Exception Items & Tax	521.10	702.73
<b>Adjustments for:</b>		
Depreciation on Property Plant and Equipment, Right of Use Assets and Intangible Assets	311.30	214.71
Dividend Income	-	-
Interest Income	(371.02)	(234.89)
Finance Costs	926.62	525.37
Non-Cash Items	(53.47)	1.32
(Gain)/Loss on sale of Property, Plant and Equipment (Net)	-	(9.44)
(Gain)/Loss on sale of Investments (Net)	(2.42)	(3.96)
Unrealised foreign exchange (Gain)/Loss (Net)	(1.27)	(32.07)
(Increase)/ Decrease Foreign Currency Translation Reserve	-	-
Other Expenses related to Financial Activity	12.03	46.89
Allowance for Doubtful Debts	167.68	1.14
Loss Distributed by Subsidiary (LLP)	52.16	-
<b>Operating Profit/ (Loss) before working capital changes</b>	<b>1,562.71</b>	<b>1,211.80</b>
<b>Changes in working capital:</b>		
<b>Adjustments for:</b>		
(Increase)/ Decrease in Trade Receivables	402.97	(4,420.85)
(Increase)/ Decrease in Inventories	(9,591.26)	15.36
(Increase)/ Decrease in Other Financial Assets	255.12	339.06
(Increase)/ Decrease in Other Non-Current Assets	(0.96)	(0.63)
(Increase)/ Decrease in Other Current Assets	191.13	(573.73)
Increase/ (Decrease) in Trade Payables	2,734.80	601.00
Increase/ (Decrease) in Provisions	12.61	1.56
Increase/ (Decrease) in Other Liabilities	781.64	14.21
<b>Cash generated from operations</b>	<b>(3,651.24)</b>	<b>(2,812.22)</b>
Income taxes paid (net of refunds)	(133.49)	(203.13)
<b>Net cash flow from/ (utilised in) operating activities (A)</b>	<b>(3,784.73)</b>	<b>(3,015.35)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for purchase of Property, Plant & Equipments, including capital advances	(372.56)	(799.87)
Proceeds from sale of Property, Plant & Equipments	-	167.57
(Increase)/Decrease in Lease Deposits	(192.44)	49.94
Long-term investments in Subsidiaries / Contribution in LLP	(169.54)	(395.95)
Loss Distributed by Subsidiary (LLP)	(52.16)	-
Long-term investments in other Securities	-	-
Investment in Mutual Funds	3.76	(14.20)
Loans to Subsidiaries	691.37	(245.91)
Loans to Others	238.98	(238.98)
Interest received	390.05	230.19
(Investment in) / proceeds from bank balance other than Cash & Cash Equivalents		
- Fixed Deposits	1,718.48	(157.10)
Dividend received	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>2,255.94</b>	<b>(1,404.31)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Shares, Securities Premium & Convertible Equity Warrants	853.13	420.00
Share issue expenses	(12.03)	(46.89)
Other Expenses related to Financing Activity	-	-
Increase / (Decrease) in Long Term Borrowings	349.06	606.84
Increase / (Decrease) in Short Term Borrowings	1,436.22	4,128.44
Payment of Lease Liability	(365.66)	(212.50)
Increase / (Decrease) in Other Short Term Borrowings	-	-
Payment of Dividend	(52.28)	(29.87)
Interest Paid / Finance Cost	(719.76)	(456.43)
<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>1,488.68</b>	<b>4,409.59</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(40.11)</b>	<b>(10.07)</b>
<b>E. Add: Cash and Cash Equivalents at the beginning of the year</b>	<b>46.66</b>	<b>58.20</b>
<b>F. Less: (Loss) / Gain on restatement of foreign currency Cash and Cash Equivalents</b>	<b>-</b>	<b>1.47</b>
<b>G. Cash and Cash Equivalents at the end of the year</b>	<b>6.55</b>	<b>46.66</b>

**Standalone Statement of Cash Flows for the year ended on 31st March, 2022 (Contd..)**
**(Rs. in Lakhs)**

Sr. Particulars No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:</b>		
<b>Cash and Cash Equivalents includes</b>	<b>6.55</b>	<b>46.66</b>
(a) Cash on hand	6.46	4.03
(b) Balances with banks		
(i) In current accounts	0.09	42.63
(ii) In Fixed deposit accounts	-	-
(iii) In Cash Credit/ Bank Overdraft accounts	-	-

2 The standalone statement of cash flows has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 : 'Statement of Cash Flows'.

**3 Movement in Financial Liabilities arising from Financing Activities:**
**Current reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2021</b>	<b>637.03</b>	<b>7,335.08</b>	<b>716.09</b>	<b>1.74</b>	-	-
Payment of Lease Liabilities	-	-	(365.66)	-	-	-
Increase/ (Decrease) in Short Term Borrowings	-	1,436.22	-	-	-	-
Increase/ (Decrease) in Long Term Borrowings	349.06	-	-	-	-	-
Interest / Expenses Paid	-	-	-	(719.76)	-	(12.03)
Dividend Paid	-	-	-	-	(52.28)	-
<b>Net Cash Movement during the year</b>	<b>349.06</b>	<b>1,436.22</b>	<b>(365.66)</b>	<b>(719.76)</b>	<b>(52.28)</b>	<b>(12.03)</b>
Lease Liabilities recognised during the year	-	-	1,795.21	-	-	-
Finance Cost Accrued	-	-	201.06	-	-	-
Lease Liabilities reversed during the year	-	-	(651.93)	-	-	-
Interest on fixed loan amortisation	1.55	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	926.62	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(203.69)	-	-
<b>Balance as at 31 March 2022</b>	<b>987.64</b>	<b>8,771.30</b>	<b>1,694.77</b>	<b>4.91</b>	-	-

**Previous reporting period**

Particulars	Long Term Borrowings	Short Term Borrowings	Lease Liabilities	Interest	Dividend	Expenses related to Financing Activities
<b>Balance as at 1 April 2020</b>	<b>28.90</b>	<b>3,206.64</b>	<b>1,505.39</b>	<b>0.18</b>	-	-
Payment of Lease Liabilities	-	-	(212.50)	-	-	-
Increase/ (Decrease) in Short Term Borrowings	-	4,128.44	-	-	-	-
Increase/ (Decrease) in Long Term Borrowings	606.84	-	-	-	-	-
Interest / Expenses Paid	-	-	-	(456.43)	-	(46.89)
Dividend Paid	-	-	-	-	(29.87)	-
<b>Net Cash Movement during the year</b>	<b>606.84</b>	<b>4,128.44</b>	<b>(212.50)</b>	<b>(456.43)</b>	<b>(29.87)</b>	<b>(46.89)</b>
Lease Liabilities recognised during the year	-	-	-	-	-	-
Finance Cost Accrued	-	-	65.04	-	-	-
Lease Liabilities reversed during the year	-	-	(641.84)	-	-	-
Interest on fixed loan amortisation	1.29	-	-	-	-	-
Interest Charged to Statement of Profit and Loss	-	-	-	525.37	-	-
Interest on Unwinding of Discount on Lease	-	-	-	(67.38)	-	-
<b>Balance as at 31 March 2021</b>	<b>637.03</b>	<b>7,335.08</b>	<b>716.09</b>	<b>1.74</b>	-	-

This is the Standalone Statement Cash Flows referred to in our report of even date

**Kunal Kedia**  
(M. No.: 149403), Partner  
For & on behalf of  
**K K A K & Co**  
Chartered Accountants  
FRN: 148674W

Place : Ahmedabad  
Date : 29th April, 2022

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

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**Chandragupt Prakash Mangal**  
Managing Director (DIN:07408422)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)  
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**Chanakya Prakash Mangal**  
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**Ashutosh Mehta**  
Chief Financial Officer (PAN:AAWPM1688A)

## **NOTE - 1 - Notes to the Standalone Financial Statements for the year ended on March 31, 2022**

### **1.1 Corporate Information:**

Mangalam Global Enterprise Limited ('the Company') is a public listed limited Company domiciled and incorporated in India. The registered office of the Company is located at 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad -380009 Gujarat, India. Its Equity Shares are listed on Main Board of National Stock Exchange of India Limited (NSE).

The Company is engaged in activity of manufacturing/dealing/trading of Edible/Non-edible Oil/Seeds and its derivatives, Rice, Wheat and other Agro commodities, other merchandise and agency service activity.

### **1.2 General Information & Statement of Compliance with Ind AS:**

These financial statements are the separate financial statements of the Company (also called as standalone financial statements) prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### **1.3 Significant Accounting Policies:**

#### **1.3.1 Basis of Preparation and Presentation**

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- (a) Certain Financial Assets and Liabilities (including derivative instruments), and
- (b) Defined Benefit Plans – Plan Assets

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

#### **1.3.2 Fair Value Measurement**

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **1.3.3 Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non- Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 1.3.4 Property, Plant and Equipment

#### (a) Tangible Assets

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

#### Depreciation

Free hold land is not depreciated. Leasehold land and the improvement costs are amortized over the period of the lease. Depreciation on Property, Plant and Equipment is provided using Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Name of Property, Plants and Equipment	Useful Life*
Factory Building	30-40 Years
Building (Other than Factory Building)	60 Years
Plant and Machineries (Including Continuous Process Plant)	8-30 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer and Other Data Processing units	3 Years
Motor Vehicles	8 Years
Electrical Installation and Other Equipment	5 Years

\* The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Derecognition

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### (b) Capital Work-in-Progress and Capital Advances

Cost of Property, Plant and Equipment not ready for intended use, as on the balance sheet date, is shown as a "Capital Work-in-Progress". The Capital Work-in-Progress is stated at cost. Any expenditure in relation to survey and investigation of the properties is carried as Capital Work-in-Progress. Such expenditure is

either capitalized as cost of the projects on completion of construction project or the same is expensed in the period in which it is decided to abandon such project. Any advance given towards acquisition of Property, Plants and Equipment outstanding at each balance sheet date is disclosed as “Other Non-Current Assets”.

**(c) Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the Intangible Assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

**Amortization**

The amortization expenses on Intangible assets with the finite lives are recognized in the Statement of Profit and Loss. The Company’s intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life as tabulated below:

Particulars	Useful Life
Accounting and antivirus software	3 Years
Other firewall and operating software	6 Years

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at each financial year end and adjusted prospectively, if appropriate.

**Derecognition**

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**1.3.5 Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1.3.6 Lease**

**(a) The Company as a Lessee**

The Company, as a lessee, recognises a right- of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of- use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.



**(b) The Company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

**1.3.7 Investment Properties**

Items of investment properties are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on pro-rata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

**1.3.8 Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of finished goods, work-in-progress, raw materials, chemicals, stores and spares, components, consumables, packing materials, trading and other products are determined on First In First Out (FIFO) / average / weighted average basis.

**1.3.9 Borrowing Costs**

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**1.3.10 Employee Benefits**

**(A) Short-Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(B) Post-Employment Benefits**

**(i) Defined Contribution Plans**

The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

**(ii) Defined Benefit Plans**

(a) **Gratuity Scheme:** The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days basic salary for every completed year of service as per the Payment of Gratuity Act, 1972. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income.

**(iii) Other Long - Term Employee Benefits**

Entitlement to annual leave is recognized when they accrue to employees.

### 1.3.11 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

#### Export Incentives

Export incentive revenues are recognized when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

#### Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

#### Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

#### Surplus / (Loss) on disposal of Property, Plants and Equipment / Investments

Surplus or loss on disposal of property, plants and equipment or investment is recorded on transfers of title from the Company, and is determined as the difference between the sales price and carrying value of the property, plants and equipment or investments and other incidental expenses.

#### Rental Income

Rental income arising from operating lease on investments properties is accounted for on a straight - line basis over the lease term except the case where the incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### Insurance Claim

Claim receivable on account of insurance is accounted for to the extent the Company is reasonably certain of their ultimate collections.

#### Other Income

Revenue from other income is recognized when the payment of that related income is received or credited.

### 1.3.12 Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

### 1.3.13 Government Grants and Subsidies

Grants in the nature of subsidies which are non-refundable are recognized as income where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them. Income from grants is recognized on a systematic basis over periods in which the related costs that are intended to be compensated by such grants are recognized.

Refundable government grants are accounted in accordance with the recognition and measurement principle of Ind AS 109, "Financial Instruments". It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the grants. Income from such benefit is recognized on a systematic basis over the period of the grants during which the Company recognizes interest expense corresponding to such grants.

#### **1.3.14 Financial Instruments – Financial Assets**

##### **(A) Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

##### **(B) Subsequent Measurement**

###### **a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

###### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI. The Company has made such election on an instrument-by-instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

###### **c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

##### **(C) Investments**

Investments are classified in to Current or Non-Current Investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as Current Investments. All other Investments are classified as Non - Current Investments. However, that part of Non - Current Investments which are expected to be realized within twelve months from the Balance Sheet date is also presented under "Current Investments" under "Current portion of Non-Current Investments" in consonance with Current/Non-Current classification of Schedule - III of the Act.

All the equity investment which covered under the scope of Ind AS 109, "Financial Instruments" is measured at the fair value. Investment in Mutual Fund is measured at fair value through profit and loss (FVTPL). Trading Instruments are measured at fair value through profit and loss (FVTPL).

##### **(D) Investment in Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

##### **(E) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

#### **1.3.15 Financial Instruments – Financial Liabilities**

##### **(A) Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

## **(B) Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **1.3.16 Derivative Financial Instruments and Hedge Accounting**

The Company enters into derivative contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial assets measured at amortised cost.

The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognised financial assets ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's Risk Management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a cash flow hedge under Ind AS 109, 'Financial Instruments'.

Recognition and measurement of cash flow hedge:

The Company strictly uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. As per Ind AS 109 - Financial Instruments, foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in hedge reserve (under reserves and surplus) through other comprehensive income and the ineffective portion is recognised immediately in the statement of profit and loss.

The accumulated gains / losses on the derivatives accounted in hedge reserve are transferred to the statement of profit and loss in the same period in which gains / losses on the underlying item hedged are recognised in the statement of profit and loss.

Derecognition:

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. When hedge accounting is discontinued for a cash flow hedge, the net gain or loss will remain in hedge reserve and be reclassified to the statement of profit and loss in the same period or periods during which the formerly hedged transaction is reported in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gains / losses recognised in hedge reserve is transferred to the statement of profit and loss.

Fair Value Hedge:

The Company designates derivative contracts or non-derivative Financial Assets/Liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

### **1.3.17 Derecognition of Financial Instruments**

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **1.3.18 Financial Instruments – Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### **1.3.19 Taxes on Income**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

#### **(a) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

(b) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Presentation

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### 1.3.20 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. The Company has considered as Business Segments as Primary Segments.

Segments Accounting Policies

The Company prepares its Segment Information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Inter - Segment Transfer

The Company generally accounts the Inter - Segment transfers at an agreed value of the transactions.

Allocation of Common Costs

Common allocable costs are allocated to each segment reporting according to the relative contribution of each segment to the total of common costs.

Unallocated Items

Unallocated Items include the General Corporate Income and Expense items which are not allocated to any of the Business Segments.

### 1.3.21 Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

### 1.3.22 Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

### 1.3.23 Provisions, Contingent Liabilities

Provisions are recognised when the Company has 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

### 1.3.24 Events after Reporting Date

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of

reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **1.3.25 Non – Current Assets Held For Sales**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

### **1.3.26 Cash Flows Statement**

Cash Flows Statements are reported using the method set out in the Ind AS – 7, “Cash Flow Statements”, whereby the Net Profit / (Loss) before tax is adjusted for the effects of the transactions of a Non-Cash nature, any deferrals or accrual 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 of the Company are segregated.

### **1.3.27 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **1.3.28 (A) Amendments to Schedule III of Companies Act, 2013**

On 24 March, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### **Balance Sheet:**

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, etc.

#### **Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of standalone financial statements.

All amount disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule-III, unless otherwise stated.

The company has given effect of the same in current years account.

### **(B) Recent pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### **1.4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty:**

The preparation of the Company's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

#### **1.4.1 Income Tax**

The Company's tax jurisdiction is in India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the income tax provisions, including the amount expected to be paid / recovered for uncertain.

#### **1.4.2 Property Plant and Equipment/ Intangible Assets**

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

#### **1.4.3 Defined Benefits Obligations**

The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS – 19, "Employee Benefits" over the period during which benefit is derived from the employees' services. It is determined by using the Actuarial Valuation and assessed on the basis of assumptions selected by the management. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to complexities involved in the valuation and its long term in nature, a defined benefit obligation is highly sensitive to change in these assumptions. All assumptions are reviewed at each balance sheet date.

#### **1.4.4 Fair value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

#### **1.4.5 Recoverability of Trade Receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **1.4.6 Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **1.4.7 Impairment of Financial and Non – Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### **1.4.8 Recognition of Deferred Tax Assets and Liabilities**

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgment to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress

#### A. PROPERTY, PLANT & EQUIPMENTS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land	Building	Computer Equip. ments	Electrical Installation	Furniture & Fixture	Plant & Machinery	Office Equipments	Vehicle	Total
Cost as at 1 April 2021	494.62	141.92	26.52	-	55.58	-	42.89	69.14	830.67
Addition	582.79	199.45	1.12	37.39	72.82	128.24	26.88	-	1,048.69
Disposals/ Adjustments	(0.26)	-	-	-	-	-	-	-	(0.26)
<b>Cost as at 31 March 2022</b>	<b>1,077.15</b>	<b>341.37</b>	<b>27.64</b>	<b>37.39</b>	<b>128.40</b>	<b>128.24</b>	<b>69.77</b>	<b>69.14</b>	<b>1,879.10</b>
Accumulated depreciation as at 1 April 2021	-	12.96	13.94	-	10.17	-	17.20	27.36	81.63
Depreciation charge for the year	-	5.75	5.76	0.47	7.58	2.60	9.26	8.21	39.63
Reversal on Disposal/Adjustments	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>18.71</b>	<b>19.70</b>	<b>0.47</b>	<b>17.75</b>	<b>2.60</b>	<b>26.46</b>	<b>35.57</b>	<b>121.26</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>1,077.15</b>	<b>322.66</b>	<b>7.94</b>	<b>36.92</b>	<b>110.65</b>	<b>125.64</b>	<b>43.31</b>	<b>33.57</b>	<b>1,757.84</b>

##### Previous reporting period

Particulars	Land	Building	Computer Equip. ments	Electrical Installation	Furniture & Fixture	Plant & Machinery	Office Equipments	Vehicle	Total
Cost as at 1 April 2020	494.62	141.92	21.12	-	55.53	79.71	54.62	69.14	916.66
Addition	-	6.42	6.83	-	2.86	60.93	4.55	-	81.59
Disposals/ Adjustments	-	(6.42)	(1.43)	-	(2.81)	(140.64)	(16.28)	-	(167.58)
<b>Cost as at 31 March 2021</b>	<b>494.62</b>	<b>141.92</b>	<b>26.52</b>	<b>-</b>	<b>55.58</b>	<b>-</b>	<b>42.89</b>	<b>69.14</b>	<b>830.67</b>
Accumulated depreciation as at 1 April 2020	-	10.35	7.44	-	5.11	2.06	11.05	19.15	55.16
Depreciation charge for the year	-	2.55	6.87	-	5.30	3.91	8.96	8.21	35.80
Reversal on Disposal/Adjustments	-	0.06	(0.37)	-	(0.24)	(5.97)	(2.81)	-	(9.33)
<b>Accumulated depreciation as at 31 March 2021</b>	<b>-</b>	<b>12.96</b>	<b>13.94</b>	<b>-</b>	<b>10.17</b>	<b>-</b>	<b>17.20</b>	<b>27.36</b>	<b>81.63</b>
<b>Net Carrying Amount as at 31 March 2021</b>	<b>494.62</b>	<b>128.96</b>	<b>12.58</b>	<b>-</b>	<b>45.41</b>	<b>-</b>	<b>25.69</b>	<b>41.78</b>	<b>749.04</b>

- The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- Refer Note No. - 43

#### B - RIGHT OF USE ASSETS

##### Current reporting period

(Rs. in Lakhs)

Particulars	Land & Building	Plant & Machinery	Total
Cost as at 1 April 2021	127.78	701.77	829.55
Addition	80.78	1,833.98	1,914.76
Disposals/Adjustments	(127.78)	(701.77)	(829.55)
<b>Cost as at 31 March 2022</b>	<b>80.78</b>	<b>1,833.98</b>	<b>1,914.76</b>
Accumulated amortisation as at 1 April 2021	37.47	110.58	148.05
Amortization charge for the year	20.85	249.49	270.34
Reversal on Disposal of assets	(51.59)	(183.03)	(234.62)
<b>Accumulated amortisation as at 31 March 2022</b>	<b>6.73</b>	<b>177.04</b>	<b>183.77</b>
<b>Net Carrying Amount as at 31 March 2022</b>	<b>74.05</b>	<b>1,656.94</b>	<b>1,730.99</b>

##### Previous reporting period

Particulars	Land & Building	Plant & Machinery	Total
Cost as at 1 April 2020	127.78	1,453.32	1,581.10
Addition	-	-	-
Disposals/Adjustments	-	(751.55)	(751.55)
<b>Cost as at 31 March 2021</b>	<b>127.78</b>	<b>701.77</b>	<b>829.55</b>
Accumulated amortisation as at 1 April 2020	16.22	40.08	56.30
Amortization charge for the year	21.25	156.56	177.81
Reversal on Disposal/Adjustments	-	(86.06)	(86.06)
<b>Accumulated amortisation as at 31 March 2021</b>	<b>37.47</b>	<b>110.58</b>	<b>148.05</b>
<b>Net Carrying Amount as at 31 March 2021</b>	<b>90.31</b>	<b>591.19</b>	<b>681.50</b>

Refer Note No. - 46

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 2 : Property, Plant & Equipment, Right of Use, Intangibles, Capital Work-In-Progress (Contd...)

#### C. INTANGIBLE ASSETS

Current reporting period		(Rs. in Lakhs)	
Particulars	Software	Total	
<b>Cost as at 1 April 2021</b>	<b>5.03</b>	<b>5.03</b>	
Addition	1.63	1.63	
Dispoals/Adjustments	-	-	
<b>Cost as at 31 March 2022</b>	<b>6.66</b>	<b>6.66</b>	
<b>Accumulated ammortisation as at 1 April 2021</b>	<b>2.11</b>	<b>2.11</b>	
Ammortization charge for the year	1.33	1.33	
Reversal on Disposal of assets	-	-	
<b>Accumulated ammortisation as at 31 March 2022</b>	<b>3.44</b>	<b>3.44</b>	
<b>Net Carrying Amount as at 31 March 2022</b>	<b>3.22</b>	<b>3.22</b>	

#### Previous reporting period

Particulars	Software	Total	
<b>Cost as at 1 April 2020</b>	<b>4.23</b>	<b>4.23</b>	
Addition	0.80	0.80	
Dispoals/Adjustments	-	-	
<b>Cost as at 31 March 2021</b>	<b>5.03</b>	<b>5.03</b>	
<b>Accumulated ammortisation as at 1 April 2020</b>	<b>1.01</b>	<b>1.01</b>	
Ammortization charge for the year	1.10	1.10	
Reversal on Disposal/Adjustments	-	-	
<b>Accumulated ammortisation as at 31 March 2021</b>	<b>2.11</b>	<b>2.11</b>	
<b>Net Carrying Amount as at 31 March 2021</b>	<b>2.92</b>	<b>2.92</b>	

#### D. CAPITAL WORK-IN-PROGRESS

**Note:** Ageing schedule of Capital Work-in-progress for closing balance has not been given as closing / opening balance is NIL. There are no projects which are overdue or has exceeded its cost compared to its original plan.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 3 - Investments- Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>UNQUOTED INVESTMENTS</b>		
<b>Investments in Equity Instruments of Wholly Owned Subsidiaries (Measured at cost)</b>		
(i) 13,33,300 (PY - 10,00,000) Ordinary Shares of Mangalam Global(Singapore) Pte Ltd (Formerly known as Mangalprakash (Singapore) Pte. Ltd.)- (Fully Paidup)	1,090.92	716.76
(ii) Mangalam Global (UK) Limited (100% Ownership) (Shares have been issued but subscription money yet to be remitted)	-	-
<b>Investments in Equity Instruments of Other Subsidiaries (Measured at cost)</b>		
(i) Nil (PY - 60,109) Equity Shares of Rajgor Castor Derivatives Private Limited (Formerly known as Hindprakash Castor Derivatives Private Limited) - (Fully Paidup) of Rs 10 each (Ceased to be subsidiary w.e.f. 31 December 2021)	-	204.50
<b>Investment in Limited Liability Partnership Firm (Subsidiary) (Measured at cost)</b>		
(i) Farpoint Enterprise LLP 99% Share in Profit/Loss (PY - 99%)	396.00	396.00
<b>Investment in Others (Measured at FVTOCI)#</b>		
(i) 8,08,510 (PY - 8,08,510) Equity Shares of ECS Environment Private Limited - (Fully Paidup) of Rs 10 each. Cost is representing and taken as equivalent to Fair Value.	242.55	242.55
<b>Investment in Mutual Funds (measured at FVTPL)</b>		
Edelweiss Infrastructure Yield Plus	55.13	56.58
<b>Total - Unquoted Investments</b>	<b>1,784.60</b>	<b>1,616.39</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,784.60	1,616.39
Aggregate amount of impairment in value of investments	-	-

# The company has considered cost is representing the fair value.

### Note - 4 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non Current - Unsecured Considered Good</b>		
Security Deposits	104.21	16.47
Bank Deposits with more than 12 months maturity	0.10	-
Others	-	-
<b>Total</b>	<b>104.31</b>	<b>16.47</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above includes due from:</b>		
Directors (Rent Deposit)	1.96	2.00
Other Officers of the Company	-	-
Firm in which any director is partner:		
Farpoint Enterprise LLP (Subsidiary)	-	0.95
Private Company in which director is director or member:		
Rajgor Castor Derivatives Private Limited (Subsidiary) (Formerly known as Hindprakash Castor Derivatives Private Limited)	-	10.38

### Note - 5 - Other Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Prepaid Income Tax/ TDS (Net of Prov, if any)	19.60	57.30
<b>Total</b>	<b>19.60</b>	<b>57.30</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 6 - Deferred Tax Assets (Net)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred Tax Assets (DTA)</b>		
Provision for Employee Benefits	13.46	7.71
Preliminary Expenditure	10.38	13.03
Disallowances for items to be allowed in subsequent years	1.18	-
Allowance for doubtful debts	42.95	0.75
Deferred tax on lease liability and deposit created under Ind AS 116	454.65	182.97
<b>Total DTA</b>	<b>522.62</b>	<b>204.46</b>
<b>Deferred Tax Liabilities (DTL)</b>		
Property Plant & Equipments & Intangible Assets	38.13	25.42
Deferred tax on Amortisation of Expenses	2.52	0.33
Deferred tax on ROU asset created under Ind AS 116	435.66	171.52
<b>Total DTL</b>	<b>476.31</b>	<b>197.27</b>
<b>Net DTA / (DTL)</b>	<b>46.31</b>	<b>7.19</b>
<b>Deferred Tax Liabilities (Net)</b>	-	-
<b>Deferred Tax Assets (Net)</b>	<b>46.31</b>	<b>7.19</b>

#### Current reporting period

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2021	Deferred Tax Charge/Credit to Statement of Profit & Loss	Deferred Tax Charge/Credit to other Comprehensive Income	As at 31st March, 2022
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	7.71	8.13	(2.38)	13.46
Preliminary Expenditure	13.03	( 2.65)	-	10.38
Disallowances for items to be allowed in subsequent years	-	2.36	(1.18)	1.18
Allowance for doubtful debts	0.75	42.20	-	42.95
Deferred Tax on lease liability and deposit created under Ind AS 116	182.97	271.68	-	454.65
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	25.42	12.71	-	38.13
Deferred Tax on Amortisation of Expenses	0.33	2.19	-	2.52
Deferred Tax on ROU asset created under Ind AS 116	171.52	264.14	-	435.66
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>7.19</b>	<b>42.68</b>	<b>(3.56)</b>	<b>46.31</b>

#### Previous reporting period

Movement in Deferred Tax Assets / Liabilities	As at 1st April, 2020	Deferred Tax Charge/Credit to Statement of Profit & Loss	Deferred Tax Charge/Credit to other Comprehensive Income	As at 31st March, 2021
<b>Deferred Tax Assets (DTA)</b>				
Provision for Employee Benefits	7.75	(0.04)	-	7.71
Preliminary Expenditure	12.85	0.18	-	13.03
Disallowances for items to be allowed in subsequent years	-	-	-	-
Allowance for doubtful debts	0.47	0.28	-	0.75
Deferred Tax on lease liability and deposit created under Ind AS 116	388.72	(205.75)	-	182.97
<b>Deferred Tax Liabilities (DTL)</b>				
Property Plant & Equipments & Intangible Assets	14.09	11.33	-	25.42
Deferred Tax on Amortisation of Expenses	-	0.33	-	0.33
Deferred Tax on ROU asset created under Ind AS 116	383.76	(212.24)	-	171.52
<b>Deferred Tax Assets/ (Liabilities) (Net)</b>	<b>11.94</b>	<b>(4.75)</b>	-	<b>7.19</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 7 - Other Non Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances (Unsecured Considered Good)	45.82	717.45
Prepaid Expenses	0.86	0.90
<b>Total</b>	<b>46.68</b>	<b>718.35</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above includes due from:</b>		
Director	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Private Company in which director is director or member	-	-

### Note - 8 - Inventories

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials	6,945.90	2.48
Work-In-Progress	581.88	826.05
Finished Goods/ Stock in Trade	4,030.41	1,178.25
Packing Materials	93.07	208.08
Consumable, Stores and Spares	163.89	9.03
<b>Total</b>	<b>11,815.15</b>	<b>2,223.89</b>

**Note:** Inventories are valued at lower of cost and net realisable value. The mode of valuation of inventories has been stated in Note No -1.3.8.

Inventories are hypothecated to secured working capital facilities from Bank (Refer Note No - 43)

### Note - 9 - Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Unsecured - Considered Good	5,130.59	5,642.44
Credit Impaired	-	-
Less: Allowance for doubtful debts	64.19	2.99
<b>Total</b>	<b>5,066.40</b>	<b>5,639.45</b>

**Note:** 1. Trade Receivables are hypothecated to secured working capital facilities from Bank (Refer Note No - 43)

2. Trade Receivables ageing Schedule (Refer Note No - 52)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Trade Receivable include due from:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director is partner	-	-
Farpoint Enterprise LLP (Subsidiary)	12.22	40.78
Shirshak Exim LLP	194.58	-
Private Company in which director is director or member		
ECS Environment Private Limited	10.78	46.60
Mangalam Dura Jet Technologies Private Limited	-	4.63
Mangalam Global (Singapore) Pte Limited (Subsidiary)	260.38	771.09
Mangalam Multi Businesses Private Limited	0.17	-

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 10 - Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash in Hand	6.46	4.03
Bank Balance		
In Current Accounts	0.09	42.63
In Deposit Accounts (maturity within 3 months from reporting date)	-	-
<b>Total</b>	<b>6.55</b>	<b>46.66</b>

### Note - 11 - Bank Balances other than Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with bank in Fixed Deposit accounts (Refer Note below)	283.92	2,002.40
<b>Total</b>	<b>283.92</b>	<b>2,002.40</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/working capital facilities from HDFC Bank (Refer Note No. 43)	-	551.11
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/working capital facilities from MUCB Bank (Refer Note No. 43)	-	111.33
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/working capital facilities from SBI Bank (Refer Note No. 43)	115.13	-
Other Bank balances in Fixed Deposit Accounts includes Pledged as margin money / as security for bank guarantees/working capital facilities from PNB Bank (Refer Note No. 43)	168.79	1,339.90

### Note - 12 - Loans

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured Considered Good</b>		
Loans to related parties	-	930.34
<b>Total</b>	<b>-</b>	<b>930.34</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director / Company is partner		
Private Company in which director is director or member		
Rajgor Castor Derivatives Private Limited (Subsidiary) #		
(Formally known as Hindprakash Castor Derivatives Private Limited)	-	691.36
Mangalam Worldwide Limited #		
(Formally known as Mangalam Worldwide Pvt. Ltd.)	-	238.98

# The loan granted to above parties is intended for the purpose of utilizing in the activity of the business. The loan has been utilized for the purpose it was granted.

### Note - 13 - Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
M2M of Foreign Exchange Forward Contract	-	2.51
Export Incentives Receivables	40.86	24.87
Other Receivables	223.51	394.37
Less: Allowance for doubtful receivable (on Other Receivables)	106.48	-
<b>Total</b>	<b>157.89</b>	<b>421.75</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 14 - Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured Considered Good</b>		
Advance to Supplier (Other than capital advances)	309.49	894.86
Balances with Government Authorities	769.80	420.88
Prepaid Expenses	58.23	34.35
Others	45.73	52.31
<b>Total</b>	<b>1,183.25</b>	<b>1,402.40</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Above Includes:</b>		
Directors	-	-
Other Officers of the Company	-	-
Firm in which any director / Company is partner		
Paradisal Trade LLP	-	227.32
Private Company in which director is director or member		
Rajgor Caster Derivatives Private Limited (Subsidiary) (Formerly known as Hindprakash Castor Derivatives Private Limited)	-	67.54

### Note - 15 - Equity Share Capital

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
5,00,00,000 (PY - 4,00,00,000) Equity Shares of Rs. 10/- each	5,000.00	4,000.00
<b>Issued</b>		
2,60,23,615 (PY - 2,50,86,115) Equity Shares of Rs. 10/- each	2,602.36	2,508.61
<b>Subscribed &amp; Paid up</b>		
2,60,23,615 (PY - 2,50,86,115) Equity Shares of Rs. 10/- each	2,602.36	2,508.61
<b>Total</b>	<b>2,602.36</b>	<b>2,508.61</b>

#### 15.1 Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

#### 15.2

Company issued and allotted 80,28,705 bonus shares(as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of one shares for every two share held on 02 September 2020.

Company issued and allotted 93,01,928 bonus shares(as fully paid) of face value of Rs 10/- each to the existing shareholders at the rate of four shares for every one share held on 03 December 2019.

#### 15.3

During the year ended 31st March 2021, the company had made preferential allotment of 10,00,000 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 42/- per equity shares (including share premium of Rs 32/- per equity share) aggregating to Rs 100.00 Lakhs(Face Value) & Rs 320.00 Lakhs (Share Premium). The aforementioned equity shares were allotted on 05 December 2020.

#### 15.4

During the year ended 31st March 2022, pursuant to exercise by warrant holder of 9,37,500 convertible warrants the company has made allotment of 9,37,500 equity shares having face value of Rs 10/- each fully paidup for cash at a price of Rs 52/- per equity shares (including share premium of Rs 42/- per equity share) aggregating to Rs 93.75 Lakhs (Face Value) & Rs 393.75 Lakhs (Share Premium). The aforementioned equity shares were allotted on 22 March 2022. The aforesaid equity shares allotted on conversion of warrants, shall rank pari passu, in all respects with the existing equity shares.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### 15.5 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

**Current reporting period** (Rs. in Lakhs)

Particulars	As at 31st March, 2022	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares outstanding at the beginning of the year	25,086,115	2,508.61
Add: Bonus Shares Issued during the year	-	-
Add: Shares Issued during the year	937,500	93.75
Less: Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>26,023,615</b>	<b>2,602.36</b>

**Previous reporting period**

Particulars	As at 31st March, 2021	
	Number	Amount
<b>Equity Shares of Rs. 10/- each:</b>		
Shares outstanding at the beginning of the year	16,057,410	1,605.74
Add: Bonus Shares Issued during the year	8,028,705	802.87
Add: Shares Issued during the year	1,000,000	100.00
Less: Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>25,086,115</b>	<b>2,508.61</b>

### 15.6 Shares in the company held by each shareholder holding more than 5 percent shares

**Current reporting period**

Name of Shareholder	As at 31st March, 2022	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,489,725	13.41%
Chandragupt Prakash Mangal	3,623,320	13.92%
Om Prakash Mangal	2,142,870	8.23%
Rashmi Mangal	2,797,835	10.75%
Vipin Prakash Mangal	1,935,410	7.44%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	1,983,934	7.62%
Specific Worldwide LLP	3,021,540	11.61%

**Previous reporting period**

Name of Shareholder	As at 31st March, 2021	
	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10/- each:</b>		
Chanakya Prakash Mangal	3,286,150	13.10%
Chandragupt Prakash Mangal	3,623,320	14.44%
Om Prakash Mangal	2,142,870	8.54%
Rashmi Mangal	1,760,335	7.02%
Vipin Prakash Mangal	1,835,410	7.32%
Mangalam Worldwide Limited (Formerly Known as Mangalam Worldwide Pvt. Ltd.)	2,625,015	10.46%
Specific Worldwide LLP	3,021,540	12.04%



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### 15.7 Shareholding of Promoters

#### Current reporting period

Name of Promoters	As at 31st March, 2022		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each:</b>			
Vipin Prakash Mangal	1,935,410	7.44%	0.12%
Chanakya Prakash Mangal	3,489,725	13.41%	0.31%
Chandragupt Prakash Mangal	3,623,320	13.92%	(0.52%)
<b>Total</b>	<b>9,048,455</b>	<b>34.77%</b>	<b>(0.09%)</b>

#### Previous reporting period

Name of Promoters	As at 31st March, 2021		
	No. of Shares	% of Holding	% Change during the year
<b>Equity Shares of Rs. 10/- each:</b>			
Vipin Prakash Mangal	1,835,410	7.32%	1.36%
Chanakya Prakash Mangal	3,286,150	13.10%	0.18%
Chandragupt Prakash Mangal	3,623,320	14.44%	0.75%
<b>Total</b>	<b>8,744,880</b>	<b>34.86%</b>	<b>2.29%</b>

### 15.8 Share Warrants

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share Warrants outstanding at the beginning of the year	-	-
Add: Share Warrants issued during the year	853.13	-
Less: Allotment of Equity Shares on conversion of share warrants	(487.50)	-
<b>Share Warrants outstanding at the end of the year</b>	<b>365.63</b>	<b>-</b>

The Company has issued 37,50,000 Convertible Equity Warrants at an issue price of Rs. 52/- per warrant on preferential basis to the Promoters and Person belonging to Promoters' Group on receipt of the subscription money Rs. 487.50 Lakhs being 25% of the issue price on 22 November 2021.

Such warrants are convertible into equivalent number of fully paid up Equity Shares of face value of Rs.10/- at a premium of Rs. 42/- each, at an option of the Warrant Holders, at any time, in one or more tranches, within 18 months from the date of issue of warrants on the payment of balance 75% amount due on warrants.

During the year, on receipt of Rs. 365.63 Lakhs being 75% of the issue price due on warrants from one warrant holder, the Company has converted 9,37,500 convertible warrants and allotted equivalent number of equity shares on 22 March, 2022.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 16 - Other Equity

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	3,061.22	3,544.09
Add : Securities premium credited on share issue	393.75	320.00
Less: Utilised towards issue of bonus shares during the year	-	(802.87)
Less: Utilised towards expenses on issue of shares	-	-
<b>Balance at the end of the year</b>	<b>3,454.97</b>	<b>3,061.22</b>
<b>Retained Earning</b>		
Balance at the beginning of the year	1,100.90	602.20
Add: Net Profit/(Net Loss) For the year	391.28	528.68
Add: Re measurement of defined benefit plan transferred form OCI	-	-
Other Adjustment	(0.01)	(0.11)
Less: Dividend on Equity Shares #	(52.28)	(29.87)
<b>Balance at the end of the year</b>	<b>1,439.89</b>	<b>1,100.90</b>
<b>Other Comprehensive Income (OCI)</b>		
Balance at the beginning of the year	-	-
<b>Changes during the year</b>		
Remeasurement Gain/(Loss) on defined benefit plan (net of tax)	7.07	-
Movement in cash flow hedge reserve (net of tax)	3.51	-
<b>Balance at the end of the year</b>	<b>10.58</b>	<b>-</b>
<b>Money received against share Warrants</b>		
Balance at the beginning of the year	-	-
Add : Share Warrants issued during the year	853.13	-
Less : Allotment of Equity Shares on conversion of Share Warrants	(487.50)	-
<b>Balance at the end of the year</b>	<b>365.63</b>	<b>-</b>
<b>Total Other Equity</b>	<b>5,271.06</b>	<b>4,162.12</b>

# Dividend on equity shares paid during the year	As at 31st March, 2022	As at 31st March, 2021
Final dividend for the year 2020-21 (Rs 1 (previous year (2019-20) Rs. 1) per equity share of Rs 10 each)	52.28	29.87

**Note:** Board of Directors of the Company have proposed final dividend of Rs 1/- per equity share for the financial year 2021-22. Proposed dividend on equity shares are subject to approval at the annual general meeting and hence not recognised as a liability as at 31 March 2022. No interim dividend was declared and paid during the financial year 2021-22.

### Note - 17 - Long Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured Borrowings</b>		
From Banks	863.92	449.05
<b>Unsecured Borrowings</b>		
Inter Corporate Deposits	-	-
Loan from Directors	-	-
Loan from Directors Relatives	-	-
<b>Total</b>	<b>863.92</b>	<b>449.05</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Long Term Borrowings (Note No - 17) (Contd...)

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding Rupees in Lakhs 1. 31-3-22 2. 31-3-21	Details	Security
1.	HDFC Bank : GECLWCTL	1. 222.46 2. 234.00	Sanctioned: Rs 234.00  Int: Reference rate + 0.80% (presently 8.25%)  Tenure: 48 Months  Repayment: 12 months moratorium, 36 months Installments after moratorium. Interest to be serviced on monthly basis.	Primary Security:- Hypothecation of stock & book debts (created out of HDFC GECL-WCTL) All stock & book debts (Second Charge on GECL Exposure):  Collateral Security:- Equitable mortgage of following properties (Second Charge on GECL Exposure):  1. Office no. 201, Setu Complex, Ahmedabad (Owned by Company) 2. B No. 19/B, Kalyan Society, Ahmedabad (Owned by Director) 3. B No. 21, Sarthi CHS Ltd, Ahmedabad (Owned by Director) 4. Plot No 31, Chandranagar, Paldi, The Samast Bhrahmkshatriya Co Op Hou. Society Ltd Opp. Chandranagar BRTS Paldi, Ahmedabad -380007  Personal Guarantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.
2.	Punjab National Bank: PNB Covid-19 Emergency Credit Facility (CECF)	1. 70.09 2. 248.33	Sanctioned: Rs 250.00  Int: One Year MCLR + 0.50% (presently 7.85%)  Tenure: 24 Months  Repayment: 6 months moratorium. 18 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1st pari passu charge by way of hypothecation of entire current assets (Present & future) of company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. kept at all leased factory premises of the company or at any other place.  Collateral Security:- 1st pari passu charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP The company has given Fixed Deposit under lien in this regard (Refer Note No: 11) Personal Guarantee of following Directors: a) Chanakya Prakash Mangal b) Chandragupt Prakash Mangal c) Vipin Prakash Mangal Corporate Guarantee:- Specific Worldwide LLP

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Long Term Borrowings (Note No - 17) (Contd...)

(Rs. in Lakhs)

Sr. No.	Name of the Lender	Amounts Outstanding Rupees in Lakhs 1. 31-3-22 2. 31-3-21	Details	Security
3.	Punjab National Bank: Guaranteed Emergency Credit Line (GECL)	1. 144.00 2. 144.00	Sanctioned: Rs 144.00  Int: One Year MCLR Subject to maximum 9.25% (presently 7.35%)  Tenure: 48 Months  Repayment: 12 months moratorium. 36 months Instalments after moratorium. Interest to be served as & when charged.	Primary Security:- 1. Extension of 2nd charge on entire present and future current assets of the borrower 2. Extension of 2nd charge on entire present and future current assets of the Company including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables and all other current assets of the company.  The Emergency Credit Line Guarantee Scheme (GECL) is covered by guarantee of NCGTC.  Collateral Security:- Exclusive 2nd charge by mortgage over land and building situated at Plot No.C-4-B, Prathana Upavan Co Op. H S Ltd, Ahmedabad jointly owned by company with M/s Specific Worldwide LLP  The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)
4.	Punjab National Bank: Guaranteed Emergency Credit Line (GECL)	1. 557.00 2. Nil	Sanctioned: Rs 557.00  Int: One Year MCLR Subject to maximum 9.25% (presently 7.25%)  Tenure: 72 Months  Repayment: 24 months moratorium. 48 months Instalments after moratorium.  Interest to be served as & when charged.	As mentioned above in <b>Sr. No. 3</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 18 - Long Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	1,561.28	631.56
Deferred Lease Deposit	-	2.02
<b>Total</b>	<b>1,561.28</b>	<b>633.58</b>

Refer Note No. - 46

### Note - 19 - Other Long Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Rent Deposit	14.20	11.14
<b>Total</b>	<b>14.20</b>	<b>11.14</b>

### Note - 20 - Long Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee benefits (Refer note no - 39)		
Gratuity (Unfunded)	13.91	8.21
Leave Encashment	15.23	12.32
<b>Total</b>	<b>29.14</b>	<b>20.53</b>

### Note - 21 - Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Secured (Repayable on Demand) (Working Capital Facilities from Bank)</b>		
HDFC Bank	3,431.32	4,628.42
Punjab National Bank	2,499.19	2,359.68
State Bank of India	2,495.84	-
<b>Current Maturities of Non-Current Borrowings</b>		
Current maturities of Long - Term Borrowings	123.72	187.98
<b>From Others</b>		
Inter Corporate Deposit	290.00	200.00
Directors	54.95	146.97
Directors Relative	-	-
<b>Total</b>	<b>8,895.02</b>	<b>7,523.05</b>

**21.1** Mangalam Global Enterprise Ltd-MGEL (company) has created a charge in favour of HDFC Bank Ltd, to the extent of Rs.6500 Lakhs (PY Rs 6500 Lakhs) by way of hypothecation of stock and book debts (Under MBA see note 21.5) on entire exposure as a security for various working capital facilities viz CC, EPC, PCFC, FBP, FBD, Invoice Discounting etc granted by the bank.

The above facilities are further collaterally secured by way of equitable mortgage of company's property office no 201, Setu Complex, Ahmedabad & Plot no 31 The Samast Bham Kshatriya CHS Ltd Paldi Ahmedabad.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

The above facilities are guaranteed by three directors of the company in their personal capacity.

In addition to above property, Bungalow on plot no 19/B Kalyan Society Mithakhali Ahmedabad and Bungalow no 21 Sarthi-3 CHS Ltd Thaltej Ahmedabad owned by a director, are given as collateral security by way of mortgage.

**21.2** Mangalam Global Enterprise Ltd-MGEL (company) has created a charge in favour of HDFC Bank Ltd, to the extent of Rs. 500 Lakhs (revised sanctioned value) (PY Rs 1500 Lakhs) by way of pledge of Stock of warehouse receipt/storage receipts as security for Short Term loan against Pledge of physical commodities Facility granted by the bank. The facility is further guaranteed by three directors of the company in their personal capacity.

**21.3** Mangalam Global Enterprise Ltd-MGEL(company) has created charge in favour of Punjab National Bank (PNB), to the extent of Rs. 2853 Lakhs (revised sanctioned value) (PY Rs 2750 Lakhs)

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### 21.3 (Contd...)

1st pari pasu charge by way of hypothecation of entire current assets (Under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz CC, PCFC, FOBP, FOUPB, FABC etc granted by the bank.

Collateral Securities: property at C-4-B Prarthan Upvan CHS Ltd, Taluka Sanand, jointly owned by company and M/s Specific Worldwide LLP.

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s Specific Worldwide LLP.

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

**21.4** Mangalam Global Enterprise Ltd-MGEL(company) has created 1st Pari pasu charge in favour of State Bank of India (SBI), to the extent of Rs.2500 Lakhs (PY Rs Nil). 1st pari pasu charge by way of hypothecation of entire current assets (under MBA see note 21.5) (Present & Future) including stocks of raw materials, stocks in process, finished goods, receivables, store, spares, consumables etc. as a security for various working capital facilities viz FBWC, CC, PCFC, FOBP, FOUPB, FABC etc granted by the bank.

The above facilities are further under Collateral Securities: (i) company's property at survey no 155 / paiki mouje Lodariyal Village, Sanand, Dist. Ahmedabad (ii) company's property at Plot No.17, Orchid Greens, Sanand, Ahmedabad (iii) Hypothecation of company's Plant & Machinery located at S No.155/paiki of khata no.447 of Village Lodariyal Dist: Sanand, Ahmedabad.

The above facilities are further Collaterally Secured by Factory Land & Building at survey no 122, Kukrana road, Harij, Patan owned by Farpoint Enterprise LLP (subsidiary company).

The company has given Fixed Deposit under lien in this regard (Refer Note No: 11)

Guarantee/Corporate Guarantee: Three directors in their personal capacity and M/s. Farpoint Enterprise LLP

**21.5** Working capital facilities sanctioned by HDFC Bank, PNB & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank). (Mangalam Global Enterprise Ltd-MGEL)

**21.6** Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets.

Quarter	Bank	Particulars of Security	Amount as per books of account	Amount as reported in the quarterly return statement	Amount of Difference	Reason for material differences
Jun-21	Working Capital Lenders*	Inventory	3,675.63	4,367.63	(692.00)	Refer note below
Jun-21	Working Capital Lenders*	Trade Receivable	3,473.23	3,313.24	159.99	
Jun-21	Working Capital Lenders*	Advance to Suppliers	1,024.43	1,586.66	(562.23)	
Jun-21	Working Capital Lenders*	Trade Payable	492.13	173.88	318.25	
Jun-21	Working Capital Lenders*	Advance from Customers	145.94	156.50	(10.56)	
Sep-21	Working Capital Lenders*	Inventory	4,704.32	4,744.86	(40.54)	
Sep-21	Working Capital Lenders*	Trade Receivable	3,532.19	2,588.90	943.29	
Sep-21	Working Capital Lenders*	Advance to Suppliers	532.78	1,335.15	(802.37)	
Sep-21	Working Capital Lenders*	Trade Payable	416.65	86.78	329.87	
Sep-21	Working Capital Lenders*	Advance from Customers	173.36	38.76	134.60	
Dec-21	Working Capital Lenders*	Inventory	11,077.31	11,559.33	(482.02)	
Dec-21	Working Capital Lenders*	Trade Receivable	2,547.73	2,319.51	228.22	
Dec-21	Working Capital Lenders*	Advance to Suppliers	577.13	846.45	(269.32)	
Dec-21	Working Capital Lenders*	Trade Payable	2,202.60	2,111.52	91.08	
Dec-21	Working Capital Lenders*	Advance from Customers	290.90	115.81	175.09	
Mar-22 #	Working Capital Lenders*	Inventory	11,815.15	11,897.19	(82.04)	
Mar-22 #	Working Capital Lenders*	Trade Receivable	5,130.59	3,888.86	1,241.73	
Mar-22 #	Working Capital Lenders*	Advance to Suppliers	309.49	1,442.82	(1,133.33)	
Mar-22 #	Working Capital Lenders*	Trade Payable	3,807.49	1,592.57	2,214.92	
Mar-22 #	Working Capital Lenders*	Advance from Customers	763.58	782.77	(19.19)	

\* PNB, HDFC, SBI are represented as working capital lenders

# Company has filed provisional return as on 26 March 2022 with banks for quarter ended 31 March 2022, as per due date.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### 21.6 Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets. (Contd...)

#### Reason for material differences:

- There are differences on account of regrouping and reclassification of trade receivables and trade payables including compensatory adjustment of advances received/ given from / to customers/vendors. Further the Company consolidates more than one account of the same party lying in different groups/classifications.
- Value of inventory reported in stock statements is derived based on cost method applied by the accounting software/ system. However at the quarter end company identify the value of inventory based on accounting policy adopted by the company.
- Differences in value of inventory/ party balances arises due to inward/ outward goods in transit, rejection of goods, etc. which is accounted in books as per the accounting policy and cut off procedure adopted by the Company at quarter end, which is generally subsequent to submission of stock statement to the banks as per the due dates.

#### Note - 22 - Short Term Lease Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturities of Long Lease Liabilities	133.49	84.53
Current maturities of Long Lease Deposit Received	-	0.52
<b>Total</b>	<b>133.49</b>	<b>85.05</b>

Refer Note No. 46

#### Note - 23 - Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of Micro Enterprise and small enterprise	-	-
Total outstanding dues of Creditor of other than Micro Enterprise and small enterprise	3,807.49	1,072.69
<b>Total</b>	<b>3,807.49</b>	<b>1,072.69</b>

Note : Trade Payables ageing Schedule (Refer Note No. 53)

Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act:

Particulars	As at 31st March, 2022	As at 31st March, 2021
- Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	-	-
Principal amount due to micro and small enterprise	-	-
Interest due on above	-	-
- Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
- Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**Note:** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 24 - Other Short Term Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues	34.24	20.00
Payable for Capital Goods	4.87	-
Advance from Customers	763.58	25.95
Unpaid Dividend	0.09	-
<b>Total</b>	<b>802.78</b>	<b>45.95</b>

### Note - 25 - Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Expenses / Interest not due	4.91	1.74
Provision for Employee benefits (Refer note no 39)		
Gratuity (Unfunded)	3.70	2.54
Leave Encashment	3.41	-
<b>Total</b>	<b>12.02</b>	<b>4.28</b>

### Note - 26 - Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Financial</b>		
Other Statutory Liability	-	-
Others	13.95	-
<b>Total</b>	<b>13.95</b>	<b>-</b>

### Note - 27 - Revenue From Operations

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Sale of Products</b>		
Export Sales	10,156.45	13,477.68
Domestic Sales	108,357.91	77,200.76
<b>Sale of Services</b>		
Sale of Services	261.53	99.78
<b>Other Operating Revenue</b>		
Other Income	100.31	37.09
<b>Total</b>	<b>118,876.20</b>	<b>90,815.31</b>



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 28 - Other Income

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest Income	371.01	234.88
Other Non-Operating Income		
Gain on Foreign Exchange Fluctuation (net)	95.80	191.12
Gain on Lease Termination (net)	67.25	-
Corporate Guarantee Commission Income	56.40	51.59
Profit on Sale of Asset	-	9.44
Income from Investment Activities	2.30	3.96
Other Non-Operating Income	224.75	98.74
<b>Total</b>	<b>817.51</b>	<b>589.73</b>
<b>28.1 Interest Income comprises:</b>		
Interest on Loans and Advances	179.88	70.57
Interest from Banks on Deposit	43.19	111.38
Interest from Trade Receivables / Advances	132.35	47.91
Interest on Income Others	0.11	0.33
Interest on Income tax Refund	6.50	-
Interest Income - Amortisation	8.98	4.69
<b>Total</b>	<b>371.01</b>	<b>234.88</b>
<b>28.2 Income from Investment Activities Comprises:</b>		
Dividend Income	-	-
Gain on Mutual Fund	2.30	3.96
Profit on Sale of Investment	-	-
<b>Total</b>	<b>2.30</b>	<b>3.96</b>
<b>28.3 Other Non Operating Income Comprises:</b>		
Sale of Scrap	1.93	-
Management Consultancy Income	1.23	7.36
Lease Rental Income	30.01	77.44
Compensation on Order Cancellation	167.02	-
Cash Discount	23.08	13.09
Other Income	1.48	0.84
<b>Total</b>	<b>224.75</b>	<b>98.73</b>

### Note - 29 - Cost Of Materials Consumed

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening Stock at the beginning of the year	2.48	418.30
Add : Purchases and Incidental Expenses (Net of returns, claims/ discount, if any)	78,147.59	59,980.12
Less : Closing Stock at the end of the year	6,945.90	2.48
<b>Total</b>	<b>71,204.17</b>	<b>60,395.94</b>

### Note - 30 - Purchase of Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchases and Incidental Expenses (Net of returns, claims/discount, if any)	45,120.90	25,862.36
<b>Total</b>	<b>45,120.90</b>	<b>25,862.36</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 31 - Changes In Inventories Of Finished Goods, Work-In-Progress and Stock-In-Trade

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Opening Stock</b>		
Work-in-Progress	826.05	787.40
Finished Goods / Stock-in Trade	1,178.25	652.53
	<b>2,004.30</b>	<b>1,439.93</b>
<b>Closing Stock</b>		
Work-in-Progress	581.88	826.05
Finished Goods / Stock-in Trade	4,030.41	1,178.25
	<b>4,612.29</b>	<b>2,004.30</b>
<b>Total</b>	<b>(2,607.99)</b>	<b>(564.37)</b>

### Note - 32 - Employee Benefit Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries, Wages and Bonus	551.41	507.12
Contributions to Provident and Other Fund	23.60	10.76
Gratuity and Leave Encashment (net of reversals, if any)	33.50	13.19
Staff Welfare Expenses	48.32	46.00
<b>Total</b>	<b>656.83</b>	<b>577.07</b>

Refer Note No - 39

### Note - 33 - Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Interest expense:</b>		
On Fixed Loans from Banks	31.57	8.61
On CC & Other Working Capital Borrowing	600.87	376.84
On Other Borrowing	57.48	33.94
Unwinding of Discount on Lease	202.14	66.09
Others	4.43	12.90
Other Finance Cost	30.13	26.99
<b>Total</b>	<b>926.62</b>	<b>525.37</b>

### Note - 34 - Depreciation & Amortisation Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation on Property, Plant and Equipments	39.63	35.80
Depreciation on Right of Use Assets	270.34	177.81
Amortisation of Intangible Assets	1.33	1.10
<b>Total</b>	<b>311.30</b>	<b>214.71</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 35 - Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Manufacturing &amp; Service Cost</b>		
Power & Fuel	949.94	403.08
Loading-Unloading Expenses	188.61	168.61
Factory Consumables	389.58	192.97
Other Factory Expenses	24.41	36.84
Godown / Storage Tank Rent	6.77	-
Repair & Maintenance - Plant & Machinery	75.46	121.30
Repair & Maintenance - Building	9.99	8.28
Repair & Maintenance - Others	2.98	5.33
Packing Expenses	109.96	190.48
<b>Total Manufacturing &amp; Service Cost</b>	<b>1,757.70</b>	<b>1,126.89</b>
<b>Administration, Selling &amp; Other Expenses</b>		
Business Promotion Expenses	47.93	6.56
Brokerage Expenses	4.88	33.28
Bank Charges	16.21	18.73
Cash Discount	15.03	2.45
Conveyance Expense	5.96	5.74
Donation	0.15	2.53
Electricity Expenses	11.74	4.11
Testing Fees	10.01	20.38
Legal Expenses	64.64	42.10
Director Sitting Fees	6.80	5.75
Legal and Professional Consultancy Fees	119.45	139.38
Payment to Statutory Auditors	3.75	4.25
Outwards Freight / Loading, Unloading & Handling Expenses	516.31	733.60
Other Expenses	0.06	54.32
Exchange / Listing Expenses	4.53	6.47
Sales Commission Expenses	55.10	86.96
Office Expenses	30.06	18.89
Postage & Courier Expenses	1.44	1.54
Printing & Stationery Expenses	6.37	8.08
Rates & Taxes	14.76	3.49
GST Expenses	1.47	-
Lease Rent Expenses	1.52	0.17
Godown / Storage Tank Rent	11.62	16.20
Repair & Maintenance - Building	2.53	2.11
Repair & Maintenance - Others	5.57	5.38
Insurance Expenses	48.45	18.58
Telecommunication Expenses	4.42	3.38
Travelling Expenses	5.84	6.70
Sundry Balances Written off / (Written Back)	2.50	1.62
Provision for Doubtful Debt	167.68	1.14
Corporate Social Responsibility Expenses (Refer Note No 45)	10.37	-
Misc. Expenses	5.01	0.52
Exchange Rate Difference Loss	-	-
Loss Distributed by LLP (Subsidiary)	52.16	-
Export Expenses (C&F, Commission and Others)	548.76	1,309.93
<b>Total Administration, Selling &amp; Other Expenses</b>	<b>1,803.08</b>	<b>2,564.34</b>
<b>Total</b>	<b>3,560.78</b>	<b>3,691.23</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 35 - Other Expenses (Contd...)

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Payment to Statutory Auditors</b>		
Audit Fees	3.75	3.75
Certification and Others	-	0.50
Reimbursement of Expenses	-	-
<b>Total</b>	<b>3.75</b>	<b>4.25</b>

### Note - 36 - Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Loss on Disposal of Subsidiary	0.13	-
<b>Total</b>	<b>0.13</b>	<b>-</b>

### Note - 37 - Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Tax Expenses	188.00	169.29
Deffered Tax Expenses/(Reversal)	(42.68)	4.76
Tax in respect of Earlier Years/(Reversal)	(15.63)	-
<b>Total</b>	<b>129.69</b>	<b>174.05</b>

### Note - 38 - Earnings Per Share

The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit After Tax (Rs. in Lakhs)	401.86	528.68
Closing equity shares outstanding (nos.)		
Opening equity shares outstanding (nos.)	25,086,115	16,057,410
Add: Bonus Shares issued during the year	-	8,028,705
Add: Shares issued during the year	-	1,000,000
Add: Shares issued during the year pursuant to conversion of share warrants	937,500	-
<b>Closing Equity Shares Outstanding (nos.)</b>	<b>26,023,615</b>	<b>25,086,115</b>
Weighted avg no. of shares outstanding (nos.) (basic)	25,112,000	24,404,000
Weighted avg no. of shares outstanding (nos.) (diluted)	25,556,000	24,404,000
Nominal value of equity share (Rs)	10.00	10.00
Basic EPS (Rs)	1.60	2.17
Diluted EPS (Rs)	1.57	2.17

### Note - 39 - Employee Benefits

The Company has the following post-employment benefit plans:

#### A. Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under:

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employer's contribution to provident fund	19.98	10.73

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans

##### Gratuity (Unfunded) :

- (i) The Company administers its employees' gratuity scheme unfunded liability. The present value of the liability for the defined benefit plan of gratuity obligation is determined based on actuarial valuation by an independent actuary at the period end, which is calculated using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
- (ii) Gratuity benefits in India are governed by the Payment of Gratuity Act, 1972. The key features are as under:
- Benefits offered : 15 / 26 x salary x duration of service
- Salary definition : Basic salary including Dearness Allowance (If any)
- Benefit ceiling : Benefit ceiling of Rs. 20 Lakhs (not applied)
- Vesting conditions : 5 years of continuous service (not applicable in case of death/ disability)
- Benefit eligibility : Upon death or resignation or withdrawal or retirement
- Retirement age : 58, 60, 65 or 62 years
- (iii) Risks associated to the defined benefit plan of gratuity:
- (a) Investment / Interest Risk: The present value of defined benefit plan liability is calculated using discount rate determined with reference to market yield on government bonds denominated in Indian rupees. A decrease in the bond interest rate will increase the plan liability.
- (b) Longevity Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- (c) Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
- (d) Legislative Risk: Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Changes in Present Value of Benefit Obligations</b>		
Present value of Benefit Obligations (Opening)	10.75	7.60
Current Service Cost	10.20	5.82
Interest Cost	0.73	0.49
Benefits Paid	-	-
Actuarial losses/ (gains)	(4.07)	(3.17)
<b>Present value of Benefit Obligation (Closing)</b>	<b>17.61</b>	<b>10.75</b>
<b>Bifurcation of Actuarial losses/ (gains)</b>		
Actuarial losses/ (gains) arising from change in financial assumptions	(0.58)	0.36
Actuarial losses/ (gains) arising from change in demographic assumptions	-	-
Actuarial losses/ (gains) arising from experience adjustments	(3.49)	(3.54)
<b>Actuarial losses/ (gains)</b>	<b>(4.07)</b>	<b>(3.17)</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	3.70	2.54
Non-Current – Amount due after one year	13.91	8.21
<b>Total</b>	<b>17.61</b>	<b>10.75</b>
<b>Expected Benefit Payments in Future Years</b> (Projections are for current members and their currently accumulated benefits)		
Year 1	3.70	2.54
Year 2	1.01	0.40
Year 3	1.03	0.83
Year 4	1.30	0.29
Year 5	0.48	0.62
Year 6 and above	10.08	6.07

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 39 - Employee Benefits (Contd...)

#### B. Defined Benefit Plans (Contd...)

##### Gratuity (Unfunded) : (Contd...)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions</b>		
Discount Rate - 1 Percent Increase	15.91	9.62
Discount Rate - 1 Percent Decrease	19.67	12.15
Salary Escalation Rate - 1 Percent Increase	19.65	12.13
Salary Escalation Rate - 1 Percent Decrease	15.90	9.62
Withdrawal Rate - 1 Percent Increase	17.59	10.68
Withdrawal Rate - 1 Percent Decrease	17.62	10.82
<b>Amounts recognized in Balance Sheet</b>		
Present Value of Benefit Obligation as at 31st March 2022	-	17.61
Present Value of Benefit Obligation as at 31st March 2021	-	10.75
<b>Amounts recognized in Statement of Profit and Loss</b>		
Current Service Cost	10.20	5.82
Interest Cost	0.73	0.49
Expected Return on Plan Assets	-	-
Net actuarial losses/ (gains) recognized in the year (OCI)	(4.07)	(3.17)
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>6.86</b>	<b>3.14</b>
<b>Actuarial Assumptions</b>		
Discount Rate (%) (Discount Rate used for valuing liabilities is based on yields (as on valuation date) of Government Bonds with a tenure similar to the expected working lifetime of the employees)	6.80%	6.50%
Salary Escalation Rate (%) (Estimates of future salary increase are based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market)	7.00%	7.00%
Retirement Age	60	60
Attrition Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.

#### C. Other Long-Term Employee Benefits Leave Encashment (Unfunded):

(i) The value of obligation is determined based on Company's leave policy. The key features are as under:

Salary for encashment	: Gross Salary
Salary for availment	: Cost to Company
Benefit event	: Death or Resignation or Retirement

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current – Amount due within one year	3.41	-
Non-Current – Amount due after one year	15.23	12.32
<b>Total</b>	<b>18.64</b>	<b>12.32</b>
<b>(ii) Amounts recognized in Balance Sheet</b>		
Benefit Obligation as at 31st March 2022	-	18.64
Benefit Obligation as at 31st March 2021	-	12.32
<b>(iii) Amounts recognized in Statement of Profit and Loss</b>		
Expenses recognized in Statement of Profit and Loss	22.57	10.05

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 40 - Contingent Liabilities and Capital Commitments

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(I) Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debts:	NIL	NIL
b) Corporate Guarantees given to Banker's of foreign subsidiary company (Mangalam Global (Singapore) Pte. Ltd.)(MG SPL) USD 60.00 Lakhs (FY 20-21 USD 60.00 Lakhs)	4,548.43	4,410.28
c) Counter Guarantee given to Bank for issue of Standby Letter of Credit in favour of foreign subsidiary (MG SPL) [NIL (FY 20-21: USD 5.00 Lakhs)]	NIL	367.52
<b>(II) Capital Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	NIL	NIL

### Note - 41 - Covid-19

The outbreak of Covid-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue were impacted partially due to Covid-19. Except above, there was no further significant impact on the operations of the company during the year 2021-22.

### Note - 42 - Operating Segment Information

(a) The Company has identified "Agro based commodities" viz edible/non-edible oil/seeds and its derivatives, rice, wheat and other agro commodities, which have similar risks and returns, as its sole primary business segment, accordingly, there are no separate reportable segment.

#### (b) Geographical Information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of customers and segment assets have been based on the geographical location of assets.

### (I) Total Operating Revenue(\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	108,719.74	77,337.63
Other Countries	10,156.45	13,477.68

(\*) There are no transactions with a single external customer which amounts to 10% or more of the Company's revenue.

### (II) Non-current assets(\*\*)

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
India	3,538.73	2,151.81
Other Countries	-	-

(\*\*) (excluding financial instruments and tax assets). All noncurrent assets of the Company are located in India

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 43 - Property, Plant & Equipment/ Book Debt / Stock / FDR / Liquid Securities Pledged / Hypothicated / Lien as a Security with the Bank as Under

Particulars	in favour of	Description of Facility
<b>Property Plant &amp; Equipment</b>		
(i) Office no. 201, Setu Complex, Ahmedabad.	HDFC Bank Ltd	Various working capital facilities & Working Capital Term loan GECL (Refer Note 17 and 21)
(ii) Plot No. 31, The Samast Brahmshatriya CHS, Chandranagar, Paldi, Ahmedabad		
(i) P.No. C-4-B, Prathana Upavan CHS, Ahmedabad jointly owned by company with M/S Specific Worldwide LLP.	Punjab National Bank	Various working capital facilities & Working Capital Term Loan GECL & CECF (Refer Note 17 and 21)
(i) Plot no. 17, Orchid Greens, Gokuldham, Near Sanand Circle, Sanand, Ahmedabad.		
(ii) Factory Land & Building Situated at new survey no. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.	State Bank Of India	Various working capital facilities & Working Capital (Refer Note 17 and 21)
(i) Plant & Machinery located at new survey no. 155/paiki, Mouje, Lodariyal, Sanand, Ahmedabad.		
<b>Stock/Bookdebt/Current Asset</b>	HDFC Bank Ltd Punjab National Bank State Bank Of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21) Working capital facilities sanctioned by HDFC Bank, PNB, & SBI is under multiple banking arrangement. Working capital facilities are secured by way of hypothecation of entire current assets on Pari pasu basis (in proportion to the limit sanctioned by each bank).
<b>Bank FDR / Liquid Securities</b>	Punjab National Bank	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)
<b>Bank FDR / Liquid Securities</b>	State Bank Of India	Various working capital facilities & Working Capital Term Loan GECL / CECF (Refer Note 17 and 21)



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out below. Related parties as defined under clause 9 of the Ind AS 24 have been identified on the basis of representations made by the management and information available with the Company and the same has been relied upon by the auditors.

#### A. List of related parties :

##### (i) Subsidiaries Companies/ Firms :

Mangalam Gloabal (Singapore) Pte. Ltd.  
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)  
Mangalam Gloabal (UK) Limited  
Rajgor Castor Derivatives Private Limited (Upto 31st December, 2021)  
(Formerly known as Hindprakash Castor Derivatives Private Limited)  
Farpoint Enterprise LLP

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##### (ii) Key Managerial Personnel ('KMP'):

Vipin Prakash Mangal	Chairman
Chanakya Prakash Mangal	Managing Director
Chandragupt Prakash Mangal	Managing Director
Ashutosh Mehta	Chief Financial Officer
Vrunda Patel	Company Secretary (w. e. f. 14th May, 2020)
Rutu Shah	Company Secretary (Upto 14th May, 2020)

##### Independent Directors:

Praveen Gupta  
Sarika Sachin Modi  
Madhusudan Garg  
Shubhang Mittal  
Anil Agrawal  
Manish Bagadia (upto 31st March, 2021)

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##### (iii) Others:

Om Prakash Mangal	
Hemlata Mangal	Relatives of key managerial personnel
Rashmi Mangal	
Vasant A Mehta	
Mangalam Worldwide Limited (Formerly known as Mangalm Worldwide Private Limited)	} Enterprise over which key managerial personnel or close member of their family exercise control
Mangalam Dura Jet Technologies Private Limited	
Mangalam Multi Businesses Private Limited	
ECS Environment Private Limited	
Paradisal Trade LLP	
Specific Worldwide LLP	
Shirshak Exim LLP	
Mangalam Saarloh Private Limited	
Mangalam Finserv Private Limited	
Mangalam Logistics Private Limited	
Nitex Enterprise LLP	
Agrivolt Trade LLP	
Effervescent Tradeworld LLP	

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## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### B. Details of related party transactions during the year:

(Rs. in Lakhs)

Nature of Transaction	Subsidiary Companies / Firms		Key Management Personnel		Enterprise over which KMP exercise Significant Influence		Relatives of key Managerial Personnel	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Sale of Products / Services	1,616.77	4,639.23	-	-	1,664.48	247.69	-	-
Other Income	54.29	51.59	-	-	2.44	7.36	-	-
Interest Income	116.41	46.12	-	-	71.68	37.89	-	-
Purchase of Products / Services	2,859.15	964.31	-	-	1,274.12	655.37	-	-
Lease Rent Expense	108.44	29.51	18.46	17.33	-	-	0.12	0.18
Consultancy Fees	-	-	-	-	-	-	5.40	4.20
Interest Expense	0.50	3.86	31.09	30.52	0.21	-	-	-
Corporate Gurantee Commission Expense	8.98	10.05	-	-	-	-	-	-
Loan and Advances (Net of Reypayment)	28.12	344.23	-	-	255.75	231.00	-	-
Borrowings (Net of Reypayment)	-	-	(120.00)	(468.19)	(0.19)	-	-	-
Director Sitting Fees	-	-	6.81	5.57	-	-	-	-
Compensation Paid	-	-	28.49	61.14	-	-	23.55	40.28
Rent Deposit (Net of Refund)	(22.00)	-	0.30	-	-	-	-	0.06
Subscription of investment	374.16	395.95	-	-	-	-	-	-
Redemption of investment	204.50	-	-	-	-	-	-	-
Issue of Bonus Shares	-	-	-	274.10	-	188.22	-	128.32
Issue of Convertible Warrants (Net of allotment of shares on conversion)	-	-	365.64	-	-	-	-	-
Preferential Allotment of Shares (Including securities premium) @	-	-	220.50	-	-	-	487.50	73.50
Distribution of Accumulated Loss by Subsidiary	38.21	-	-	-	-	-	-	-
Dividend Paid	-	-	-	0.02	-	-	-	0.09

@ Includes allotment of shares against Convertible Warrants during the year ended 31 March 2022.

**Note :** Balances below Rs. 500 denoted as 0.00

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Sale of Products / Services	Farpoint Enterprise LLP	574.99	241.06
	Paradisal Trade LLP	570.54	-
	Shirshak Exim LLP	885.32	-
	Mangalam Global (Singapore) Pte Ltd	1,041.78	4,398.17
	Mangalam Multi Businesses Private Limited	208.62	-
	Mangalam Dura Jet Technologies Private Limited	-	246.99
	Mangalam Worldwide Limited	-	0.70
Other Income	ECS Environment Private Limited	1.23	7.36
	Mangalam Global (Singapore) Pte Ltd	54.29	51.59
	Paradisal Trade LLP	1.21	-
Interest Income	ECS Environment Private Limited	1.71	14.93
	Farpoint Enterprise LLP	0.89	0.34
	Shirshak Exim LLP	26.22	-
	Mangalam Dura Jet Technologies Private Limited	4.13	3.99
	Paradisal Trade LLP	20.98	10.35
	Farpoint Enterprise LLP	35.64	-
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	79.88	42.50
	Mangalam Global (Singapore) Pte Ltd	-	3.28
	Mangalam Worldwide Limited	18.64	8.62
Purchase of Products/Services	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	2,768.67	848.32
	Mangalam Dura Jet Technologies Private Limited	108.73	167.92
	Paradisal Trade LLP	1,165.39	240.76
	Shirshak Exim LLP	-	246.69
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	90.48	115.99
Lease Rent Expense	Hemlata Mangal	0.12	0.18
	Chanakya Prakash Mangal	18.32	17.33
	Chandragupt Prakash Mangal	0.14	-
	Farpoint Enterprise LLP	10.11	12.03
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	98.33	17.48
Consultancy Fees	Vasant A Mehta	5.40	4.20
Interest Expense	Farpoint Enterprise LLP	0.50	3.86
	Chanakya Prakash Mangal	4.98	5.39
	Chandragupt Prakash Mangal	6.69	6.76
	Mangalam Dura Jet Technologies Private Limited	0.21	-
	Vipin Prakash Mangal	19.42	18.37

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Corporate Gurantee Commission Expense	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	8.98	10.05
Loan and Advances (Net of Repayment)	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	168.12	1,092.82
	Mangalam Worldwide Limited	905.24	331.00
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	(140.00)	(748.59)
	Mangalam Worldwide Limited	(649.49)	(100.00)
Borrowings (Net of Repayment)	Mangalam Dura Jet Technologies Private Limited	70.00	-
	Chanakya Prakash Mangal	475.00	175.00
	Chandragupt Prakash Mangal	535.00	175.00
	Vipin Prakash Mangal	1,260.20	955.00
	Mangalam Dura Jet Technologies Private Limited	(70.19)	-
	Chanakya Prakash Mangal	(477.06)	(187.67)
	Chandragupt Prakash Mangal	(488.49)	(201.27)
	Vipin Prakash Mangal	(1,424.65)	(1,384.25)
Director Sitting Fees	Praveen Gupta	1.40	1.25
	Sarika Sachin Modi	1.33	1.43
	Madhusudan Garg	1.75	1.30
	Shubhang Mittal	1.15	0.88
	Anil Agrawal	1.18	0.43
	Manish Bagadia (Upto 31st March, 2021)	-	0.28
Compensation Paid	Ashutosh K Mehta	6.46	8.52
	Chanakya Prakash Mangal	5.55	16.28
	Chandragupt Prakash Mangal	5.55	16.28
	Hemlata Mangal	6.00	12.00
	Rashmi Mangal	5.55	16.28
	Rutu Shah	-	0.33
	Vipin Prakash Mangal	5.55	16.28
	Vrunda Patel	5.38	3.45
	Om Prakash Mangal	12.00	12.00
Rent Deposit (Net of Refund)	Chanakya Prakash Mangal	3.00	-
	Hemlata Mangal	-	0.06
	Chanakya Prakash Mangal	(2.70)	-
	Farpoint Enterprise LLP	(2.00)	-
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	(20.00)	-
Subscription of Investment	Farpoint Enterprise LLP	-	395.95
	Mangalam Global (Singapore) Pte Ltd	374.16	-
Redemption of Investment	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	204.50	-

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### C. Disclosures in respect of transactions with related parties during the year: (Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Issue of Bonus Shares	Chanakya Prakash Mangal	-	103.71
	Chandragupt Prakash Mangal	-	114.94
	Hemlata Mangal	-	3.45
	Om Prakash Mangal	-	71.43
	Rashmi Mangal	-	52.84
	Vipin Prakash Mangal	-	55.35
	Rutu Shah	-	0.10
	Vasant A Mehta	-	0.60
	Mangalam Worldwide Limited	-	87.50
	Specific Worldwide LLP	-	100.72
Issue of Convertible Warrants (Net of allotment of shares on conversion)	Chanakya Prakash Mangal	121.88	-
	Chandragupt Prakash Mangal	121.88	-
	Vipin Prakash Mangal	121.88	-
Preferential Allotment of Shares (including securities premium)	Rashmi Mangal @	487.50	73.50
	Chanakya Prakash Mangal	-	73.50
	Chandragupt Prakash Mangal	-	73.50
	Vipin Prakash Mangal	-	73.50
Distribution of Accumulated Loss by subsidiary	Farpoint Enterprise LLP	38.21	-
Dividend Paid	Rutu Shah	-	0.02
	Vasant A Mehta	-	0.09

@ Includes allotment of shares against Convertible Warrants during the year ended 31 March 2022.

# Ceased to be related party.

#### Notes :

1. Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
2. Balances below Rs. 500/- denoted as 0.00

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
Loans and Advances	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	691.37
	Mangalam Worldwide Limited	-	238.98
Borrowings	Mangalam Global (UK) Limited	-	-
	Chanakya Prakash Mangal	2.42	-
	Chandragupt Prakash Mangal	52.53	-
	Vipin Prakash Mangal	-	146.97
Trade Receivables	ECS Environment Private Limited	10.78	46.60
	Farpoint Enterprise LLP	12.22	40.78
	Mangalam Global (Singapore) Pte Ltd	260.38	771.09
	Mangalam Multi Businesses Private Limited	0.17	-
	Mangalam Dura Jet Technologies Private Limited	-	4.63
	Shirshak Exim LLP	194.58	-
Trade Payables	Paradisal Trade LLP	47.26	-
Advance to Suppliers	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	67.54
	Paradisal Trade LLP	-	227.32
Other Current Liabilities / Payables	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	0.87
	Chanakya Prakash Mangal	-	3.26
	Chandragupt Prakash Mangal	-	3.26
	Hemlata Mangal	-	0.86
	Om Prakash Mangal	-	0.86
	Rashmi Mangal	-	3.26
	Vasant A Mehta	-	0.46
	Vipin Prakash Mangal	-	3.26
Investments	ECS Environment Private Limited	-	242.55
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	204.50
	Mangalam Global (Singapore) Pte Ltd	1,090.92	716.76
	Farpoint Enterprise LLP	396.00	396.00
Rent Deposit Given	Chanakya Prakash Mangal	3.00	2.70
	Farpoint Enterprise LLP	-	2.00
	Rajgor Castor Derivatives Private Limited (Upto 31 December, 2021) #	-	20.00
	Hemlata Mangal	0.12	0.12
Guarantee by Related Party to Company's Bank	<b>HDFC Bank</b>	}	7,734.00
	- Vipin Prakash Mangal		
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
			8,234.00

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 44 - Related Party Disclosures (Contd...)

#### D. Year end balances

(Rs. in Lakhs)

Nature of Transaction	Name of Related Party	Total	
		31 March 2022	31 March 2021
	<b>Punjab National Bank</b>		
	- Vipin Prakash Mangal	}	2,750.00
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
	- Specific Worldwide LLP		
		2,709.00	2,750.00
	<b>State Bank of India</b>		
	- Vipin Prakash Mangal	}	-
	- Chanakya Prakash Mangal		
	- Chandragupt Prakash Mangal		
		2,500.00	-
	<b>Axis Bank Limited</b>		
	- Chanakya Prakash Mangal	}	400.00
	- Chandragupt Prakash Mangal		
		-	-
	<b>IndusInd Bank Limited</b>		
	- Chanakya Prakash Mangal	}	500.00
	- Chandragupt Prakash Mangal		
		-	-
Corporate Guarantee to Subsidiary Company's Bank	Mangalam Global (Singapore) Pte Ltd [USD 60 Lakhs (FY 20-21: USD 60 Lakhs)]	4,548.43	4,410.28
Counter Guarantee to Bank for issue of Standby Letter of Credit in favour of Subsidiary	Mangalam Global (Singapore) Pte Ltd [NIL (FY 20-21: USD 5 Lakhs)]	-	367.52

# Ceased to be Related Party.

#### Notes :

- Transaction / Outstanding balances are reported, where related party relationship existed at the time when transaction took place.
- Balances below Rs. 500/- denoted as 0.00

#### E. Breakup of Compensation Paid to Key Managerial Personnel

(Rs. in Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>Short-Term Employee Benefits</b>		
Ashutosh Mehta	6.46	8.52
Chanakya Prakash Mangal	5.55	16.28
Chandragupt Prakash Mangal	5.55	16.28
Vipin Prakash Mangal	5.55	16.28
Vrunda Patel	5.38	3.45
Rutu Shah (Upto 14th May, 2020)	-	0.33

Key Managerial Personnel who are under the employment of the Company and entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Standalone financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

- F. All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. No amount has been recognised as bad or doubtful in respect of transactions with the related parties.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note - 45 - Corporate Social Responsibility ('CSR') Expenses

Based on the guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) issued by the Institute of Chartered Accountants of India and Section 135 of The Companies Act, 2013, read with rules made thereunder, the Company has incurred the following expenditure on CSR activities for the year ended 31 March 2022 it being the first year of applicability of the provisions.

		(Rs. in Lakhs)
Particulars		As at 31st March, 2022
1. Amount required to be spent by the Company during the year		9.90
2. Amount of expenditure incurred:		
<b>Nature of CSR Activities:</b>		
Promoting healthcare including preventing health care		4.37
Spiritual Activity, Yoga & Mental Peace		6.00
<b>Total amount of expenditure incurred</b>		<b>10.37</b>
3. Shortfall at the end of year		NIL
4. Total of previous years shortfall		N.A.
5. Reason for shortfall		N.A.
6. Details of related party transactions in relation to CSR expenses		-
7. Provision movement during the year:		
Opening Provision		-
Additions during the year		10.37
Utilised during the year *		(10.37)
Closing Provision #		-

\* Represents actual outflow during the year.

# Balance amount required to be transferred to fund specified in Schedule VII on or before 30 September, 2022.

### NOTE – 46 – LEASES (Right of Use Assets)

The Company's significant leasing arrangements are in respect of Land and buildings, Plant & Equipment and office premises taken on leave and license basis.

The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount. The weighted average incremental borrowing rate applied to lease liabilities is 10.00 %.

The break-up of current and non-current lease liabilities is as follows:

		(Rs in Lakhs)	
Particulars		As at 31st March, 2022	As at 31st March, 2021
Current lease liabilities		133.49	84.53
Non- current lease liabilities		1561.28	631.56
<b>Total</b>		<b>1694.77</b>	<b>716.09</b>

The movement in lease liabilities is as follows:

		(Rs in Lakhs)	
Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning		716.09	1505.39
Addition during the year		1,795.21	-
Finance Cost accrued		201.06	65.04
Payment of lease liabilities		365.66	212.50
Deduction / Reversal During the year		651.93	641.84
<b>Balance at the end</b>		<b>1,694.77</b>	<b>716.09</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

		(Rs in Lakhs)	
Particulars		As at 31st March, 2022	As at 31st March, 2021
Not later than one year		294.53	151.08
1-2 Years		295.82	152.82
2-3 Years		309.15	154.68
More than 3 Years		1,567.88	514.81



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments

#### Financial Risk Management – Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in foreign as well as domestic currency, money related to capital expenditures, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.

The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

The following disclosures summarize the Company's exposure to the financial risks and the information regarding use of derivatives employed to manage the exposures to such risks. Quantitative Sensitivity Analysis has been provided to reflect the impact of reasonably possible changes in market rate on financial results, cash flows and financial positions of the Company.

#### A. Financial Assets and Liabilities

(Rs in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Amortised Cost **	FVTPL ***	FVTOCI	Amortised Cost **	FVTPL ***	FVTOCI
<b>Assets Measured at</b>						
Investments*	-	55.12	242.55	-	56.58	242.55
Trade receivables	5,066.40	-	-	5,639.45	-	-
Cash and Cash equivalent	6.55	-	-	46.66	-	-
Other Bank Balances	284.02	-	-	2,002.40	-	-
Loans	-	-	-	930.34	-	-
Other Financial Assets	262.09	-	-	435.70	2.51	-
<b>Total</b>	<b>5,619.06</b>	<b>55.12</b>	<b>242.55</b>	<b>9,054.55</b>	<b>59.09</b>	<b>242.55</b>
<b>Liabilities Measured at</b>						
Borrowings (including current maturities of non-current borrowings)	9,758.94	-	-	7,972.10	-	-
Trade Payables	3,807.49	-	-	1,072.69	-	-
Lease Liabilities	1,694.77	-	-	718.63	-	-
Other Financial Liabilities	816.98	-	-	57.09	-	-
<b>Total</b>	<b>16,078.18</b>	<b>-</b>	<b>-</b>	<b>9,820.51</b>	<b>-</b>	<b>-</b>

- (\*) Investment in subsidiaries are measured at cost as per Ind AS 27, "Separate financial statements", and hence not presented here.
- (\*\*) Fair value of financial assets and liabilities measured at amortized cost approximates their respective carrying values as the management has assessed that there is no significant movement in factor such as discount rates, interest rates, credit risk from the date of the transition. The fair values are assessed by the management using Level 3 inputs.
- (\*\*\*) The financial instruments measured at FVTPL represents current investments and derivative assets having been valued using level 2 valuation hierarchy.

#### Fair value hierarchy

The fair value of financial instruments as referred to in note below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### A. Financial Assets and Liabilities (Contd...)

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### B. Market Risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of Risk: "Interest Rate Risk, Currency Risk and Other Price Risk". Financial instrument affected by the Market Risk includes loans and borrowings in foreign as well as domestic currency, retention money related to capital expenditures, trade and other payables.

##### (a) Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash outflows of a financial instrument will fluctuate because of changes in market interest rates. An upward movement in the interest rate would adversely affect the borrowing cost of the Company. The Company is exposed to long term and short - term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking actions as necessary to maintain an appropriate balance. The Company has not used any interest rate derivatives.

♦ Exposure to Interest Rate Risk			(Rs. in Lakhs)	
Particulars	As at		As at	
	31st March, 2022		31st March, 2021	
Borrowing bearing fixed rate of interest	344.95		358.98	
Borrowing bearing variable rate of interest	9413.99		7613.12	

##### ♦ Sensitivity Analysis

Profit / (Loss) estimates to higher / lower interest rate expense from borrowings bearing variable rate of interest as a result of changes in interest rate.

Particulars (*)	For the year ended on		For the year ended on	
	31st March, 2022		31st March, 2021	
Interest Rate – Increase by 50 Basis Points	(47.07)		(38.07)	
Interest Rate – Decrease by 50 Basis Points	47.07		38.07	

(\*) holding all other variable constant. Tax impact not considered.

##### (b) Foreign Currency Risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering the volume of foreign currency transactions, the Company has taken certain forward contracts to manage its exposure.

##### ♦ Exposure to Foreign Currency Risk

The Carrying amount of Company's unhedged Foreign Currency denominated monetary items are as follows:

Particulars	(Figures in Lakhs)			
	As at 31st March, 2022		As at 31st March, 2021	
	Amount in USD	Amount in Rs.	Amount in USD	Amount in Rs.
Net Unhedged Assets (Trade Receivables, Other Receivables)	1.48	105.51	(1.53)	(108.95)
Net Unhedged Liabilities	0.84	62.23	5.84	429.17
<b>Net Exposure Assets / (Liabilities)</b>	<b>0.64</b>	<b>43.28</b>	<b>(7.36)</b>	<b>(538.12)</b>

##### ♦ Sensitivity Analysis

The sensitivity of profit or (loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### (b) Foreign Currency Risk (Contd...)

(Figures in Lakhs)

Particulars (*)	For the year ended on 31st March, 2022	For the year ended on 31st March, 2021
INR / USD – Increase by 5%	2.16	(26.91)
INR / USD – Decrease by 5%	(2.16)	26.91

(\*) holding all other variable constant. Tax impact not considered.

#### (c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments (FVTPL)	55.13	56.58
Investments (FVTOCI)	242.55	242.55

#### C. Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of Categorisation	Asset Class Exposed to Credit Risk	Provision for Expected Credit Loss
Low Credit Risk	Cash and Cash Equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate Credit Risk	Other Financial Assets	12 month expected credit loss, unless credit risk has increased significantly since initial recognition, in which case allowance is measured at life time expected credit loss
High Credit Risk	Other Financial Assets	Life time expected credit loss (when there is significant deterioration) or specific provision whichever is higher

Financial Assets (other than Trade Receivables) that expose the entity to Credit Risk (Gross Exposure): –

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Low Credit Risk</b>		
Cash and Cash Equivalents	6.55	46.66
Bank Balances other than above	284.02	2,002.40
Loans	-	930.34
Other Financial Assets	41.02	438.21
<b>Moderate/ High Credit Risk</b>		
Other Receivable	221.07	-
<b>Total</b>	<b>552.66</b>	<b>3,417.61</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### C. Credit Risk (Contd...)

##### (i) Cash and Cash Equivalent and Bank Balance:

Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

##### (ii) Loans and Other Financial Assets measured at Amortized Cost:

Other financial assets measured at amortized cost includes export benefits receivables, bank deposits with maturity of more than 12 months and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

##### (iii) Trade Receivables:

Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

##### (a) Concentration of Trade Receivables:

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Details of the such identified concentrations of credit risk are disclosed below:

Party Name	(Rs in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Adani Wilmar Limited	56.01	1,579.69
China Sinopharm Healthcare Industries Company	-	346.86
Dalian Chem Import and Export Group Co. Limited	-	369.12
Gokul Agro Resources Limited	694.97	-
Hindprakash Chemicals Private Limited	531.94	-
Mangalam Global (Singapore) Pte Limited	260.38	771.09
Moneta Resource & Consulting Private Limited	524.67	175.31
Parilay Global Enterprise Private Limited	606.40	-
Rajgor Castor Derivatives Private Limited	903.98	-

##### (iv) Expected credit losses:

Expected credit loss for trade receivables and other receivables under simplified approach:

The Company recognizes lifetime expected credit losses on trade receivables & other receivables using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables/other receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period is as follows:

Particulars	Expected Loss Rate
< 90 Days	-
90 to 120 days	0.30%
120 to 180 days	0.50%
180 to 365 days	1.00%
1 Year to 2 Year	25.00%
2 Year to 3 Year	50.00%
3 Year >	100.00%

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### C. Credit Risk (Contd...)

	(Rs in Lakhs)	
Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning of the reporting period	2.99	1.85
Loss Allowance measured at lifetime expected credit losses	61.20	1.14
<b>Balance at the end of reporting period</b>	<b>64.19</b>	<b>2.99</b>

	(Rs in Lakhs)	
Movement in Expected Credit Loss Allowance on Other Receivables	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning of the reporting period	-	-
Loss Allowance measured at lifetime expected credit losses	106.48	-
<b>Balance at the end of reporting period</b>	<b>106.48</b>	<b>-</b>

#### D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

##### ♦ Financing Arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(Rs. in Lakhs)	
Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Expiring within One Year</b>		
- CC/EPC Facility	73.65	6.37
- Invoice Discounting Facility	3000.00	2,255.53
<b>Expiring beyond One Year</b>	<b>-</b>	<b>-</b>

The cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

##### ♦ Maturities of Financial Liabilities:

The table below analyses financial liabilities of the Company into the relevant maturity grouping based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

##### Maturity Table of Financial Liabilities

	(Rs. in Lakhs)				
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	8,895.02	194.48	252.96	430.68	9,773.14
Trade Payables	3,807.49	-	-	-	3,807.49
Other Financial Liabilities	802.78	-	-	-	802.78
<b>Total</b>	<b>13,505.29</b>	<b>194.48</b>	<b>252.96</b>	<b>430.68</b>	<b>14,383.41</b>

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 47 – Financial Instruments (Contd...)

#### D. Liquidity Risk (Contd...)

As at 31st March, 2021					(Rs. in Lakhs)
Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Borrowings (including current maturities of non-current borrowing and excluding lease liabilities)	7,523.05	170.40	126.90	162.89	7,983.24
Trade Payables	1,072.69	-	-	-	1,072.69
Other Financial Liabilities	45.95	-	-	-	45.95
<b>Total</b>	<b>8,641.69</b>	<b>170.40</b>	<b>126.90</b>	<b>162.89</b>	<b>9,101.88</b>

#### E. Capital Management

The Company's capital management objectives are

- To ensure the company's ability to continue as a going concern
- To provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	(Rs in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Total Borrowings	9758.94	7972.10
Less: Cash and Cash Equivalents	6.55	46.66
<b>Net Debt (A)</b>	<b>9752.39</b>	<b>7925.44</b>
<b>Total Equity (B)</b>	<b>7873.42</b>	<b>6670.73</b>
<b>Capital Gearing Ratio (B/A)</b>	<b>0.81</b>	<b>0.84</b>

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

#### Note – 48 - Balance Confirmation of Receivables

Confirmation letters have not been obtained from all the parties in respect of Trade Receivable, Other Non-Current Assets and Other Current Assets. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

#### Note – 49 - Balance Confirmation of Payables

Confirmation letters have not been obtained from all the parties in respect of Trade Payable and other current liabilities. Accordingly, the balances of the accounts are subject to confirmation, reconciliation and consequent adjustments, if any.

#### Note – 50 - Disclosure Under Section 186(4)

Loans given for the purpose of utilizing in the activity of the business (outstanding balance as on 31-03-2022): Mangalam Worldwide Ltd (Formerly Known As Mangalam Worldwide Private Limited). Rs. Nil (as on 31-03-2021 Rs.238.98 lakhs), Rajgor Castor Derivatives Pvt Ltd (Formerly Known as Hindprakash Castor Derivatives Pvt Ltd) Rs. Nil (as on 31-03-2021 Rs. 691.36 lakhs).

#### Note – 51 - Events occurring after the Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transaction in the financial statements. There are not subsequent events to be recognized or reported that are not already disclosed.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 52– Trade Receivables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	4,362.43	473.65	289.33	5.06	0.12	5,130.59
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
	-	<b>4,362.43</b>	<b>473.65</b>	<b>289.33</b>	<b>5.06</b>	<b>0.12</b>	<b>5,130.59</b>
Less: Allowance for doubtful debts							64.19
<b>Trade Receivables</b>							<b>5,066.40</b>
Previous reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
<b>Undisputed Trade Receivables</b>							
- Considered Good	-	5,165.68	419.97	29.16	19.19	8.44	5,642.44
- Which have significant increase in credit risk	-	-	-	-	-	-	-
- Credit Impaired	-	-	-	-	-	-	-
	-	<b>5,165.68</b>	<b>419.97</b>	<b>29.16</b>	<b>19.19</b>	<b>8.44</b>	<b>5,642.44</b>
Less: Allowance for doubtful debts							2.99
<b>Trade Receivables</b>							<b>5,639.45</b>

### Note – 53– Trade Payables Ageing Schedule

Current reporting period							(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	164.89	21.40	3,596.28	10.78	12.12	2.02	3,807.49
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-
<b>Previous reporting period</b>							<b>(Rs. in Lakhs)</b>
Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
- MSME	-	-	-	-	-	-	-
- Others	188.32	7.58	848.15	26.62	2.02	-	1,072.69
- Disputed dues - MSME	-	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-	-

### Note – 54– Utilisation of borrowed funds and share premium

As on March 31, 2022 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

### Note – 55– Additional regulatory information

(a) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 55– Additional regulatory information (Contd...)

- (b) The Company does not have any investment property.
- (c) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible assets.
- (d) There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are outstanding as on 31 March 2022:
- (i) repayable on demand; or
- (ii) without specifying any terms or period of repayment
- (e) Aging schedule of Capital Work-in-progress for closing balance has not been given as opening/closing balance is NIL. There are no projects which are overdue or has exceeded its cost compared to its original plan.
- (f) There are no Intangible assets under development as on 31 March 2022.
- (g) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (h) Borrowings secured against current assets : Refer Note No. 21.6
- (i) The Company is not declared willful defaulter by any bank or financial institution or other lender.
- (i) The company is not declared wilful defaulter by any bank or financial institution or other lender.
- (j) The company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (k) No charges or satisfaction of charges are yet to be registered with Registrar of Companies beyond the statutory period.
- (l) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

### (m) Accounting Ratios:

Sr. No.	Ratio	Numerator	Denominator	As at 31 March, 2022	As at 31 March, 2021	% change	Reason for Variance
A	Current Ratio (In times)	Current Assets	Current Liabilities	1.35	1.45	(6.90%)	-
B	Debt- Equity Ratio (In times)	Total Debt	Shareholder's Equity	2.05	1.48	38.51%	Refer (i) below
C	Debt Service Coverage Ratio (In times)	Earning Available for Debt Service = PAT + Depreciation + Interest	Total Debt Service = Principal Repayments + Interest	1.49	2.43	(38.68%)	Refer (ii) below
D	Return on Equity Ratio (in %)	Net Profit After Tax	Average Shareholders Equity	5.38%	8.51%	(36.78%)	Refer (iii) below
E	Inventory Turnover Ratio (In times)	Cost of Goods Sold	Average Inventory	16.45	38.91	(57.72%)	Refer (iv) below
F	Trade Receivables Turnover Ratio (In times)	Revenue from Operations	Average Trade Receivable	22.21	26.59	(16.47%)	-
G	Trade Payables Turnover Ratio (In times)	Purchase	Average Trade Payable	50.52	111.17	(54.56%)	Refer (v) below
H	Net Capital Turnover Ratio (In times)	Revenue from Operations	Net Working Capital = Current Assets – Current Liabilities	24.52	23.07	6.29%	-
I	Net Profit Ratio (in %)	Net Profit	Revenue form Operation	0.33%	0.58%	(43.46%)	Refer (vi) below
J	Return on Capital Employed (in %)	Earning Before Interest and Taxes	Capital Employed = Tangible Net worth + Debt + Lease Liability	7.33%	7.82%	(6.20%)	-
K	Return on Investment (in %)	Income Generated from Investment Funds	Average Invested Funds	(1.98%)	0.20%	(1106.00%)	Refer (vii) below



## Notes to the Standalone Financial Statements for the year ended on 31st March, 2022

### Note – 55– Additional regulatory information (Contd...)

#### Reason for Variance

- (i) During the year the company has taken new manufacturing facilities on lease at Bundi for processing and manufacturing of edible oil accordingly ROU assets has been recognized and lease liability has been booked as per the requirement of IndAS116. Further the company has purchased new manufacturing unit at Bavla for processing and manufacturing of Wheat and Rice. Due to increase in the operations and turnover of the company, working capital requirements has also increased which is financed by way of increase in Working Capital Facilities. Further the ratio is well within the acceptable standards.
  - (ii) During the year the company has started new manufacturing operation for edible oil and other Agro commodities like wheat and rice etc. The company is in the process of regularization of operating/ manufacturing cycle and business of the acquired units. Further the ratio is within the acceptable standards.
  - (iii) The company is in the process of regularization of operating/ manufacturing cycle and business of the acquired units.
  - (iv) Inventory holding level are comparatively higher than previous year, as per requirement of business of the acquired units. However, the company is in the process of regularization of operating/ manufacturing cycle and business of the acquired units.
  - (v) The ratio is well within accepted level. However, the company is in the process of regularization of operating/ manufacturing cycle and business of the acquired units.
  - (vi) The company is in the process of regularization of operating/ manufacturing cycle and business of the acquired units. Further due to acquisition of new unit's depreciation and interest cost have increased.
  - (vii) The majority of investment by company is measured at cost and hence capital appreciation is not booked as income. Further in case of Investment in LLP, the company has recognized accumulated loss distributed by the LLP.
- (n) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (o) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.
- (p) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall 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.
- (q) No transactions has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961. There are no such previously unrecorded income or related assets.
- (r) Corporate Social Responsibility (CSR): Refer Note No. 45
- (s) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

### Note – 56

Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification / disclosure.

### Note – 57 - Authorisation of financial statements

The financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 29 April 2022.

For and on behalf of the Board of Directors,  
Mangalam Global Enterprise Limited (CIN: L24224GJ2010PLC062434)

**Vipin Prakash Mangal**  
Chairman (DIN: 02825511)

**Chandragupt Prakash Mangal**  
Managing Director (DIN: 07408422)

**Ashutosh Mehta**  
Chief Financial Officer (PAN: AAWPM1688A)

Place : Ahmedabad  
Date: 29th April, 2022

**Chanakya Prakash Mangal**  
Managing Director (DIN: 06714256)

**Vrunda Patel**  
Company Secretary (M. No.: A39707)

## **MATERIAL DEVELOPMENTS**

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2023, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- a) Company at their meeting of board of directors held on April 18, 2023 has allotted 5625000 Equity shares of face value of Rs. 2/- each at a price of Rs. 10.40/- per equity share (Including Premium of Rs. 8.40/- per equity share) pursuant to exercise of 1125000 convertible warrants.
- b) Recommended a Final Dividend of Rs. 0.02/ - (Two Paise Only) per equity share, face value Rs. 2/ -per equity share (i.e. 1 % of face value) for the financial year ended on March 31, 2023.
- c) Appointed RMJ & Associates LLP, Chartered Accountants (Firm Registration No: WI00281), as Internal Auditor of the Company for conducting Internal Audit for the financial year 2023-24.
- d) Appointed A.G Tulsian & Co., Cost Accountant (Firm Registration No: 100629), as Cost Auditor for the financial year 2023-24.
- e) M/ s. K K A K & Co., Chartered Accountants (Firm Registration No.148674W) have resigned as the Statutory Auditors of the Company i.e., Mangalam Global Enterprise Limited ("MGEL") with effect from May 15, 2023.
- f) Appointment of M/ s. Keyur Shah & Co., Chartered Accountants, (FRN:141173W) as Statutory Auditors of the Company w.e.f. 07th June, 2023 to till ensuing Annual General Meeting of the Company.
- g) Resignation of Mr. Shubhang Mittal, Independent Director of the company due to occupancy in other business, with effect from September 01, 2023.
- h) Resignation of Mr. Chandravijay Arora, Director of the company, with effect from September 01, 2023.
- i) M/s RMJ & Associates LLP, Chartered Accountants, Ahmedabad, has tendered their resignation as the Internal Auditor of the Company w.e.f October 13, 2023.
- j) Appointment of M/s. Bhupendra J. Shah & Associates, (FRN: 121812W), Chartered Accountants, Ahmedabad as an Internal Auditor of the Company w.e.f November 06, 2023.
- k) Approved the proposal for further Investment to the extent of US\$ 10,00,000 (1 million USD) in Mangalam Global (Singapore) Pte Ltd, wholly owned Subsidiary (WOS) of the Company.
- l) Appointment of M/ s. SCS & Co. LLP, Practicing Company Secretaries as Secretarial Auditor of the Company for the financial year 2023-24.

## ACCOUNTING RATIOS

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Financial Statements. For details see "Financial Information" on page 88.

(Rs. in Lakhs except EPS)

Particulars	For the year ended March 31		
	2023	2022	2021
Net profit / (loss) after tax, attributable to equity shareholders (Standalone)	1189.77	391.28	528.68
Weighted Average Number of Shares Outstanding (Basic)	1335.16	1255.60	2440.40
Weighted Average Number of Shares Outstanding (Diluted)	1418.88	1277.8	2440.40
<b>Face value per Share (Rs.)</b>	<b>2</b>	<b>2</b>	<b>10</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>0.89</b>	<b>0.32</b>	<b>2.17</b>
<b>Diluted Earnings per Share (Rs.)</b>	<b>0.84</b>	<b>0.31</b>	<b>2.17</b>
Net profit / (loss) after tax, attributable to equity shareholders (Consolidated)	1269.64	361.46	473.85
Weighted Average Number of Shares Outstanding (Basic)	1335.16	1255.6	2440.40
Weighted Average Number of Shares Outstanding (Diluted)	1418.88	1277.8	2440.40
<b>Face value per Share (Rs.)</b>	<b>2</b>	<b>2</b>	<b>10</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>0.98</b>	<b>0.29</b>	<b>1.94</b>
<b>Diluted Earnings per Share (Rs.)</b>	<b>0.90</b>	<b>0.28</b>	<b>1.94</b>
<b>Net Asset Value Per Equity Share (Rs.)</b>			
Net Asset Value (Net-worth)	11128.36	7873.42	6670.73
Number of equity shares outstanding at the end of the period/year	1385.55	260.23	250.86
<b>Net Assets Value per equity share (Rs.)*</b>	<b>8.03</b>	<b>30.26</b>	<b>26.59</b>
<b>Return on Net worth</b>			
Net Profit / (loss) after tax	1189.77	391.28	528.68
Net worth	11128.36	7873.42	6670.73
<b>Return on net worth</b>	<b>10.69%</b>	<b>4.97%</b>	<b>7.93%</b>
<b>EBITDA</b>			
Profit / (loss) after tax (A)	1189.77	391.28	528.68
Current Tax (B)	-	188.00	187.23
Finance costs (C)	1,213.78	926.62	702.17
Depreciation and amortization expense (D)	302.50	311.30	293.16
<b>EBITDA (A+B+C+D)</b>	<b>2706.05</b>	<b>1817.2</b>	<b>1711.24</b>
EBIT	2403.55	1505.9	1418.08
Revenue from Operation	122584.78	119043.22	95987.42
<b>Operating Profit Margin</b>	<b>2.21%</b>	<b>1.53%</b>	<b>1.78%</b>
<b>Net Profit Margin</b>	<b>0.97%</b>	<b>0.33%</b>	<b>0.55%</b>

\* The shareholders of the Company in their meeting held on 25<sup>th</sup> July 2022, approved sub-division/ split of 1 (one) equity share of Rs. 10/- each into 5 (five) equity shares of Rs. 2/- each fully paid up. The effective date for sub division of Equity shares was 19<sup>th</sup> August 2022. Consequently, the split of equity shares is been effected from 19<sup>th</sup> August 2022.

^ Based on Audited Financial Statements for the year ended on FY 2022-23, FY 2021-22 and FY 2020-21 dated May 15, 2023, April 29, 2022 and June 25, 2021 issued by the Statutory Auditor.

The ratios have been computed as per the following formulae:

- (i) **Basic and Diluted Earnings per Share:** *Net Profit after tax for the year attributable to equity shareholders / Weighted average number of equity shares outstanding during the year*
- (ii) **Net Assets Value (NAV):** *Net Asset Value at the end of the year / Number of equity shares outstanding at the end of the year*
- (iii) **Return on Net worth (%):** *Net Profit after tax for the year, attributable to equity shareholders / Net worth (excluding revaluation reserve) at the end of the year*
  - *Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.*
- (iv) **EBITDA:** *Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the restated financial statement of profit and loss.*
- (v) **Operating Profit margin:** *Operating profit margin is calculated as Earnings before interest & tax (EBIT) for the year/period divided by Revenue from operations for the respective year/period. EBIT is calculated as EBITDA (as explained above) less depreciation & amortisation expenses for the respective year/period.*
- (vi) **Net Profit margin** *Net profit margin is calculated as Profit/(loss) after tax for the year/period divided by Revenue from operations for the respective year/period.*

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our Audited financial statements as of end for Fiscal 2023, Fiscal 2022 and Fiscal 2021 included in this Draft Letter of Offer. Our Audited financial statements for Fiscal 2023, Fiscal 2022 and Fiscal 2021 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Audited Financial Results of our Company.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" on pages 21 and 15, respectively.*

*Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Mangalam Global Enterprise Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.*

### **OVERVIEW OF OUR BUSINESS**

Our Company is mainly engaged into Manufacturing, Trading and Import of Edible Oil/ Non-edible oil and Agricultural Products i.e. Soya Oil, Soya Meal, Soya De Oiled Cake, Mustard Oil, Mustard Meal, Mustard De Oiled Cake, Refined Soyabean Oil, Refined Vegetable Oil, Pungent Mustard Oil, Refined Castor Oil First Special Grade (FSG), Castor De-Oiled Cake and High Protein Castor De-Oiled Cake, Cotton Bales, Cotton Cake Cattle Feed, Cotton Wash Oil, processing of wheat and rice. Also, the Company is engaged in Trading including domestic and export of Agricultural Products i.e. Wheat, Rice etc.

Furthermore, Our Company availed an opportunity to acquire H.M. Industrial Private Limited, a Company under CIRP, situated at Kapadvanj, Gujarat. The Company submitted a Resolution Plan in the matter of H.M. Industrial Private Limited (HMIPL), along with the Composite Scheme of Arrangement in the nature of Demerger and Amalgamation. Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') approved the resolution plan submitted by the Company vide its order dated September 20, 2022 upon Scheme became effective; As per Scheme of Arrangement, Steel division of HMIPL demerged and vested with Mangalam Worldwide Limited ('MWL'), one of the group Company and; HMIPL and the its rest business (i.e. Agri Division) amalgamated into Mangalam Global Enterprise Limited ('MGEL') with effect from Appointed date (i.e. 20<sup>th</sup> September, 2022 - Date of Hon'ble NCLT Order). By this acquisition of Agri Division of H.M. Industrial Private Limited, the Company acquired two units: 1) Castor Oil Unit and 2) Cotton Unit.

Furthermore, the Company has started its Commercial Operations/production by manufacturing the Agri products i.e. Castor De-Oiled Cake, Castor Oil and allied by-products depending on its demand in the market by setting up the Castor Unit at Kapadvanj w.e.f. April 03, 2023.

Castor oil is a yellow viscous liquid free from suspended matter and insoluble in water. It is produced by refining commercial grade Castor Oil after undertaking bleaching and filtering process. Castor oil has multiple industrial applications and is extensively demanded in Lubricants, Paints, Cosmetics, Pharmaceuticals, Cable insulators, Sealants, Inks, Rubber and Textiles etc. It is also used to relief Constipation, Eyelashes grow, Hair grow, Skin moisturiser ad to improve immunity function. It is also used for applying on food grains to protect from the insects/fungus. Castor De-Oil Cake is fertilizer consisting of high content of Nitrogen, Phosphoric Acid, Potash and moisture retention and it is also an organic fertilizer which can be used as alternatives to chemical fertilizer. It is simple manure, which acts progressively that encourages soil microbial activity. High Protein Castor De Oiled Cake is an organic manure which enhances the fertility of the soil without causing any damage or decay.

Our Castor oil manufacturing facility situated at Kapadvanj, Gujarat is installed with automated machineries having crushing and processing capacity of 500 MT Castor Seeds per day. The said manufacturing unit is equipped with installed capacity of producing 225 MT Castor Refined Oil (F.S.G.) per day; 225 MT Castor De- Oiled Cake per day and 50 MT High Protein DOC per day. In addition to this, the plant is also having 200 MT solvent manufacturing capacity.

Our journey in the Cotton Manufacturing Industry started in the year 2018. With gaining an insight of the industry coupled with an available opportunity, our Company ventured into manufacturing of Cotton Bales (Lint Cotton) and Delineate Cotton Seeds. The main application of ginned cotton referred to as lint is for spinning operations. The cotton moves through the Spinning machines and is then converted into Cotton yarn. Black cottonseeds are crushed into the Oil mill to extract Cotton wash oil to produce cotton seed cake. This cake is used for feeding livestock.

Presently, the Company operates three plants located at: (i) Unit Bavla, Sanand- Gujarat- Wheat & Rice Processing, (ii) Unit Kapadvanj, Kheda- Gujarat - Castor Oil, (iii) Unit Kapadvanj, Kheda- Gujarat - Cotton.

Sr. No.	Plant Details	Address
1.	Bavla – Wheat and Rice Processing Plant	Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka: Sanand, Sub-District: Sanand, District: Ahmedabad, Gujarat
2.	Kapadvanj – Castor Plant	Amalgamated New Survey No. 1025/3 Land (including land parcel having old revenue survey no. 1034/2 and 1034/3).
3.	Kapadvanj – Cotton Plant	GIDC Plot no 6 bearing RS no. 1036/p, 1038/p at Modasa Road, Kapadvanj.

Our total Income on Standalone basis were Rs. 123143.83 lakhs, Rs.119693.71 lakhs and Rs. 91405.04 lakhs and our profit after tax was Rs. 1189.77 lakhs, Rs. 391.28 lakhs and Rs. 528.68 lakhs for the financial years ended on March 31, 2023, 2022 and 2021, respectively.

Our total Income on Consolidated basis were Rs. 143044.03 lakhs, Rs.128322.03 lakhs and Rs. 96469.27 lakhs and our profit after tax was Rs. 1,269.64 lakhs, Rs. 361.46 lakhs and Rs. 473.85 lakhs for the financial years ended on March 31, 2023, 2022 and 2021, respectively.

### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled '*Risk Factors*' on page21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations of our manufacturing units;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to maintain and enhance our brand image;
- Our ability to successfully execute our expansion strategy in a timely manner.
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units; The performance of the financial markets in India and globally;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements. For details see “Financial Information” on page 88.

### Results of our Operations

The following table sets forth, for the periods indicated, certain items from our Consolidated audited financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs)

Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	Amount	(%)*	Amount	(%)*	Amount	(%)*
<b>Revenue</b>						
Revenue from Operations	142519.58	99.63	127894.65	99.67	95987.42	99.50
Other Incomes	524.45	0.37	427.38	0.33	481.85	0.50
<b>Total Revenue</b>	<b>143044.03</b>	<b>100.00%</b>	<b>128322.03</b>	<b>100.00%</b>	<b>96469.27</b>	<b>100.00</b>
<b>Expenses:</b>						
Cost of Materials Consumed	51151.81	35.76	68435.50	53.33	59546.63	61.73
Purchase of stock in trade	81813.72	57.19	56553.18	44.07	31542.89	32.70
Changes in Inventory of FG, WIP and Stock in trade	1064.19	0.74	(2625.77)	-2.05	(574.33)	-0.60
Employee Benefit Expenses	738.91	0.52	705.21	0.55	619.38	0.64
Finance Costs	1378.80	0.96	1054.31	0.82	702.17	0.73
Depreciation & Amortization	312.44	0.22	375.45	0.29	293.16	0.30
Other Expenses	4921.91	3.44	3644.49	2.84	3745.29	3.88
<b>Total Expenses</b>	<b>141381.78</b>	<b>98.84</b>	<b>128142.37</b>	<b>99.86</b>	<b>95875.19</b>	<b>99.38</b>
<b>Profit/(Loss) before exceptional item and Tax</b>	<b>1662.25</b>	<b>1.16</b>	<b>179.66</b>	<b>0.14</b>	<b>594.08</b>	<b>0.62</b>
Exceptional Items	(55.29)	-0.04	270.24	0.21	-	-
<b>Profit before Tax</b>	<b>1606.96</b>	<b>1.12</b>	<b>449.90</b>	<b>0.35</b>	<b>594.08</b>	<b>0.62</b>
<b>Tax Expenses:</b>						
(i) Current tax	31.81	0.02	195.87	0.15	187.23	0.19
(ii) Deferred Tax	300.17	0.21	(91.66)	-0.07	(66.90)	-0.07
(iii) Income Tax (Prior Period)	5.34	0.004	(15.77)	-0.01	(0.10)	-0.0001
<b>Total Tax Expenses</b>	<b>337.32</b>	<b>0.24</b>	<b>88.44</b>	<b>0.07</b>	<b>120.23</b>	<b>0.12</b>
<b>Profit/ (Loss) After Tax</b>	<b>1269.64</b>	<b>0.89</b>	<b>361.46</b>	<b>0.28</b>	<b>473.85</b>	<b>0.49</b>
<b>Other Comprehensive Income</b>						
a) Items that will not be reclassified to profit or loss						
Remeasurement Gain/(Loss) on Defined Benefit Plan	5.09	0.004	9.45	0.007	(19.08)	-0.020
Income tax in respect of above	(1.28)	-0.001	(2.38)	-0.002	-	-
b) Income tax relating to items that will not be reclassified to profit or loss						
Cash Flow Hedge Reserve / Foreign Currency Translation Reserve	139.80	0.098	42.28	0.033	-	-
Income tax in respect of above	1.14	0.001	(1.18)	-0.001	-	-
<b>Total Comprehensive Income</b>	<b>144.75</b>	<b>0.101</b>	<b>48.17</b>	<b>0.038</b>	<b>(19.08)</b>	<b>-0.020</b>

Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	Amount	(%)*	Amount	(%)*	Amount	(%)*
<b>Total Comprehensive Income for the period</b>	<b>1414.39</b>	<b>0.989</b>	<b>409.63</b>	<b>0.319</b>	<b>454.77</b>	<b>0.47</b>

\*(%) column represents percentage of total revenue.

## Comparison of Historical Results of Operations

### *Fiscal 2023 compared to Fiscal 2022*

#### *Total Revenue*

Our total revenue for the Fiscal 2023 was ₹ 143044.03 lakhs as compared to ₹ 128322.03 lakhs for the Fiscal 2022, representing increase of 11.47%. Total revenue is bifurcated into revenue from operations and other income.

#### *Revenue from operations*

During the Fiscal 2023, the revenue from operations of our company Increased to ₹ 142519.58 lakhs as against ₹ 127894.65 lakhs for the Fiscal 2022, representing increase of 11.44%.

#### *Other income*

Other income for Fiscal 2023 was ₹ 524.45 lakhs as compared to ₹ 427.38 lakhs for the Fiscal 2022, representing an Increase of 22.71%. This increase is due to other non-operative income of the Company.

#### *Expenses*

##### *Cost of materials consumed*

Cost of materials consumed for the Fiscal 2023 was ₹ 51151.81 lakhs as compared to ₹ 68435.5 lakhs for the Fiscal 2022 representing a decrease of 25.26%. Due to Opening Balance of the Stock at the beginning of the fiscal year 2023, hence cost of material consumed was reduced.

##### *Purchase of Stock-in-trade*

The purchase of stock-in-trade for the Fiscal 2023 was ₹ 81813.72 lakhs as compared to ₹ 56553.18 lakhs for the Fiscal 2022, representing an Increase of 44.67%.

##### *Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress*

The changes in inventories of finished goods, stock-in-trade and work in progress for the fiscal 2023 recorded an increase to ₹ 1064.19 lakhs from (₹ 2625.77) lakhs for the fiscal 2022 representing an overall increase of 140.53%.

##### *Employee benefit expenses*

Our Company has incurred ₹ 738.91 lakhs employee benefit expense for the Fiscal 2023 as compare to ₹ 705.21 lakhs for the Fiscal 2022, representing an increase of 4.78%. Increase in Employee benefit cost is due to regular increase in salary and wages.

##### *Finance cost*

Finance cost for the Fiscal 2023 was ₹ 1378.8 lakhs as compared to ₹ 1054.31 lakhs for the Fiscal 2022, representing a increase of 30.78%. Increase in financial cost is due to increase in borrowing for working capital requirements of the Company.

##### *Depreciation and Amortization Expense*

Depreciation and amortization expense for the Fiscal 2023 was ₹ 312.44 lakhs as compared to ₹ 375.45 lakhs for the Fiscal 2022, representing a decrease of 16.78%.

##### *Other expenses*

Other expenses for the Fiscal 2023 was ₹ 4921.91 lakhs as compared to ₹ 3644.49 lakhs for the Fiscal 2022, representing a Increase of 35.05%. This Increase pertains operations of the Company.

##### *Profit/Loss before Tax*

The profit/(loss) before tax for the Fiscal 2023 of ₹ 1662.25 lakhs as compared to ₹ 179.66 lakhs showing a fall of 825.22%.

##### *Profit/Loss after Tax*



Our Company's profit after tax for the Fiscal 2023 of ₹ 1269.64 lakhs an Increase of 251.25% over the profit after tax for the Fiscal 2022 of ₹ 361.46 lakhs.

### **Fiscal 2022 compared to Fiscal 2021**

#### ***Total Revenue***

Our total revenue for Fiscal 2022 was ₹ 128322.03 lakhs as compared to ₹ 96469.27 lakhs for Fiscal 2021, representing increase of 33.02%. Total revenue is bifurcated into revenue from operations and other income.

#### ***Revenue from operations***

During the Fiscal 2022, the revenue from operations of our company increased to ₹ 127894.65 lakhs as against ₹ 95987.41 lakhs in the Fiscal 2021. Increase in revenue from operation was due to signing of business contract with one of the leading player in the ground nut oil industry for selling groundnut oil.

#### ***Other income***

During Fiscal 2022, the revenue from other income of our company increased to ₹ 524.45 lakhs as against ₹ 427.38 lakhs in the Fiscal 2021. This increase is due to other non-operative income of the Company.

#### ***Expenses***

##### ***Cost of materials consumed***

Cost of materials consumed for Fiscal 2022 was increased to ₹ 68435.5 lakhs from ₹ 59546.63 lakhs in Fiscal 2021, representing 14.93% increase. Increase in consumption of raw material is due to increase in revenue from operations of our company.

##### ***Purchase of Stock-in-trade***

Purchase of Stock-in-Trade for the Fiscal 2022 decrease to ₹ 56553.18 Lacs from ₹ 31542.89 lakhs for the Fiscal 2021 which is mainly due to increase in revenue from operations.

##### ***Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress***

Changes in inventories of finished goods, stock-in-trade and Work in progress for the Fiscal 2022 Increased to (₹ 2625.77) lakhs from (₹ 574.33 lakhs) for the Fiscal 2021 representing an overall decrease of 357.19%.

##### ***Employee benefit expenses***

Our Company has incurred ₹ 705.21 lakhs of employee benefit expenses for Fiscal 2022, as compared to ₹ 619.38 lakhs for Fiscal 2021, reflecting an increase of 13.86%. Increase in Employee benefit cost is due to regular increase in salary and wages.

##### ***Finance cost***

Finance costs increased to ₹ 1054.31 lakhs for Fiscal 2022 from ₹ 702.17 lakhs for the Fiscal 2021, representing a change of 50.15%. Increase is due to additional working capital borrowing to meet increase in sales requirement.

##### ***Depreciation and amortization Expense***

Depreciation and amortization expense for the Fiscal 2022 stood at ₹ 375.45 lakhs as compared to ₹ 293.16 lakhs for the Fiscal 2021, showing an increase of 28.07%.

##### ***Other expenses***

Other expenses for Fiscal 2022 stood at ₹ 3644.49 lakhs as compared to ₹ 3745.29 lakhs for Fiscal 2021, representing a decrease of 2.69%.

##### ***Profit/Loss before Tax***

The profit before tax for Fiscal 2022 stood at ₹ 179.66 lakhs as compared to ₹ 594.08 lakhs in Fiscal 2021.

##### ***Profit/Loss after Tax***

The profit after tax Fiscal 2022 stood at ₹ 361.46 lakhs as compared to ₹ 473.85 lakhs for Fiscal 2021, showing an decreased of 24.27%.

### **CASH FLOWS**

The table below summaries our consolidated cash flows from our Audited Financial Information for the financial year ended March 31, 2023, 2022 and 2021.

(₹ in lakhs)

Particulars	For the year ended March 31		
	2022-23	2021-22	2020-21
Net cash generated from / (used in) Operating activities	(6722.80)	(2859.18)	(4449.37)
Net cash generated from / (used in) Investing activities	(4108.82)	3419.09	(1440.38)
Net cash generated from / (used in) from Financing activities	10910.43	(706.81)	6103.00
<b>Net Increase / (decrease) in Cash &amp; Cash Equivalents</b>	<b>78.82</b>	<b>(146.90)</b>	<b>213.25</b>
Cash and cash equivalents at the beginning of the year	179.73	326.63	114.85
Less: (Loss) / Gain on restatement of foreign currency Cash and Cash Equivalents	-	-	1.47
Cash and cash equivalents at the end of the year	258.55	179.73	326.63

### Related Party Transactions

Related party transactions with our promoters, directors and their entities and relatives primarily relate to purchase and sale of products, remuneration, sitting fees, borrowings, deposits, rent, interest, reimbursements, disinvestments, employee benefit expenses, corporate social responsibility, contribution to gratuity fund, etc. For further details of such related parties under Ind AS-24, refer chapter titled “Financial Information” beginning on page 88 of this Draft Letter of Offer.

### Contingent Liabilities

The following table sets forth our contingent liabilities and commitments as on March 31, 2023, March 31, 2022 and March 30, 2021 as per audited financial statements:

(₹ in Lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
<b>Contingent Liabilities:</b>			
Corporate Guarantees given to Bankers of foreign subsidiary company (Mangalam Global (Singapore) Pte. Ltd.) (MG SPL)	4933.01	4548.43	4410.28
Counter Guarantee given to Bank for issue of Standby Letter of Credit in favour of foreign subsidiary (MG SPL)	-	-	367.52

### Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

### Qualitative Disclosure about Market Risk

The Company's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of security deposits, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk - Foreign Currency, Market risk - Foreign Currency, Credit risk and Liquidity risk. The Board of the Company monitors the risk as per risk management policy. Further, the Audit Committee has additional oversight in the area of financial risks and controls. For further details of such risk, refer chapter titled “Financial Information” beginning on page 88 of this Draft Letter of Offer.

### Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "*Risk Factors*" on \_\_\_\_.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

### **Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages 21 and 92, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

### **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Changes in revenue in the last three financial years are as explained in the part financial year 2023 compared to financial year 2022, financial year 2022 compared to financial year 2021.

### **Competitive Conditions**

We have competition with Indian and international manufacturers and our results of operations could be affected by competition in the manufacturing and processing industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 21 of this Draft letter of offer.

### **New Product or Business Segment**

Except as disclosed in "*Business Overview*" on page 54, we have not announced and do not expect to announce in the near future any new products or business segments.

**Significant Developments since last balance sheet date** Except as disclosed above and in this Draft Letter of Offer, including under "*Business Overview*", "*Risk Factors*" and "*Material Developments*" on pages 54, 21 and 89 respectively, to our knowledge no circumstances have arisen since March 31, 2023, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Promoters, Directors, Group Company and Subsidiary, (the “**Relevant Parties**”).

For the purpose of (V) above, our Board in its meeting held on September 25, 2019 and amended in its meeting held on December 19, 2023, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered ‘material’ if:

Unless otherwise stated to the contrary, the information provided is as of the date of this Prospectus.

### OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS, SUBSIDIARIES AND GROUP COMPANIES

Nature of Case	Number of Cases	Outstanding Amount (in lakhs)
<b><i>Company</i></b>		
Direct Tax	1	Not Ascertainable
Indirect Tax	Nil	Nil
<b><i>Directors</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Promoters (Other than Directors)</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Subsidiaries*</i></b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b><i>Group Companies</i></b>		
Direct Tax	3	Not Ascertainable
Indirect Tax	Nil	Nil

*Note: The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.*

*\*One of the Subsidiary of the Issuer Company is based outside India and cannot be made taxable under Indian Tax Laws. Hence, no tax demand may be ascertained for the said Subsidiary.*

## **OTHER MATERIAL LITIGATIONS**

### **LITIGATION INVOLVING OUR COMPANY**

#### **A. LITIGATIONS AGAINST OUR COMPANY:**

##### **1. CRIMINAL MATTERS:**

Nil

##### **2. WILFUL DEFAULTER:**

Our Company does not appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

##### **3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES<sup>1</sup>:**

Nil

##### **4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

###### **For A.Y. 2019-20:**

As per the details available on the website of Income Tax Authority, M/s Mangalam Global Enterprise Limited has been issued with an adjustment notice u/s 143(1)(1) of the Income Tax Act, 1961 vide document identification number CPC/1920/G22/1973812287 dated 30.01.2020. However, the same has been closed by filing the response. No further communication received from authorities.

#### **B. LITIGATIONS FILED BY OUR COMPANY:**

##### **1. CRIMINAL MATTERS:**

Nil

##### **2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

### **LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

#### **A. LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY:**

##### **1. CRIMINAL MATTERS:**

Nil

##### **2. WILFUL DEFAULTERS:**

None of our Directors' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

##### **3. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**

Nil

##### **4. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

#### **B. LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY:**

##### **1. CRIMINAL MATTERS:**

Nil

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<sup>1</sup> The Regulatory or Statutory Authorities for the purpose of this Chapter include but are not limited to SEBI, RBI etc.

##### **2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

### **LITIGATION INVOLVING OUR PROMOTERS (OTHER THAN DIRECTORS)**

#### **A. LITIGATIONS AGAINST OUR PROMOTER/S (OTHER THAN DIRECTORS):**

**1. CRIMINAL MATTERS:**

Nil

**2. DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST OUR PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION:**

Nil

**3. WILFUL DEFAULTERS:**

None of our Promoters' appear on the Wilful Defaulters' list as per the Reserve Bank of India Circular on Wilful Defaulters'.

**4. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**

Nil

**5. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

**B. LITIGATIONS FILED BY OUR PROMOTER/S (OTHER THAN DIRECTORS):**

**1. CRIMINAL MATTERS:**

Nil

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

**LITIGATION INVOLVING OUR GROUP COMPANIES**

**A. LITIGATIONS AGAINST OUR GROUP COMPANIES:**

**1. CRIMINAL MATTERS:**

Nil

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:  
MANGALAM WORLDWIDE LIMITED:**

**For A.Y. 2022-23:**

As per the details available on the website of Income Tax Authority, M/s Mangalam Worldwide Limited has been issued with an Assessment Proceeding u/s 143(3) of the Income Tax Act, 1961 vide document identification number ITBA/AST/S/143(2)/2023-24/1053523581(1) dated 11.03.2024. However, no further communication received from authorities.

**For A.Y. 2021-22:**

As per the details available on the website of Income Tax Authority, M/s Mangalam Worldwide Limited has been issued with a letter in first Appeal of the Income Tax Act, 1961 vide document identification number ITBA/NFAC/S/62/2022-23/1050250059(1) dated 01.03.2023. However, no further communication received from authorities.

**SPECIFIC WORLDWIDE LLP:**

**For A.Y. 2020-21:**

As per the details available on the website of Income Tax Authority, M/s Specific Worldwide LLP has been issued with a notice u/s 143(3) of the Income Tax Act, 1961 for AY 2020-21 the same has been replied and no further communication received from authorities.

**B. LITIGATIONS FILED BY OUR GROUP COMPANIES:**

**1. CRIMINAL MATTERS:**

Nil

**2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

## **LITIGATION INVOLVING OUR SUBSIDIARIES**

### **A. LITIGATIONS AGAINST OUR SUBSIDIARIES:**

#### **1. CRIMINAL MATTERS:**

Nil

#### **2. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES:**

Nil

#### **3. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

### **B. LITIGATIONS BY OUR SUBSIDIARIES:**

#### **1. CRIMINAL MATTERS:**

Nil

#### **2. OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:**

Nil

## **MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET**

Except as mentioned under the chapter — “*Management Discussion and Analysis of Financial Condition and Result of Operation*” on page 92 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

## **OUTSTANDING DUES TO CREDITORS**

As of December 31, 2023, we had 71 creditors on a standalone basis. The aggregate amount outstanding to such creditors as on December 31, 2023 was ₹ 4179.50 lakhs, on a standalone basis.

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed 5% of total creditors, which is 82.48 % of the total trade payables of our Company as per the Restated Standalone Financial Statements of our Company for the period ended December 31, 2023 included in this Prospectus, shall be considered as ‘material’. Accordingly, in this regard, the creditors to whom an amount exceeding 5% of total creditors was owed as on December 31, 2023, were considered ‘material’ creditors. Based on the above, there are 5 material creditor(s) of our Company as on December 31, 2023, to whom an aggregate amount of ₹ 3447.07 Lakhs was outstanding on such date.

Details of outstanding dues owed as at December 31, 2023 to MSMEs and other creditors are set out below.

<b>Creditors</b>	<b>Number of Cases</b>	<b>Amount due (in Rs. Lakhs)</b>
MSMEs	1	20.28
Other Creditors	70	4159.22

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.groupmangalam.com](http://www.groupmangalam.com)

Information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.groupmangalam.com](http://www.groupmangalam.com), would be doing so at their own risk.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and Governmental Agencies which are required for our present business (as applicable on date of this Draft Letter of Offer) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect to continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of this Information Memorandum.

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **REGISTRATION UNDER THE COMPANIES ACT, 1956 AND 2013:**

1. Certificate of Incorporation dated September 27, 2010 as HINDPRAKASH COLOURCHEM PRIVATE LIMITED; bearing Corporate Identification Number U24224GJ2010PTC062434 vide registration no. 062434 of 2010-11 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

2. Fresh Certificate of Incorporation dated July 31, 2014 pursuant to Change of the Name of the Company from HINDPRAKASH COLOURCHEM PRIVATE LIMITED to MANGALAM GLOBAL ENTERPRISE PRIVATE LIMITED bearing registration no. U24224GJ2010PTC062434 issued by the Registrar of Companies, Ahmedabad.

3. Fresh Certificate of Incorporation dated September 30, 2019 Consequent upon Conversion from Private Company to Public Company thereby altering the name of the Company from MANGALAM GLOBAL ENTERPRISE PRIVATE LIMITED to MANGALAM GLOBAL ENTERPRISE LIMITED, bearing registration no. U24224GJ2010PLC062434 issued by the Registrar of Companies, Ahmedabad.

4. The Company has been listed on NSE Emerge Platform on November 27, 2019. Consequently, the CIN of Company was changed to L24224GJ2010PLC062434. The Company was migrated to NSE main board on December 23, 2020. Thus, the Company is presently listed on NSE main board.

### **Registration under various Acts/Rules relating to Tax:**

S. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	Mangalam Global Enterprise Limited 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura Ahmedabad Gujarat 380009 India	AACCH5026J	Income Tax Department	September 27, 2010	Perpetual
2.	Tax Deduction Account Number (TAN)	Mangalam Global Enterprise Limited 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura Ahmedabad Gujarat 380009 India	AHMH03561F	Income Tax Department	September 27, 2010	Valid till Cancellation
3.	GST	Mangalam Global	24AACCH5026J1ZS	Goods and	July 01, 2017	Valid till



	Registration Certificate	Enterprise Limited 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura Ahmedabad Gujarat 380009		Services Tax department		Cancellation
4.	GST Registration Certificate	Mangalam Global Enterprise Limited Ground Floor, House No.130/24, Jiyalal Marg, Kesarganj, Ajmer, Rajasthan 305001	08AACCH5026J1ZM	Goods and Services Tax department	July 15, 2020	Valid till Cancellation
5.	GST Registration Certificate	Mangalam Global Enterprise Limited RLP-146, Near Dev School, Behat Road, Saharanpur, Uttar Pradesh 247001	09AACCH5026J1ZK	Goods and Services Tax department	November 25, 2022	Valid till Cancellation
6.	GST Registration Certificate	Mangalam Global Enterprise Limited Ground Floor, KH. No.53/27, Riwaz Warehouse, Village Bakoli, North Delhi, New Delhi 110036	07AACCH5026J1ZO	Goods and Services Tax department	March 21, 2023	Valid till Cancellation
7.	Professions Tax Registration certificate (P.T.R.C.):	Mangalam Global Enterprise Limited First Floor, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura Ahmedabad Gujarat 380009	PRC-010515001781	AMC Assistant Manager (West Zone)	April 07, 2022	Valid till Cancellation
8.	Professions Tax Registration certificate	Mangalam Global Enterprise Limited First Floor 42, Shrimali Society, Navrangpura, Ahmedabad 380009	PEC010515006182	AMC Assistant Manager (West Zone)	April 07, 2022	Valid till Cancellation
9.	Professions Tax Registration certificate (P.T.R.C.):	Mangalam Global Enterprise Limited Survey 155p, Khata No.47, Bavla-Sanand Road, Village : Lodariyal, Sanad 382220	PR 07/09/0035/0035	Deputy Commissioner Of Professional Tax, Sanad	May 04, 2022	Valid till Cancellation
10.	Professions Tax Registration certificate	Mangalam Global Enterprise Limited Survey 155p, Khata No.47, Bavla-Sanand Road, Village : Lodariyal, Sanad 382220	PE 07/09/0035/0033	AMC Assistant Manager (West Zone)	May 04, 2022	Valid till Cancellation

**Other Licenses/ Approvals under Statutory Authorities:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952)	Mangalam Global Enterprise Private Limited 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat, 380009	GJAHD1822208000	Employees Provident Fund Organisation, Ministry of Labour, Government of India	December 26, 2018	N.A
2.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Mangalam Global Enterprise Private Limited 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat, 380009	37001133010001099	Employees State Insurance Corporation	December 25, 2018	N.A
3.	Directorate Industrial Safety & Health Gujarat State (Prescribed under rules 5) Form No.4 License to work a factory	Survey No. 155p, Khata No. 47, Bavla-Sanand road, Village-Lodariyal, Taluka-Sanand, Dist. Ahmedabad	9905/10612/2010 License No. 35898 Bavla	Deputy Director Industrial Safety & Health	Feb 13,2024	December 31, 2026
4.	Directorate Industrial Safety & Health Gujarat State (Prescribed under rules 5) Form No.4 License to work a factory	Plot No. 6, G.I.D.C. Modasa Road, Kapadvanj Road, Taluka- Kapadvanj, Dist. Kheda, Gujarat, India.	516/15142/1992 License No 23944 Kapadvanj	Deputy Director Industrial Safety & Health	February 13,2024	December 31, 2028
5.	Consent to Operate and issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation/ Renewal of Authorisation under	Plot No. 6, G.I.D.C. Modasa Road, Kapadvanj Road, Taluka- Kapadvanj, Dist. Kheda, Gujarat, India.	AWH- 62448	Gujarat Pollution Control Board, Gandhinagar	June 20, 2023	July 20, 2027

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
	Rule 5 (5) of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008					
6.	FSSAI- Food Safety and Standards Authority of India License under FSS Act, 2006	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat-380009	10722999001063	Food Safety and Standards Authority of India	05-06-2023	18-07-2024
7.	FSSAI- Food Safety and Standards Authority of India License under FSS Act, 2006	Survey No. 155, Khata No. 447, Lodariyal, Sanand, Ahmedabad, Gujarat, Ahmedabad, Municipal Corporation, Ahmedabad, Gujarat-382110	10020021005809	Food Safety and Standards Authority of India	22-01-2024	21-01-2025
8.	FSSAI- Food Safety and Standards Authority of India License under FSS Act, 2006	Riwaz Warehouse, Khasra No. 53/27, Villbakoli, Alipur, North , Delhi-110036	13323008000442	Food Safety and Standards Authority of India	28-06-2023	27-06-2024
9.	Federation of Indian Export Organisations	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat-380009	AHD/1399/2019-2020	Federation of Indian Export Organisation (Issued under the provisions of Foreign Trade Policy, Government of India)	13-02-2024	31-03-2025
10.	Agricultural and Processed Food Products Export Development Authority	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat-380009	203797	Ministry of Commerce and Industry, Govt. of India	06-08-2020	05-08-2025
11.	Two Star Export House	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat-	File No. AHDSTATAPPLY00 031636AM22	Ministry Of Commerce & Industry- Directorate General of Foreign Trade	30-09-2021	30-09-2026

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		380009				
12.	Import- Export Certificate (IEC)	101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad, Gujarat-380009	AACCH5026J	Ministry Of Commerce & Industry- Directorate General of Foreign Trade	25-10-2018	N.A.

The Company has its business located at:

**Registered Office:** 101 Mangalam Corporate House, 19/B Kalyan Society, Near M.G. International School, Mithakhali Ahmedabad 380006, Gujarat

**Manufacturing Units:**

**Unit 1 Bavla – Wheat and Rice Processing Plant:** Block/Survey No. 155/paiki of Khata No. 447 of Village Lodariyal, Taluka: Sanand, Sub-District: Sanand, District: Ahmedabad, Gujarat

**Unit 2 Kapdvanj – Castor Plant:** North Side, Amalgamated New Survey No. 1025/3 Modasa Road, Kapdvanj-387620, District: Kheda, Gujarat.

**Unit 3 Kapdvanj – Cotton Plant:** North Side, Amalgamated New Survey No. 1025/3 Modasa Road, Kapdvanj-387620, District: Kheda, Gujarat.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

**APPROVALS FOR THE ISSUE**

**Corporate Approvals:**

1. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act 2013, by a resolution passed at its meeting held on February 02, 2024, authorized the Issue and such other authorities as may be necessary.

**In- principle approval from the Stock Exchange**

Our Company has obtained an In-principle approval from the NSE for listing our Equity Shares via right issue through the Letter dated [●].

## SECTION – IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THIS ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on February 02, 2024 has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share), in the ratio of [●] Equity Shares for every [●] Equity Share as held on the Record Date. The Issue Price of ₹ [●] per Equity Share has been arrived at prior to determination of the Record Date.

Our company has received “**In-Principle Approval**” from NSE vide their letter dated [●] in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will make application to NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 114 of the Draft Letter of Offer.

### ASSOCIATION OF OUR DIRECTORS WITH SECURITIES MARKET

We confirm that none of our director(s), Promoter(s) or Promoter Group are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

### PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Neither our Promoters, nor any of our director(s) or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any securities market regulator in any other jurisdiction or any other authority/ court. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors or Promoters is associated with the securities market in any manner.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

### PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### COMPLIANCE WITH COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Draft Letter of Offer.

### ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on National Stock Exchange of India Limited (NSE). Our Company undertakes to make an application to National Stock Exchange of India Limited (NSE) for listing of the Rights Equity Shares to be issued pursuant to this Issue.

### COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges to receive its “**In-Principle Approvals**” for listing of the Rights Equity Shares to be issued pursuant to this Issue. National Stock Exchange of India Limited (NSE) is the Designated Stock Exchange for this Issue.

## **COMPLIANCE WITH PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below.

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange.
2. The reports, statements and information referred to above are available on the websites of National Stock Exchange of India (NSE); and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

## **DISCLAIMER CLAUSE OF SEBI**

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue will not exceed Rs. 5,000.00 Lakhs, however the final letter of offer will be filed with SEBI for dissemination purpose-

## **DISCLAIMER FROM OUR COMPANY AND OUR DIRECTORS**

Our Company accept no responsibility for statements made otherwise than in the Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

## **DISCLAIMER IN RESPECT OF JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, India only.

## **DISCLAIMER CLAUSE OF NSE**

As required, a copy of the Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the SEBI and the stock exchange.

## **DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of the Issue is National Stock Exchange of India Limited (NSE).

## **LISTING**

Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## **SELLING RESTRICTIONS**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the, Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of

Offer has been filed with SEBI and NSE.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

### **NO OFFER IN THE UNITED STATES**

**THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANYTIME.**

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be post marked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America;(ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

## **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS ASOLICIATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO ANY OTHER JURISDICTION AT ANYTIME.

## **CONSENTS**

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, Bankers to the Company, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn upto the date of this Draft Letter of Offer.

Our Company has received written consent from our Statutory Auditor, namely, M/S. Keyur Shah & CO, Chartered Accountants to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated March 13, 2023 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

## **EXPERT OPINION**

Our Company has received written consent dated March 13, 2023 from our Statutory Auditor, namely, M/S. Keyur Shah & CO, Chartered Accountants to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its statement of tax benefits dated March 13, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the above-mentioned documents, provided by M/S. Keyur Shah & CO, Chartered Accountants, our Company has not obtained any expert opinions.

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer except as disclosed below:

<b>Information</b>	<b>Details</b>
Year of issue	2019
Type of issue (Public/Rights)	Public*
Amount of issue	Rs.2157.30 Lakhs
Issue price	Rs.51 Per equity Shares
Date of closure of issue	November 20, 2019
Date of allotment and credit of securities to dematerialized account of investors	November 27, 2019
Date of completion of the project, where object of the issue was financing the project	NA

*\*Our Company was initially listed on NSE Emerge and has migrated to NSE mainboard platform on December 23, 2020.*

There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.



## PERFORMANCE VIS-À-VIS OBJECTS – LAST ISSUE OF LISTED SUBSIDIARIES OR ASSOCIATES

As of the date of this Draft Letter of Offer, our Company have Wholly owned subsidiary (WOS) Company i.e. Mangalam Global (Singapore) Pte. Ltd.- None of our Subsidiaries are listed as on date of this Draft Letter of Offer. Further, our Company does not have any associate company.

## STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on NSE. For details in connection with the stock market data of the Stock Exchanges, please see archive data on the website of the exchange [www.nseindia.com](http://www.nseindia.com).

## FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with NSE and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with NSE.

## STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Draft Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 15 (Fifteen) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photo copy of the acknowledgement slip. For details on the ASBA process see "*Terms of the Issue*" beginning on page 114. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue Investors may contact the Registrar to the Issue at

### Registrar to the Issue

#### LINK INTIME INDIA PRIVATE LIMITED

**Address:** C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, Maharashtra , India

**Contact person:** Ms. Shanti Gopalakrishnan

**Tel:** +91 2249186200

**Fax:** +91 2249186195

**E-mail ID:** [mangalamglobal.rights@linkintime.co.in](mailto:mangalamglobal.rights@linkintime.co.in)

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**SEBI registration number:** INR000004058

**Investor grievance e-mail:** [mangalamglobal.rights@linkintime.co.in](mailto:mangalamglobal.rights@linkintime.co.in)

**CIN:** U67190MH1999PTC118368

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-

Issue/post-Issue related matters such as non-receipt of Letters of Allotment/share certificates/demat credit/Refund Orders etc.

**Mr. Dashang Manharlal Khatri**

Company Secretary and Compliance Officer

**Mangalam Global Enterprise Limited**

**Address:** 101, Mangalam Corporate House, 42, Shrimali Society, Netaji Marg, Mithakhali, Navrangpura, Ahmedabad-380009 Gujarat, India.

**Email Id:** [cs@groupmangalam.com](mailto:cs@groupmangalam.com)

**Contact Number:** +91 7961615000

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI.**

The Company has not filed or submitted any application to SEBI for Exemption from complying with any provisions of Securities except application of exemption pursuant to Regulation 10(1)(a)(ii) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by promoters, Mr. Vipin Prakash Mangal, Mr. Chanakya Prakash Mangal and Mr. Chandragupt Prakash Mangal for acquiring 10714350 Equity shares from Mr. Om Prakash Mangal, member of Promoter Group through Inter-se off market transfer by way of Gift.

The details of the same are as below:

Particulars	Date
Disclosure under 10(5) of SEBI (SAST) Regulations, 2011	January 19, 2024
Gift Transaction	January 31, 2024
Disclosures under 29(2) and Reg 7 PIT	
Mr. Vipin Prakash Mangal	February 01, 2024
Mr. Chanakya Prakash Mangal	February 02, 2024
Mr. Chnadragupt Prakash Mangal	February 01, 2024
Disclosure under 10(6) of SEBI (SAST) Regulations, 2011	February 02, 2024
Disclosure under Regulation 10(7) of SEBI (SAST) Regulations, 2011	February 08, 2024

**STATUS OF OUTSTANDING INVESTOR COMPLAINTS**

As on the date of the Draft Letter of offer, there were NIL outstanding investor complaints.

**CHANGES IN AUDITORS DURING THE LAST THREE YEARS:**

Except as disclosed below, there have been no changes in our statutory auditors during the last three years preceding the date of this Draft Letter of Offer:

Particulars	Date of change	Reasons for change
<b>M/s K K A K &amp; CO.,</b> Chartered Accountants <b>Address:</b> Krishna Mansion, Ghee Bazar, Kalupur, Ahmedabad-380002 <b>E Mail:</b> <a href="mailto:kkakco.ca@gmail.com">kkakco.ca@gmail.com</a> <b>Telephone:</b> +079 22133850 <b>FRN:</b> 148674W	15/05/2023	Due to increased professional pre-occupation
<b>M/s KEYUR SHAH &amp; CO.,</b> Chartered Accountants <b>Address:</b> 303, Shitiratna, B/s. Radisson Blu Hotel, Nr. Panchvati Circle, Ambawadi, Ahmedabad- 380006 <b>E Mail:</b> <a href="mailto:ca.keyurshah2015@gmail.com">ca.keyurshah2015@gmail.com</a> <b>Telephone:</b> +079 22133850 <b>FRN:</b> 141173W	07/06/2023	Appointment as Statutory Auditors

## SECTION X – ISSUE RELATED INFORMATION

### TERMS OF ISSUE

*This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.*

*The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.*

### OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

#### **Important:**

#### **1) DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:**

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched at least three days before the Issue Opening Date to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at [www.groupmangalam.com](http://www.groupmangalam.com)
- b) the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in)
- c) the Stock Exchange at [www.nseindia.com](http://www.nseindia.com)

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., [www.groupmangalam.com](http://www.groupmangalam.com));

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for non- dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e- mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer, Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

## **2) FACILITIES FOR APPLICATION IN THIS ISSUE:**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Terms of the issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 114.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- Grounds for Technical Rejection” on the beginning of the chapter “Terms of the Issue” page 114. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” in the Beginning of the chapter “Terms of the Issue” on page 114.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at [www.linkintime.co.in](http://www.linkintime.co.in) and link of the same would also be available on the website of our Company a [www.groupmangalam.com](http://www.groupmangalam.com) Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v. Renounce its Rights Entitlements in full.

- **Making of an Application through the ASBA process**

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34).

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

**Do's:**

- a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.
- c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

**Don'ts:**

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e) Do not submit Application Form using third party ASBA account.
- f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- g) Do not submit multiple Applications.

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source, may make an Application that is available on the website of the Registrar, Stock Exchanges, along with the requisite Application Money, to subscribe to the Issue on plain paper with the same details as per the Application Form that is available online. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Mangalam Global Enterprise Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Rights Equity share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorizations to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set shall include the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Entitlements (including their credit) and the Rights Equity Shares referred to in this application are being offered and sold in “offshore transactions” only outside the United States as defined in and in reliance on with Regulation S under the U.S. Securities Act (“Regulation S”) to existing shareholders and located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements (including their credit) for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements (including their credit) in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”*

*In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.*

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in)

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

- **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “*Terms of the issue- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” in the beginning of the chapter “*Terms of the Issue*” on page 114.

In accordance with the SEBI circular bearing reference no. SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, Resident Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

**PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.**

#### **Application for Additional Rights Equity Shares**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of the issue- Basis of Allotment*” on page 114.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.**

#### *Additional general instructions for Investors in relation to making of an Application*

- a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this, Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Terms of the issue - Making of an Application by Eligible Equity Shareholders on Plain Paper*”



*under ASBA process” on page 114*

- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e) Applications should not be submitted to the Banker(s) to the Issue or our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application.

Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Do not pay the Application Money in cash, by money order, pay order or postal order.
- q) Do not submit multiple Applications
- r) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- s) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- **Grounds for Technical Rejection**

Applications made in the Issue are liable to be rejected on the following grounds:

- a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then

failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

- p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.
- s) Applicants not having the requisite approvals to make application in the Issue.
- t) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**
- u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- w) The Allotment Advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

- **Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, as applicable, and such Applications shall not be treated as multiple applications. Further, supplementary applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with

SEBI and such Applications shall not be treated as multiple applications. For details, see “*Terms of the issue - Procedure for Applications by Mutual Funds*” on page 114.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter or any member of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in “*General Information – Minimum Subscription*” on page 3.

- **Procedure for Applications by certain categories of Investors**

***Procedure for Applications by FPIs***

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

***Procedure for Applications by AIFs, FVCIs, VCFs and FDI route***

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/ centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

***Applications will not be accepted from FPIs in restricted jurisdictions.***

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lacs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lacs.

### ***Procedure for Applications by NRIs***

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants, provided that the aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

### ***Procedure for Applications by Mutual Funds***

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

### ***Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)***

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### ***Last date for Application***

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Terms of the Issue- Basis of Allotment*” on page 114.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### ***Withdrawal of Application***

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

### ***Disposal of Application and Application Money***

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/ unblocked in the respective bank accounts from which Application Money was received/ ASBA Accounts of the Investor within a period of four days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

### **3) CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS:**

#### **• Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as applicable, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.linkintime.co.in](http://www.linkintime.co.in)) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* [www.groupmangalam.com](http://www.groupmangalam.com))

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to

- a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or
- b) Equity Shares held in the account of IEPF authority; or
- c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- e) credit of the Rights Entitlements returned/reversed/failed; or
- f) the ownership of the Equity 143 Shares under dispute, including any court proceedings, as applicable
- g) non-institutional equity shareholders in the United States

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed

by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date.

No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (i.e. [www.linkintime.co.in](http://www.linkintime.co.in)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

#### **4) RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

- **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

- **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

- **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/ lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### **Payment Schedule of Rights Equity Shares**

₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

#### ***a) On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is [●] Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### ***b) Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.



The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

## 5) MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

### *Mode of payment for Resident Investors*

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### *Mode of payment for Non-Resident Investors*

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company.

**Note:** In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at Office C-101, 1st Floor, 247 Park, L.B.S. Marg,

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Nonresident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “Disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner” on page 114

## 6) BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form, as applicable, at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “*The Issue*” beginning on page 26.

### • Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] ([●]) Equity Shares, such Equity Shareholder will be entitled to [●] ([●]) Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

### • Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the

Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted under the Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on NSE (Scrip Symbol: MGEL) under the ISIN: [●]. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to the Issue by our Promoters and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure – Intention and extent of participation by the Promoter and the Promoter Group*” on page 84.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/ restricted by law and as disclosed in this Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## 7) **TERMS OF PAYMENT**

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

## 8) **GENERAL TERMS OF THE ISSUE**

- **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

- **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

- **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

**Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.**

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

- **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Gujarati language daily newspaper (Gujarati being the regional language in the place where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out there in (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/ Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at

[●]. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

## **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “TERMS OF THE ISSUE- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 114.**

### **9) ISSUE SCHEDULE**

<b>LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS</b>	[●]
<b>ISSUE OPENING DATE</b>	[●]
<b>LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #</b>	[●]
<b>ISSUE CLOSING DATE*</b>	[●]
<b>FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)</b>	[●]
<b>DATE OF ALLOTMENT (ON OR ABOUT)</b>	[●]
<b>DATE OF CREDIT (ON OR ABOUT)</b>	[●]
<b>DATE OF LISTING (ON OR ABOUT)</b>	[●]

*#Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

### **10) BASIS OF ALLOTMENT**

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with

zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

## **11) ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment Advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The unblocking of ASBA funds/ refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## 12) PAYMENT OF REFUND

### • Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d) Direct Credit – Investors having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

### • Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## 13) ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

### • Receipt of the Rights Equity Shares in Dematerialized Form

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.**

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated September 27, 2019 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated September 27, 2019 amongst our Company, CDSL and the Registrar to the Issue

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment Advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment Advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

**14) IMPERSONATION**

As a matter of abundant caution, Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any



other person in a fictitious name, shall be liable for action under Section 447.” The liability prescribed under Section 447 of the Companies Act, 2013 any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **15) UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of the Issue shall be transferred to a separate bank account.
- B. Details of all monies utilized out of the Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of the Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## **16) UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- 1) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
- 3) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund/ unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 7) Adequate arrangements shall be made to collect all ASBA Applications.
- 8) As on date our Company does not have any convertible debt instruments.
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- 10) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

## **17) INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Issue Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ‘Terms of the Issue’ beginning on page 114 of this Draft Letter of Offer

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy 1991, of the Government of India and FEMA. While the Industrial Policy 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non- Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

*The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents enlisted below may be inspected online, on website of the company on [www.groupmangalam.com](http://www.groupmangalam.com) and physically at the registered office of our Company between 11.00 a.m. to 5.00 p.m. on any working day from the date of the Draft Letter of Offer until the closure of the subscription list.

#### **A. MATERIAL CONTRACTS**

1. Registrar Agreement dated October 17, 2019 between our Company and Registrar to the Issue.
2. Banker to the Issue Agreement dated [●] between our Company, [●], and Registrar to the Issue.

#### **B. DOCUMENTS FOR INSPECTION**

1. Certified True Copy of Memorandum & Articles of Association of our Company.
2. Certificate of incorporation dated September 27, 2010 issued to our Company upon incorporation.
3. Certificate of incorporation dated July 31, 2014 upon change in name of the Company upon change of name of company from Hindprakash Colourchem Private Limited to Mangalam Global Enterprise Private Limited.
4. Certificate of incorporation dated September 30, 2019 upon change in name of the Company consequent upon Conversion from Private Company to Public Company
5. Resolution of the Board of Directors under section 62 of Companies Act, 2013 passed in its meeting dated February 02, 2024 authorising the Issue.
6. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditors, Legal Advisor to the Issue, and Registrar to the Issue and [●] to include their names in this Draft Letter of Offer to act in their respective capacities.
7. Tripartite agreement dated **September 27, 2019** amongst our Company, NSDL and the Registrar to the Issue; and
8. Tripartite agreement dated **September 27, 2019** amongst our Company, CDSL and the Registrar to the Issue.
9. Annual report of our Company including Audit Report for the financial year ended March 31, 2021 and March 31, 2022 & March 31, 2023 and unaudited limited reviewed financial results for the Nine months ended December 31, 2023.
10. A statement of possible special tax benefits dated March 13, 2024 received from M/s Keyur Shah & Co. Statutory auditor of the company, regarding possible special tax benefits available to our Company and shareholders.
11. In-principle listing approval dated [●] from NSE vide their letter bearing reference number under Regulation 28(1) of the SEBI Listing Regulation.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATIONS

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**  
**Chandragupt Prakash Mangal**  
**Managing Director**  
**DIN: 07408422**

**Place: Ahmedabad**  
**Date: March 18, 2024**

## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Chanakya Prakash Mangal**

**Managing Director**

**DIN: 06714256**

**Place: Ahmedabad**

**Date: March 18, 2024**

## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Praveen Kumar Gupta**

**Non-Executive Independent Director**

**DIN: 00415491**

**Place: Ahmedabad**

**Date: March 18, 2024**

## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Sarika Sachin Modi**

**Non-Executive Independent Director**

**DIN: 08320453**

**Place: Ahmedabad**

**Date: March 18, 2024**

### **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Varsha Biswajit Adhikari**

**Non-Executive Independent Director**

**DIN: 08345677**

**Place: Ahmedabad**

**Date: March 18, 2024**



## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Vipin Prakash Mangal  
Chairman & Director  
DIN: 02825511**

**Place: Ahmedabad**

**Date: March 18, 2024**

## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Anilkumar Shyamlal Agrawal  
Non-Executive Independent Director  
DIN: 00528512**

**Place: Ahmedabad**

**Date: March 18, 2024**

### **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Chandravijay Arora**

**Chief Financial Officer**

**Place: Ahmedabad**

**Date: March 18, 2024**

## **DECLARATIONS**

I, hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case maybe.

I, further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of Our Company:**

**Sd/-**

**Dashang Manharlal Khatri**

**Company Secretary & Compliance officer**

**Place: Ahmedabad**

**Date: March 18, 2024**