

Date: September 05, 2020



**Manorama**  
Industries Limited

The Manager  
**BSE Limited (SME Exchange)**  
First Floor, New Trading Ring,  
Routana Building, P.J Towers  
Dalal Street,  
Mumbai – 400001  
BSE Code: 541974

**Sub: Annual Report for the Financial Year 2019-2020 and Notice convening the 15<sup>th</sup> Annual General Meeting.**

With reference to the captioned subject and pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Manorama Industries Limited for the financial year 2019-2020 and Notice convening the 15th Annual General Meeting scheduled on Monday, 28th September, 2020, at 2.00 p.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

We request you to take the above information on record.

Thanking you,

**For Manorama Industries Limited**

**Vinita Saraf**  
Chairperson and Managing Director  
DIN: 00208621  
Address: QR. C-9, Anupam Nagar near TV Tower,  
Shankar Nagar Raipur 492007.



**Corporate Office :**

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Raipur - 492007  
Chhattisgarh, INDIA  
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E-mail: info@manoramagroup.co.in  
Web: www.manoramagroup.co.in  
CIN : L15142MH2005PLC243687  
GSTIN : 22AAECM3726C1Z1

**Manufacturing Plant:**

Paraswani Road, Industrial Area,  
Birkoni, 493445  
Mahasamund (C.G.) INDIA  
Tel: 0772-3224227/8/9/30  
ISO 9001, ISO 14001, ISO 45001 FSSC 22000 RSPO Certified Company  
A Government of India Recognized Star Export House

**Registered Office :**

Office No. 403, 4th Floor, Midas, Sahar Plaza,  
Andheri Kurla Road, Andheri East Mumbai  
Mumbai City MH 400059 INDIA  
GSTIN : 27AAECM3726C1ZR  
Mumbai. Tel. 022 22622299  
Tel. 022 49743611, Tel. 022 67088148

# Customized solution provider

15<sup>th</sup> Annual Report 2019-20







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Tribal women  
picking Sal flowers

# ABOUT MANORAMA INDUSTRIES LIMITED

## A Bountiful Business Seeded in Sustainability

Manorama Industries Limited is a global pioneer in the manufacturing of specialty fats from tree-borne and plant-based seeds, enjoying undisputed leadership as a key supplier to the world's leading food, chocolate, confectionery and cosmetic companies. Bringing our years of expertise in manufacturing of specialty fats and butters from tree-borne seeds and plant-based seeds, the promoters formally incorporated the Company in 2005 and Manorama Industries Limited went public in 2018 to scale up its operational footprint and create enhanced stakeholder value.

The Company enjoys a global leadership position in the manufacturing and exporting of its product portfolio. As the world's only producer of Mango-based Cocoa Butter Equivalent (CBE), Sal-based

## Manorama Vision

- Acquire and maintain a leadership position in chosen areas of business
- Continuously create new opportunities for growth in our strategic business
- We seek to produce healthy financial rewards for investors as we provide opportunities for growth and enrichment to our employees, our business partners and communities in which we operate
- We take responsibilities of our communities from where we work through our CSR (Corporate Social Responsibilities)
- One Stop Shop from collection of Tree Borne Seeds with the help of tribal people, processing, manufacturing of CBEs and Specialty fats and butters to use in end products



**Manorama Industries Limited is the only Company in the world to source all seeds like Mango kernel, Sal seeds, Mowrah seeds, Kokum seeds, Dhupa seeds, Shea nuts and other tree-borne seeds and plant-based seeds and supply various Exotic Specialty fats & butters, Non-Palm Mango based Cocoa Butter Equivalent (CBE), Sal-based Non-Palm Cocoa Butter Equivalent (CBE), Non-Palm Shea-based Cocoa Butter Equivalent (CBE).**

Cocoa Butter Equivalent (CBE), Shea-based Cocoa Butter Equivalent (CBE) and Mango, Sal, Shea-based Specialty fats and butters, the Company sets the benchmark in sustainable production of high value-added natural raw materials that are in huge demand with customers across continents. With customer-centricity at the core of its philosophy, the Company's R&D team continuously innovates and develops customer-specific solutions across sectors as varied as Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Food Service, Personal Care, etc. The Company supplies its premium natural products to multinational companies globally.

The demand for the niche products is met through the efforts of an organic collection network of millions of tribals, mainly women-folk across thousands of villages in India and West Africa, who hand-pick the raw materials from forest-beds. The procured collection of raw materials are delicately handled through the supply-chain till it reaches our new plant at BirKoni, Mahasamund near Raipur for processing, production and packaging in a sustainable manner. Besides the flagship Cocoa Butter Equivalents, the Company also manufactures other specialty fats and butters and several value-

added products that have a ready market in India and abroad. De-Oiled Cake is the by-products sold as Cattle Feeds. Manorama Industries Limited recently commissioned its state-of-art facility.

The Company's strategic marketing efforts, expansion of product mix, continuous augmentation of production capacities and implementation of best practices is yielding significant improvements, both, in terms of volume as well as value. We develop and provide value-adding vegetable fat solutions in close collaboration with our customers, enabling them to achieve long-lasting business results. Thanks to the leadership team's sharp focus on exports, the international markets account for nearly half of the revenues, even as the Company's share in the domestic market is expanding on the back of new variants and customized offerings.

Manorama Industries' culture of excellence and commitment to sustainability has received credible recognition on global and national platforms over the years; the Company is the recipient of 48 International and National awards for its successful and unique business model, its role in empowering communities and its contribution to nation building. Accredited with ISO and quality

The Company joined the elite club of 2000 companies in India to have received appreciation from the Department of Scientific & Industrial Research (DSIR), the sole authority for granting R&D certification to companies in India, in recognition and certification of its R&D efforts. It is the only Company in its segment to receive this official certification.



certifications, the Company has been recognized by Government of India as a 'Star Export House' and is a member of Federation of Indian Export Organization. Manorama Industries Limited is a signatory member of UN Global compact, and is committed to the global alliance's charter for a better tomorrow, while adapting the Women's Empowerment Principles (WEPs) to empower underserved women communities.



## Manorama Africa Limited: New frontiers, new forays

Manorama Africa Limited, located at Tema, Ghana, is an associate company and proposed 100% owned subsidiary of Manorama Industries Limited. The Company is primarily into procurement operations for sourcing Shea nuts in the key markets of West Africa. The African unit fulfils the Shea nuts requirement of Manorama Industries' manufacturing facilities.



Replicating its Indian model of local-level networking in Africa, Manorama Africa Limited has tied up sizeable volumes of Shea nut supplies. Manorama Africa Limited procures Shea nuts from the bushes in Ghana through social organizations, women's groups and local markets, besides sourcing supplies from neighbouring countries like Ghana, Burkina Faso, Ivory Coast, Togo, Benin, Mali, Nigeria and Savana Forest region. After initially importing Shea nut consignments for processing in India, the Company now plans to set up Shea processing facilities in Africa. ●

# BOARD OF DIRECTORS

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**Vinita Saraf**  
Chairperson and Managing Director



**Kedarnath Agarwal**  
Executive Director



**Gautam Kumar Pal**  
Executive Director



**Shrey Saraf**  
Executive Director



**Ashish Bakliwal**  
Independent Director



**Dr Neeta Kanwar**  
Independent Director



**Jose V Joseph**  
Independent Director

# MANAGEMENT TEAM

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**Ashish Saraf**  
President



**CA Ashok Jain**  
CFO



**Dr. Krishnadath  
Bhagga**  
VP - R&D and QA/QC



**Deep Saraf**  
VP - Business  
Development



**Raj Shekhar**  
VP - Technical



**Ajay Sharma**  
VP - Commercial



**Chandan Gupta**  
Associate VP - Sales



**CS Divya Jajoo**  
Company Secretary  
& Compliance  
Officer



**CS Ekta Soni**  
Chief Coordinator -  
Corporate Relation



**As the raw materials (Mango kernel, Sal seeds, Kokum seeds, Mowrah seeds, Shea seeds) have a different structure and different cycle of the year, it is beneficial for the facility to run throughout the year.**

## KEY RAW MATERIAL & SUPPLY CHAIN

### Collecting nature's gifts to make natural products

The Company sustainably sources tree-borne seeds and plant-based seeds from millions of tribal and forest dwellers, mainly womenfolk across thousands of villages from the states of Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Maharashtra in India, and West Africa and through various Self Help Groups (SHGs). Over the decades Manorama has built up a strong relationships and a wide, deep-penetrated network for collection of Mango kernel, Sal seeds, Mowrah seeds, Kokum seeds, Dhupa seeds, Shea nuts through Manorama's purchase centers across regions in India and West Africa, where these raw materials grow abundantly in nature. The Company maintains a Fair Price Payment system for Sal seeds, Mango kernel and Shea nut collectors at its purchase centers, as well as encourages Fair Price for Minor Forest Produce raw materials to give respectful livelihoods to the tribals, forest dwellers and local communities as well as economically empower them. Manorama Industries' initiative to transform the seeds, abundantly available in nature into high-value ingredients for luxury products, has positively impacted the lives of millions of tribals and forest-dwellers in the organically-developed supply chain, as part of its philosophy of responsible sourcing of raw materials. ●



### Mango kernel (*Mangifera indica*)

Mango is a seasonal fruit that is amply available across the country during the Indian summer months from May-July. The Company directly sources Mango kernel through a dedicated supplier network that relies on collections from thousands of villages in the states of Chhattisgarh, Odisha, Maharashtra, Gujarat, Madhya Pradesh and others. Manorama Industries is also exploring avenues to source Mango kernels from pulp industries where Mango seeds are a waste product.



### Sal seeds (*Shorea robusta*)

Home of the largest Sal forests in the world, Sal seeds are abundantly available in nature in the Indian states of Chhattisgarh, Odisha, Madhya Pradesh, Jharkhand and West Bengal from May. The Company has a distinct Sal-seed sourcing advantage due to its strategic location in the heart of India's forest-region and its strong relationship and network with the local tribal communities, who are well-versed with the forest topography. Manorama Industries is uniquely positioned to source its required Sal seeds through its well-entrenched network.



### Kokum seeds (*Garcinia indica*)

The Kokum fruit grows in the evergreen forests of the Western Ghats, the supplies of which the Company secures through local collectors in Raigad, Konkan districts of Maharashtra, and Goa. The Kokum seeds are available from September to December. The Kokum seeds yield Kokum fat after crushing and extraction in a solvent extraction plant and the edible refined butter is used as a component in CBE formulation.



### Mowrah seeds (*Madhuca longifolia*)

The Mowrah seeds are available from May to July, and is the single largest indigenous source of natural soft butter with comparable triglyceride composition as in cocoa butter. Sourced from forest floors in Chhattisgarh and Madhya Pradesh, its fat is a key ingredient in the cosmetics industry and for soap manufacturing. Because of its composition and compatibility with cocoa butter, Mowrah butter is suitable to be used as an ingredient in centre-filled chocolate products.



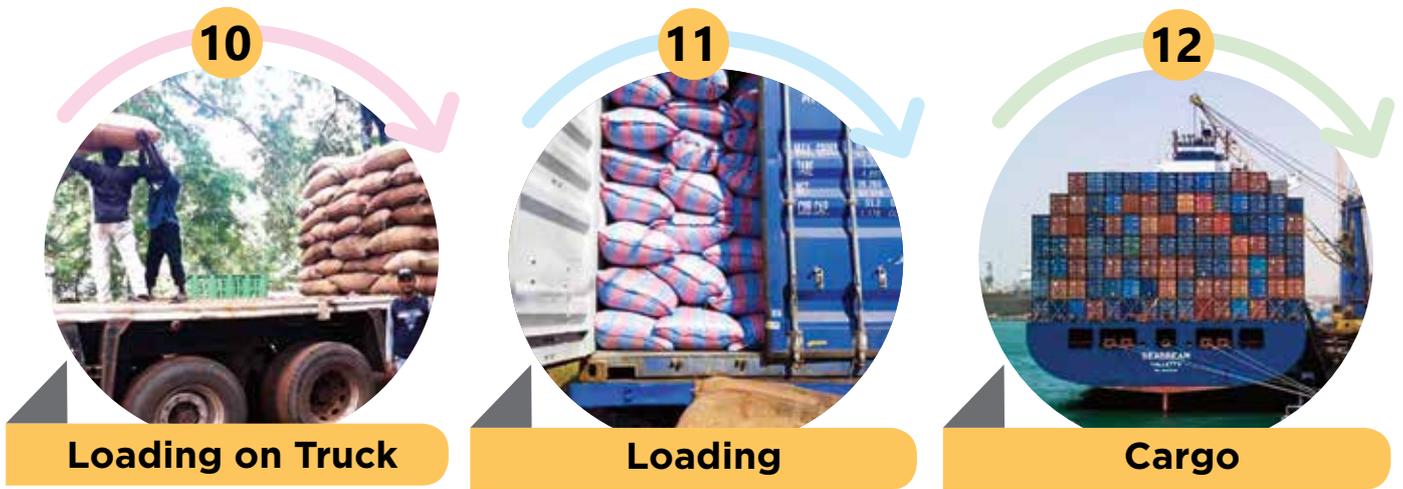
### Shea nuts (*Vitellaria paradoxa*)

The Shea trees that yield Shea nuts are found mainly in West African countries such as Ghana, Burkina Faso, Ivory Coast, Togo, Benin, Mali, Nigeria and Savana Forest region. The Shea nut collection season is from September to January. The Ghanaian kernels are considered to be of the best quality due to their consistently lower free fatty-acid levels, higher butter content and lower impurities. The Company procures Shea nuts from bushes in Ghana through a supply channel consisting of social organizations, women's collectives, village markets and local traders.



# Manorama Supply Network in Africa





## Sal seed Collection Process in India



# MANUFACTURING PROCESS & CAPACITIES

## Enhancing capacities for an expanding business

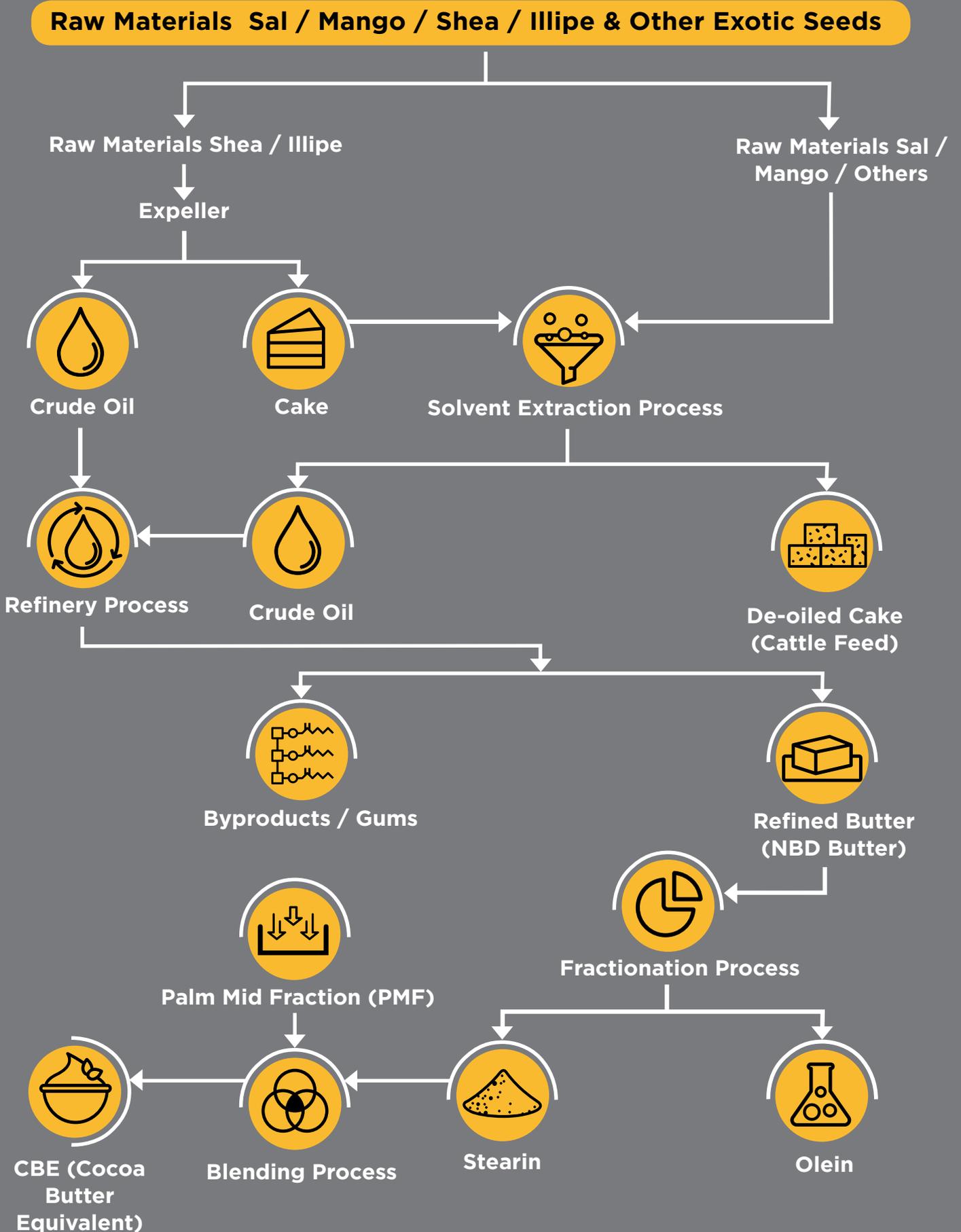
Keeping pace with the surging demand for its products, Manorama Industries successfully implemented its capex plans during the year and expanded its production capacity.

The commissioning of the new plant and the resultant capacity expansion enabled continued growth, as outlined below, making Manorama Industries a leading Indian manufacturer in the global CBE and specialty butters & fats market. ●



	<b>Refinery</b>	<b>15000 MT</b>	<b>Production started</b>
	<b>Fractionation</b>	<b>15000 MT</b>	<b>Production started</b>
	<b>Interesterification</b>	<b>15000 MT</b>	<b>Production started</b>
	<b>Deodorisation</b>	<b>15000 MT</b>	<b>Production started</b>
	<b>Packing &amp; Blending Station</b>	<b>30000 MT</b>	<b>Production started</b>
	<b>Seed Milling (Expeller)</b>	<b>60000 MT</b>	<b>Production started</b>
	<b>Solvent Extraction Plant</b>	<b>90000 MT</b>	<b>Proposed in 2021</b>

# Process Chart



# PRODUCT DEVELOPMENT

## Leveraging technology to create customized product solutions

Manorama Industries brings its creativity, innovation and advanced resources to the table to develop winning products for the market. The Company has emerged as a leader in non-Palm Cocoa Butter Equivalent, Tree-Borne and Plant-based seeds' butter ingredients for the food and cosmetics industries by investing in its people, its facilities and in new technologies, which enables it to launch successful products and maximize value creation.



**The Company is always refining its product offerings and constantly innovating to enhance its product portfolio. In this quest, Manorama Industries leverages the latest breakthroughs in food, chocolate, confectionery and cosmetics development technologies to offer customized solutions to its discerning customers globally, helping them to meet product goals for texture, performance, consistency and shelf life.**

### Mango butter

Its fatty acid composition, combined with the unique unsaponifiable matters, helps to maintain soft and supple skin when applied in cream and lotion formulations.

### Mango stearin

It is obtained via solvent fractionation or dry fractionation of Mango butter, and its composition and physical characteristics are comparable to those of Sal stearin.



### Mango olein

Is the liquid fraction obtained from the production of Mango stearin and has a wide application in the cosmetics industry. It is used in formulation which aid in moisturizing, healing dry and cracked skin and facilitates skin-cell renewal.

### Sal butter

The Sal seed possesses 13-14% butter content, high in stearic, oleic acids and other essential fatty acids, which finds utility in lotions, creams and butter blends.

### Sal stearin

Solid fraction obtained via solvent fractionation of Sal butter and when blended with palm mid-fraction, it results in a Cocoa Butter Equivalent.



### Sal olein

Is the soft fraction obtained when processing Shea butter to produce Shea stearin. Having zero trans-fat and being non-hydrogenated, it is used as a healthy alternative in a variety of applications such as soft confectionery centre filling, chocolate spreads, bake-stable bakery applications and ice-cream.

### Shea butter

Shea nuts possesses 45-52% butter content, high in stearic, oleic- and other essential fatty acids, which find utility in lotions, creams and butter blends. Shea butter contains symmetrical triglycerides, which after fractionation gives suitable raw material for cocoa butter equivalents.

### Shea stearin

Is the solid fraction obtained via solvent fractionation of Shea butter and when blended with palm mid-fraction, it results in a Cocoa Butter Equivalent.



### Shea olein

Is the soft fraction obtained when processing Shea butter to produce Shea stearin. Having zero trans-fat and being non-hydrogenated, it is used as a healthy alternative in a variety of applications such as soft confectionery centre filling, chocolate spreads, bake-stable bakery applications and ice-cream.

Through extensive customized solution provider and with co-development approach with customers and in-house research, Manorama Industries Limited has developed a number of customized products:

### Milcoa®

#### **Milcoa® ES70, Milcoa® ES70S, Milcoa® ES70M, Milcoa® ES70HT (Cocoa Butter Equivalents, CBEs)**

Milcoa® ES range consists of Cocoa Butter Equivalent (CBEs), with degree of hardness that matches standard cocoa butter quality and is fully miscible and compatible with cocoa butter.



#### **Milcoa® IS1016, Milcoa® IS1024, Milcoa® IS1032 (Cocoa Butter Improvers, CBIs)**

These are harder Cocoa Butter Alternatives (CBAs), which can improve cocoa butter by increasing the hardness and enabling easy processing. It gives the final chocolate a better taste, texture, eating sensation and reduces cost.

#### **Milcospread 03, Milcospread 30, Milcospread 33, Milcospread 40 (Chocolates / Hazelnut spread fats)**

Milcospread is our premium brand for chocolate and hazelnut spreads. Depending on the required texture, these fats can also be applied in center-filled chocolate products. The characteristics when applied in chocolate and/or hazelnut spreads:

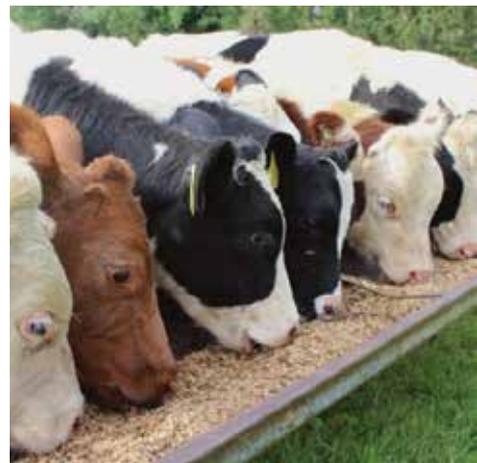
- Excellent mouthfeel and texture stability
- In warmer climates minimizes oil exudation
- Good spread ability even at low temperatures
- Spoon-able directly from refrigerator/spoon-ability at refrigeration temperatures
- Compatible with Cocoa Butter
- Improves oxidative stability, increases shelf life

#### **Milcoa ES1017, Milcoa ES1021 (Cocoa butter optimizers)**

These are softer fats ideal for optimizing a chocolate system, which uses cocoa butter and milk fat, by eventually replacing both. This optimization is realized by varying the fat system to balance the flavour and texture of the chocolate.

These premium products go into the making of world's finest chocolate and confectionery brands.

While food, chocolate, confectionery and cosmetics ingredients are the Company's core business areas, Manorama Industries Limited also has a sizeable presence in the Cattle feed segment, offering nutrition and protein meals in animal feed and fatty acids for diverse applications. Even as India is the world's largest consumer of cattle-feed, Manorama Industries Limited is the largest supplier of Cattle feed from the seeds of Sal, Mango and Shea de-oiled cakes to Indian cattle feed industry. ●



# CLIENT PORTFOLIO

## World's leading brands are our customers

Manorama Industries Limited has grown to become a trusted manufacturer of food and cosmetics ingredients by introducing innovative products that have redefined the benchmarks of quality supplies. From helping chocolate makers to enhance the quality of their offerings, to supporting cosmetics manufacturers with premium ingredients, we are proven leaders with a customer base spanning 84 countries.

Customer satisfaction is the hallmark of our business operations and by strategically aligning our offerings with customer-specific needs, we have developed strong relationships with our customers through timely delivery, consistent quality, regular feedback and attractive pricing.

Besides being the supplier of choice for leading manufacturers in India, Manorama Industries Limited counts the who's who of food, chocolate, confectionery and cosmetic businesses among its customers, supplying its products to geographies spanning continents. The Company has a strong customer base in India as well as globally in countries like Japan, Italy, France, Russia, Malaysia, Indonesia, Singapore, Netherlands, Germany, Sweden, Denmark, UK, USA, Europe, Australia, China, Korea, Portugal, Lithuania, Spain, Luxembourg, Vietnam, Armenia, Canada, Turkey, Philippines, Saudi Arabia, UAE, South America and South East Asia. The Company derives major revenue from the chocolate and confectionery industry, with a significant portion of the balance revenues coming from the cosmetics industry. ●






**The Company has built relationships with large global manufacturers and many MNCs. Manorama Industries Limited has also entered into a supply agreement with The Body Shop International Ltd (UK) for supply of Mango butter. The Body Shop is one of the leading global cosmetics brands which has pioneered social audits with extremely stringent criteria for sourcing of their products and selection of suppliers. The Company's association with The Body Shop as a supplier speaks volumes about its efforts on the sustainability front. The Company is also working with L'Oreal under the Solidarity Sourcing Programme that establishes long-lasting fair trade partnerships, while creating value. The Company also supplies to many other cosmetics companies globally.**

# GEOGRAPHICAL FOOTPRINT

Delivering quality,  
creating value  
around the world



**Import**  
**Export**  
**Import & Export**

# MILCOA<sup>®</sup> INNOVATION & RESEARCH (I&R) CENTER

## Excellence through innovation & research, but naturally!

Complementing the Company's state-of-the-art manufacturing facilities is Manorama Industries Limited's Milcoa<sup>®</sup> Innovation & Research Center, a high standard research laboratory equipped with cutting-edge technologies. This innovation center is home to our research and development teams, and among the finest product development facilities in the Industry. With expansive labs, proprietary development equipment and talented teams, the Milcoa<sup>®</sup> Innovation & Research Center is the Company's powerhouse of product innovation. At Manorama, innovation means continued sustainable growth for us and our customers. By constantly exploring new insights, new raw materials and new technologies, we are able to make solutions that open the door to a wealth of opportunities. It is what makes working with Manorama different.

Manorama solves challenges and creates opportunities with lasting value through tailored vegetable fats and butter solutions. Through joint development approach, customers can depend upon us to support their needs and help realize their goals. To achieve this, we have set our standards as high as possible. We have the expertise and capabilities to make a positive impact on our customers' business, on the industries we serve, and on our employees and stakeholders.

Manorama Industries continues to expand its application development work in confectionery, bakery, dairy, cosmetics and other product categories. The Company collaborates closely with its customers' research and development teams, while continuing to develop creative innovative solutions to use its CBEs, CBIs and other offerings.



The Company joined the elite club of 2000 select companies when it received the Government of India's Department of Scientific & Industrial Research (DSIR) certificate approved on June 29, 2020, which will further encourage the Company's in-house research efforts to develop and launch new products, through an intensive trial process before production batches are taken up to be shipped globally. As a leader in this industry, the DSIR recognition accelerates and further strengthens our commitment to investing in R&D with a view to strongly cultivate a business philosophy built on innovation, research and quality.

The focus on these heavy investments have been vindicated as the products of the Company are used globally by leading manufacturers in food, chocolate, confectionery and cosmetics sectors. While the newly set up Plant at Birkoni is headed by Dr Gautam Kumar Pal, Executive Director (Technical & Production), who has 21 years of experience in manufacturing of Specialty fats and butters, the R&D and QC facilities of Manorama Industries comprises team members headed by Dr Krishnath Bhaggan, Vice-President R&D and QA, who has over 25 years of global experience in the industry, and has more than 30 international patents to his name.

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## R&D, Innovation & QA/QC capabilities

Being a global customized ingredient supplier for the food segment, developing and innovating new ingredients is an imperative for the Company in order to meet the constantly growing demand and requirements of customers. To meet these requirements, Manorama industries Limited has invested in world-class processing equipment with the latest technologies.

### R&D and Innovation

With its new state-of-the-art fractionation facility for Sal butter, Mango butter and Shea butter, the Company will expand its presence in food, chocolate, confectionery as well as in cosmetics, skin care and other segments. The different fractions obtained from the fractionation process and combining them with interesterification enables the Company to develop a number of new products for specific application areas. For instance, for tropical countries, a heat-tolerant Cocoa Butter Equivalent (CBE-HT) has been developed that improves the thermo-stability of the chocolate product. Similarly, Cocoa Butter Equivalent without palm component has also been developed to replace conventional CBE in different chocolate products.

### Operational Excellence

The Company is committed to give its customers cost effective solutions along with the best quality. Manorama Industries Limited is constantly investing in its technical and QA/QC teams, and together with the production team, it works round-



the-clock to develop and implement innovative ideas to reduce cost and deliver products on time at competitive prices. This strategy has built the Company's reputation as a leading customized solution provider.

**Building on its competencies in the food and cosmetics segments, the Company is developing new products for segments like spreads. Our strategy is to develop products for the health sector in future.**

The Company continues to build upon and invest in the culture of innovation, research, empowerment, quality focus and customer-centric approach, even as it forays into new geographies, drive both value and volume-based business growth. This multi-pronged strategy will shape the 'Manorama of tomorrow', with a focus on profitability, sustainability, socio-economic welfare

and ecological benefit, where qualitative and quantitative parameters are both of paramount importance. ●

**UNDER DEVELOPMENT (B2B)**

- Thermo-tolerant Cocoa Butter Equivalent
- Thermo-stable Chocolate/Hazelnut Spread Fat
- Cocoa Butter Replacers
- Aeratable Confectionery Filling Fats
- Cocoa Butter Substitute – Reduced SAFA
- Organic Glycerin, Sal Tanin Concentrate

**UNDER DEVELOPMENT (B2C)**

- Thermo-tolerant Chocolate Spread
- Chocolate-filled Bakery/Biscuit Products
- Chocolate Tablets
- Filled-wafer Products

**R&D and Innovation: The 5-Year Roadmap**



# MARKET STRATEGY

## Exploring new markets, tapping new opportunities

### Market insights

Our solutions are never a success unless they add tangible, long-term value to our customers. Through our co-development approach, we start by gaining deep insights into the drivers behind market demand, as well as the challenges they present. This gives us a powerful framework to ensure each solution is exactly in line with the customer's specific requirements.

### Value at every stage

When it comes to creating a new solution, our global network of Customer Innovation Centers is home to many of the best engineering and technical minds in the business. We work in close collaboration with our customers' own teams and experts to bring the best resources into play at every stage. This allows us to make sure that value is created throughout the process until the final solution is ready for launch. Manorama's approach to innovation offers significant advantages that help customers to be more competitive and build market share. This is not only through safer, more cost-efficient processing or a more sustainable supply, but also through superior products with a better sensory experience, better nutritional profile or that tap into the latest consumer trends.

### Strategic Growth

Our assessment shows favourable market and consumer trends and new opportunities for continued profitable growth. We are building on very strong historical performance, and although we will preserve the DNA of our company we will, going forward, prioritize and operate our business somewhat differently. Acknowledging that different industries are characterized by different market dynamics, it is important to differentiate our approach to each of them. Therefore, we have identified four different portfolio roles: "Invest in continued growth", "Bet on the future", "Optimize performance", and "Maintain current strategy".

Our strong historical growth in Chocolate & Confectionery Fats has been made possible by industry-leading application knowledge and an ability to offer customers the best solutions. Strengthening our key supply chains and capacities within customer innovation will enable us to capture growth in high-value applications.

### Sustainable solutions to the cosmetics industry

Manorama applies its technical expertise and technological know-how in the development of



high-performing, functional emollients for the cosmetics industry. We started to serve all customer categories, from local niche brands to multinational brand leaders.

Sustainable and responsible ethical sourcing and traceability are becoming increasingly important for consumers and cosmetic producers. In response to customer interest in increasing the social value of their brands, we have developed Sustainability Partner Programs in collaboration with the Global Shea Alliance, where customers or brands can engage directly in supporting the optimization of the shea sourcing and processing in West Africa.

The Company is a customer-focused solution provider offering a range of customized products, across food, chocolate and confectionery industries Mango, Sal, Shea-based fats and butters to Non-Palm Cocoa Butter Equivalents (CBEs) and Cocoa Butter Improvers (CBIs). The Company is also expanding its products offerings in the Non-Palm Filling fats segment. Even as the Company's state-of-the-art manufacturing facility delivers output to meet the existing demand of customers, its well-equipped laboratory with talented researchers works closely with the marketing team to understand customer needs and introduce innovative offerings to meet these emerging needs.

In terms of marketing strategy, the Company has a multi-pronged approach that enables it to maintain its leadership position in the niche markets, as well as charts the path for future growth. While building solid relationships with existing customers, Manorama Industries Limited is exploring new markets and tapping potential for new applications for its products both in chocolate/confectionery as well as cosmetic space, even as it explores emerging opportunities for its products in pharmaceutical and health supplement segments.

While the Company has a diverse network of distributors across geographies to cater to the needs of its cross-continental customers, it also

## THE THREE PILLARS OF MARKETING: Product, Customer and Segments

### NEW PRODUCTS, NEW AVENUES

- Shea-based CBE
- Shea butter
- Heat Stable CBE (Sal Based)
- Sal olein
- Interestified Shea butter
- Milcoa®



### NEW CUSTOMERS, NEW POTENTIALS

During the year, we have successfully developed new customers and have increased our presence in the world map. We have also launched new products with good results.



### NEW SEGMENTS

- Chocolate tablets
- Personal Care
- Health Nutrition



works directly with key manufacturers to ensure high levels of customer service. The Company engages its in-house market research professionals to routinely monitor market trends and to conduct competitive analysis, while continuously tracking customer expectations. This intelligence, combined with the expertise of our research teams, is harnessed to develop cutting-edge product and marketing solutions for our customers. The Company's integrated marketing strategy has reaped rich rewards, with the Company securing notable orders for its Sal-based Cocoa Butter Equivalent and Shea-based Cocoa Butter Equivalent from buyers of world. ●

# AWARDS & CERTIFICATIONS

## World-wide recognition for making a difference

Manorama Industries Limited has been recognized for its scientific achievements, innovative products, exemplary export volumes and approach to sustainability. The 48 notable international and national awards reflect the things the Company does to make a difference for the business, for the communities it works with and around the world. The Company is honoured to have its hard work recognized in the world, where its impact is most felt.



Under Ministry of Commerce, Government of India, bestowed two awards for 9<sup>th</sup> consecutive year for 'Excellence in Highest Exports of Specialty Butters from India' to Manorama Industries. The Company's Additional Director Shrey Ashish Saraf received the award from Ms Smita Pant, Chief of Mission at Embassy of India and Chief Guest His Excellency Prince Suhail Mohammed Al Zorroni on October 20, 2019, at Hotel Hyatt Regency, Dubai



Award for 'Sustainable Creation of Wealth through Waste' to Ashish Saraf, President, Manorama Industries Limited, given by Pujya Swami Baba Ramdev and Ms Ibu Ir Musdhalifah Machmud, Deputy Minister for Food & Agriculture, Coordinating Ministry for Economic Affairs, Government of Indonesia, and the Hon'ble Minister Teresa Kok, Ministry of Primary Industries, Malaysia, at the Globoil India 2019 award ceremony & conference at Mumbai on September 26, 2019

Managing Director Vinita Saraf, President Ashish Saraf and Additional Director Shrey Saraf received three awards for "Highest Unique Sustainable Processors and Highest Unique Excellence in Exports of Vegetable Butters from India", given for the 17<sup>th</sup> consecutive year, from Ms Ibu Ir Musdhalifah Machmud, Deputy Minister for Food & Agriculture, Ministry of Economic Affairs, Indonesia, Mr Pasha Patel, Chairman, MACPC, Government of Maharashtra, Mr Kamal Datta, Jt. Secretary – Dept. of FPD, Government of India and Dr Nico Roozen, President Solidarid, Netherlands at a ceremony organized by Solvent Extractors' Association of India on September 25, 2019 in Mumbai



### List of Certificates / Certifications:

Manorama Industries' quest for quality has earned it a spectrum of prestigious certifications:

- Certificate of Registration from DSIR, Government of India
- Recognition of In-House R&D Unit by DSIR, Government of India
- CU-RSPO SCC-870633 Certificate
- Our Manufacturing facility is registered and certified as conforming to EFFCI GMP guide for Cosmetic Ingredients, including the certification standard and scheme for GMP for Cosmetics Ingredients-Revision, 2012
- EU BIO
- NPOP (INDIA)
- NOP (USA)
- TQcert
- Onecert
- Cosmos/Ecocert
- ISO 9001:2015
- ISO 22000:2005
- ISO 45001:2018
- FSSC 22000
- Kosher Certification
- FSSAI
- Halal Certification
- Fair Trade Certification
- Fair For Life
- Illipe Certificate of Export & Import
- Signatories to UN Global Compact
- Signatories to WEPs

# CSR & SUSTAINABILITY

## Enabling Individuals, Empowering Communities

As an ethical business and a community-committed organization, Corporate Social Responsibility (CSR) is at the core of the Company's corporate philosophy. From paying a fair price to community trade partners to enriching the lives of supplier communities through positive interventions, Manorama Industries Limited believes that people-welfare precedes profits and a good business is one that creates value for all stakeholders.

Going way further than the responsibility statement of the Company's CSR Committee and beyond the compliance stipulations, Manorama Industries Limited truly touches the lives of communities that it operates in and makes a positive impact for true transformation.

One of the thrust areas for the Company's CSR program is Education, with the Company managing primary schools in remote and rural areas in the Central and Eastern parts of India. From organizing social welfare campaigns and providing medical assistance for marginalized communities, to providing health & sanitation support in rural areas

and working with women's self-help groups (SHGs) to implement development programmes, the Company has a multi-pronged approach to CSR.

With the Company still in the process of ascertaining its core CSR programs, the Company was unable to exhaust its CSR budget during the year, as per the limits prescribed under Companies Act, 2013. Going forward, the Company will not only endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements, but also take stronger strides to enable individuals and empower communities.

### Sustainability

The Company sees sustainability as an ongoing commitment, not simply a goal to be reached. Manorama Industries Limited is continuously working to reduce its carbon footprint while creating innovative solutions to support the communities the Company operates in around the world, from the remote forests in the heartland of India to the bushes of Western Africa, positively impacting the lives of millions of women.



Manorama Industries Limited awarded for CSR towards Sustainable Development Goals (SDGs) in Chhattisgarh state. Award received by CSR Manager Suryamani Mohanti from Dr Premsai Singh Tekam, Hon'ble Minister for School Education, Government of Chhattisgarh, Shri Ram Kumar Yadav, MLA Chandrapur, Kanker and Shri Rusen Kumar, Founder - India CSR Network at the CG Leadership Summit 2020 organised in Raipur, Chhattisgarh



Additional Director Shrey Saraf receiving the 'Think CSR Award' from Shri Jyoti Prakash Panigrahi, Hon'ble Minister for Tourism & Culture, Government of Odisha, Shri Vijay Sardana, International Agri Business Value Chain Expert, Shri B Mallik, Ex-Country Head, Mewah International, Ms Bhavna Shah, Country Head, Malaysian Palm Oil Council, Shri Kailash Singh, Managing Director, Teflas and Dr D Y Patil, Founder of D Y Patil Group & former Governor of Bihar at a ceremony held in Mumbai on September 24, 2019

### Four Sustainability Focus Areas

We have defined four sustainability focus areas – the “pillars” – that are important to our business. They provide an overview and guide us in setting objectives and focus our resources. The four focus areas are: Our Customers, Our Suppliers, Our Planet, and Our People.

#### Our Customers

Our Customers covers all areas in which we interact with customers. It includes products, product development, food safety, product information, and market communication. Interaction with customers is based on sound business ethics and a deep understanding of the company's responsibility for safeguarding customer brands.



#### Our Suppliers

This area covers activities related to the sourcing of raw materials that we use. Sustainable sourcing is the backbone of Manorama's business and a key element in our strategy. To obtain the right raw materials is essential but we place equal emphasis on how they are produced. For this reason, we have implemented a Code of Conduct for Suppliers of Raw Materials that applies to all actors in the supply chain.



#### Our People

This focus area is about working life at Manorama – how to remain an attractive workplace and assure a healthy, equal and safe workplace. Our employees are our most important resource. Manorama is a diverse company with employees from many parts of the world and with many different job functions. Common to every employee is our values and our Group Code of Conduct. These govern the way our business is conducted and how employees interact with each other and Manorama's stakeholders.



#### Our Planet

Our Planet covers our impact on the environment in terms of resource consumption and emissions from our production plants. It is a top priority for us to minimize our use of natural resources and emissions per processed product even though our stronger focus on more refined products drives a higher degree of processing. All production sites are required to continuously work to improve their respective environmental footprints as well as get new acquired plants on track with Manorama standards. ●



# THE BATTLE AGAINST COVID-19

As part of its commitment to its people and the extended community, the Company contributed in the fight against COVID-19 through a series of initiatives and interventions:

- Distribution of face masks, hand gloves, liquid sanitizer
- Engaging medical practitioners to conduct health check-ups within plant premises
- Implementing a daily check-list for COVID-19 symptoms at the Company's main gate
- Ensuring pre-gate entry sanitization
- Switching from punching system to using MyGate app for entry
- Thermal screening of all persons
- COVID check sheet for all
- Oximeter test before plant entry
- Oxygen cylinder available in OHC (Occupational Health Center)
- Vehicle sanitization
- Plant area touch points sanitization
- Alcohol sanitizer at main gate and in all departments
- Installing extra hand wash station in front of main gate
- Distribution of Vitamin tablets
- Steam inhalation system installed at OHC (Occupational Health Center)
- Arsenic album-30 distribution at OHC on a monthly basis
- Providing training to employees regarding corona virus
- Floor marking in canteen main gate, OHC, office areas for maintaining social distancing
- Established system for leg operated door opener, leg operated sanitizer machine and leg operated drinking water station





During existing pandemic situation, people of CG are fortunate to have AIIMS. AIIMS is extending very good services and support and is taking utmost care of patients. This is the reason the Corona Virus Positive patients are recovering and getting well and returning home happily. Manorama Industries Limited takes the pleasure and honour to extend its small support to AIIMS machine and other Accessories for medical help worth ₹3 lakh on June 8, 2020. In the pictures with Dr Nagarkar, Director AIIMS, Dr Sarita Agarwal, HOD AIIMS, are Manorama's Vinita Saraf, Chairperson & Managing Director, Dr Neeta Kanwar Independent Director MIL and Mr Ashish Saraf President are seen. ●

## Risk and Risk Management

Pursuant to the requirement of Listing Regulations, the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of the Company. Risk evaluation and management is an ongoing process within the Organization.

The Company has a comprehensive risk management policy, which is periodically reviewed by the Risk Management Committee. ●

# WOMEN EMPOWERMENT PRINCIPLES (WEPs)

## A commitment to gender equality

A signatory to UN Global Compact's Women Empowerment Principles (WEPs), Manorama Industries Limited is committed to integrate and promote the Women Empowerment Principles (WEPs) established by United Nations Global Compact and the United Nations Women. The WEPs are a primary vehicle for corporate delivery on gender equality dimensions of the 2030 agenda and the United Nations Sustainable Development Goals. By joining the WEPs community, the Company continues to exhibit a high level of commitment towards working collaboratively in multi-stakeholder networks to foster business practices that empower women, by working towards equal pay for work of equal value, gender-responsive supply chain practices and zero-tolerance against sexual harassment in the workplace.

### The Women's Empowerment Principles

The Women's Empowerment Principles are a set of 7 Principles for business offering guidance on how to empower women in the workplace, marketplace and community. They are the result of a collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact. ●



United Nations Entity for Gender Equality and the Empowerment of Women

 <p><b>Leadership promotes gender equality</b></p>	 <p><b>Equal Opportunity Inclusion and Non-discrimination</b></p>	 <p><b>Health, Safety and Freedom from Violence</b></p>	 <p><b>Education and Training</b></p>
 <p><b>Enterprise Development, Supply Chain and Marketing Practices</b></p>	 <p><b>Community Leadership and Engagement</b></p>	 <p><b>Transparency, Measuring and Reporting</b></p>	 <p><b>MORE THAN 850 CEOs HAVE SIGNED THE WEPs CEO STATEMENT OF SUPPORT</b>  <a href="http://www.WEprinciples.org">www.WEprinciples.org</a></p>

FROM THE DESK OF

# CHAIRPERSON & MANAGING DIRECTOR

VINITA ASHISH SARAF



*Dear Shareholders,*

*I am pleased to share with you a performance update on your Company's performance for the period 2019-20. I am proud to report that Manorama Industries continues to build on enhancing its leadership position in the country in manufacturing, processing and supply of exotic and specialty fats & oils and remains committed to being an acknowledged global leader in super specialty tailor made fats and Cocoa Butter Equivalent (CBE) used in chocolate, confectionery and cosmetics global sector.*

## Business performance

Your company continues to boost forward on its growth trajectory by successfully tapping the growth opportunities. During the year, Manorama Industries continued to build upon and progress further on its growth track by successfully tapping the growth opportunities. During the year, the company has achieved excellent performance in terms of growth in sales led by strong demand and profit compared to last year.

The company's core CBE segment registered solid growth on the back of innovations that catered to both global and local palates. Backed by this growth, your Company sustained its robust volume-driven and profitable growth during the year. Despite the disruptions to production and dispatches arising from COVID-19 in March 2020, your Company delivered a year-on-year growth.

Top Highlights of the Financial Performance and other Activities during this period:

- Revenues from operations for the first quarter ended March 31, 2020 (Q1FY21) stood at ₹ 188.24 crore as compared to 102.39 crore in FY19. Up 83.83% Y-o-Y
- The Company reported Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of

₹ 49.80-crore in FY20 as against ₹ 31.92-crore in FY19, up 55.99%. The Company's EBITDA margin stood at 26.45% Y-o-Y

- Profit before tax stood at ₹ 32.37-crore as compared to ₹ 26.56-crore, up 21.86% Y-o-Y
- The Company reported PAT of ₹ 23.33-crore for FY20 compared to ₹ 19.06-crore, up 22.40%. The Company's PAT margin stood at 12.39%
- The Company achieved Cash margin of ₹ 31.00 Crore as compare to ₹ 19.87 Crore for the earlier period, up by 56%
- Earnings per share (EPS) for the year end stood at ₹ 20.94

## Capacity addition

I am happy to report that with round the clock hard work and efficient planning and execution, your company has been able to successfully commission the new greenfield state-of-art manufacturing facility at Birkoni Raipur in a record time. This is a testament to our team's excellent project management skills and top-notch execution capabilities.

The commissioning of the new plant and the resultant capacity expansion makes Manorama Industries a leading Indian manufacturer in the global CBE and specialty butters & fats market, and will enable the Company to further ramp up its output for the unmet demand globally.

### **DSIR certification**

This year was more fulfilling for us as our Research and Development (R&D) facilities have been recognized and certified by the Govt. of India's Dept. of Scientific & Industrial Research (DSIR), the sole authority for granting R&D recognition and certification to companies in India. With DSIR recognition and certification, Manorama Industries joins the illustrious band of select 2,000 companies in India who have this recognition and certification. We are the only company in this segment of exotic and specialty fats/butters with this esteemed certification in the country. This is a validation of our company philosophy of being driven by continuous innovation and portfolio expansion with a strong R&D focus right since our inception in 2005.

### **Business outlook**

Your company's business performance and achievements is significant given the backdrop of the challenging business environment led primarily by the novel Corona virus. This led to a general weakening of sentiment both from a business perspective and impact on the society at large domestically as well as globally. I am proud to report that despite these drawbacks Manorama Industries has risen to the occasion and come out with flying colours to deliver competitive, profitable and responsible business growth. In these trying times, our business performance mirrors our forceful and values-led journey since inception to navigating the current pandemic in line with our projected expectations.

As the operations of the company are coming to normal gradually, the company does not foresee any material impact in terms of profitability of its products. Enough caution is applied toward minimizing the costs so as to bring in cost discipline to achieve our short to mid-term profitability, but without compromising our long-term strategic focus. It is difficult at this stage to assess the exact impact of COVID-19 on our performance for the whole of FY2020-21. However, we see strong and encouraging intrinsic upward direction in our user markets and we remain cautiously optimistic.

Your company has delivered a strong performance with a focus on 'premiumisation' driven by the expansion of our high-value Shea Nuts operations in West Africa through Manorama Africa Ltd, which is primarily into procurement operations in Africa of Shea nuts found mainly in West Africa. It fulfils Shea nuts requirement of Manorama Industries' manufacturing facilities. The Company intends to set up Shea Processing facilities in Africa in the near future to process larger volumes of Shea nuts, thus yielding better efficiencies and higher value-creation. We intend to make the African operations a 100% subsidiary of Manorama Industries.

Our growth fundamentals continue to be in good shape with gains in penetration and augmentation in distribution. Most of our brands and products have registered strong growth. We persevere in our quest to expand our portfolio of new clients, new segments and new geographies and enhancing our financial agility. This is a testimony to the power of our unique collaborative, customer-centric approach and the definitive initiatives taken to readjust our business to the quick changing business circumstances brought by COVID-19 and the future of our business.

With the new initiatives, your Company now makes products that involve multiple cycles of operations, thus delivering maximum utilization of plant and production capacities. To fuel this growth, your Company has also augmented the working capital allocations, while drawing a capex road-map for future growth.

In line with our business philosophy of bringing together our customers' requirements with our capabilities and with our augmented production capacities your Company's R&D team has drawn a 5-year roadmap to introduce product innovations and customized solutions. This will enhance the market-share as well as value-share of Manorama Industries in food, chocolates, confectionery as well as in cosmetics, skin and personal care and other segments. Expanding its dominance in the B2B

space, your Company is also planning to enter the B2C space with a new range of consumer products targeted through retail platforms and e-commerce channels, which will further accelerate growth.

Going forward, we are confident of healthy top line and bottom-line growth and market share gains, backed by a strong and diversified product portfolio. We continue sustain our focus on R&D, superior product quality with adherence to best in class standards and competitive pricing. Our products are witnessing strong traction in the international markets as is evidenced by the swelling size of our order books and a sizeable export revenue.

### **Sustainable & inclusive growth during pandemic**

For us, sustainable growth is about our responsibility towards all of our key stakeholders — the tribal / forest dwellers are our major suppliers, local communities where we operate, our customers, employees, investors, bankers and our other suppliers. It is with a great sense of pride, that I share that while our teams and supplier networks showed tremendous resolve and resilience to keep the momentum of the Company's operations going through the pandemic disruption, despite market pressures, your Company paid full compensation to all our employees and other stakeholders throughout the lockdown period. We continue to collaborate with thousands of women self-help groups (SHGs) and millions of tribal/forest people for sustainable sourcing of superior-quality of raw material. We are committed to adding real social and economic value to members of our supply chains.

It is difficult times like these that test our character as individuals and businesses, and I am glad to share that your Company has come out stronger and sturdier from the COVID-19 pandemic. Caring for communities is at the core of your Company's ethos, and we are proud of having firmly stood



**We expect to achieve optimum production levels in the year 2020-2021 and further progress our ambition to become one of the leading Indian manufacturers in the global CBE & specialty butters & fats market and will enable the Company to further ramp up its output for the unmet demand globally.**

by our values through these testing times, while pursuing profits with a conscience.

I take this opportunity to reiterate that your Company stands united with the nation during this challenging phase of COVID-19. To support the nation in tackling the crisis, we have partnered with the Government, civic bodies, social organisations and hospitals and have undertaken several initiatives such as donating sanitation and hygiene products to medical institutions and underserved sections of the society, upgrading health care facilities in Government hospitals and testing centres, setting up isolation centres and creating large scale awareness campaigns.

I would like to thank each and every employee as well as all our partners across our value chain in India and around the world for their commitment and support to the Company in these challenging times. Most importantly, I would like to thank you, our shareholders, for your overwhelming trust, support and confidence in Manorama Industries Limited. ●

Warm regards,

**Vinita Ashish Saraf**

Chairperson and Managing Director

Ref: 1. *World Economic Outlook Update by IMF – June 2020*  
2. *Report on Cocoa Butter Equivalent by CARE by Advisory Research & Training Ltd – July 2020*

# EXECUTIVE DIRECTOR

KEDARNATH AGARWAL



*Dear Shareholders,*

*On behalf of the Board of Directors, I am pleased to present to you Manorama Industries Limited's annual report for the financial year ended March 31, 2020 (FY 2019-20).*

## **Growth journey continues**

Manorama Industries' growth trajectory continues upward, I am happy to report that your Company has once again posted a remarkable performance for FY2019-20 with revenues of ₹188.24 crore which is an 84% increase over the previous year. Profit after tax has also risen by 22.40% to ₹23.33 crore in the same period.

Additionally, I am happy to inform you that your company has successfully begun full scale commercial production at its new state-of-the-art plant at Birkoni, Chhattisgarh. The new plant is now fully functional in record time including the key process of fractionation.

This greenfield capacity now enables Manorama Industries with first mover advantage in the manufacture of premium specialty fats and butters in India and tap into the strong and growing demand for our products across the globe.

## **Newer geographies & customers**

During FY2019-20, your Company further expanded its customer base across geographies. In particular, we achieved higher sales as our exports increased by 58.45% in FY2019-20 with the launch of new products and as we acquired fresh customers and expanded into new markets.

Our products are now used by the world's leading brands in food, chocolates, confectionary and cosmetic sector.

Manorama Industries manufactures Shea butter made from the finest quality Shea nuts sourced through our operations in West Africa. The company is also the largest manufacturer by volume of Sal and Mango-based specialty fats and Cocoa Butter Equivalents (CBE) in India.

## **Meeting customer requirements backed by world-class R&D**

At Manorama Industries, our constant focus remains on customer satisfaction with uncompromising integrity. Right from the very beginning the promoters had invested in R&D as they believed strongly in innovation and quality. We strive to leave no stone unturned in meeting customer expectations. This ensures that we deliver products that are value propositions for our customers around the world. Our product strength derives from our strong investments in cutting-edge research and development (R&D) and firm commitment to the highest quality standards. We have a world-class research laboratory, which is equipped with proprietary equipment and manned by a talented team of innovators.

I am delighted to share that our R&D efforts have won recognition and certification from the Government of India's Department of Scientific and Industrial Research (DSIR), which is the sole authority for granting R&D certification to companies in India. With this, Manorama Industries has joined the elite club of 2,000 companies having DSIR certification. It

is the only company in this segment of exotic and specialty fats / butters with this certification in the country now allowing accelerated development of new and exciting products in-house on continuous basis with better speed to market.

### **New Products & segment niches – drivers of growth**

The Company has a rich history and proven track record of customer retention and derives a significant proportion of its revenues from repeat business. Over the years, Manorama Industries has developed strong business relationships with large global food, cosmetics, chocolate and confectionery manufacturers with many of them being Fortune 500 companies. Through our unique collaborative, customer-centric approach, we bring together our customers' requirements and know-how with our capabilities and skillset. By doing so, we develop innovative customer-specific solutions across many industries – Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Foodservice, Personal Care, and more.

The Company sustained its thrust on product development during the financial year. From expanding our product and segment portfolio perspective, I am happy to report that we are looking at entering the business-to-consumer (B2C) segment and are currently developing a range of new products for this and the business-to-business (B2B) segment such as thermo-tolerant CBEs and chocolate spreads, cocoa butter replacers and chocolate-filled biscuits and bakery products. In addition, the Company is working on developing new product offerings in the Non-Palm Filling Fats category.

Apart from its core food, chocolate, confectionery and cosmetics segments, Manorama Industries is also broad-basing its product development to target the health Nutrition segments.

Your Company firmly believes it can sustain its performance in FY2020-21 by optimising production



**I am delighted to share that our R&D efforts have won recognition and certification from the Government of India's Department of Scientific and Industrial Research (DSIR), which is the sole authority for granting R&D certification to companies in India.**

in the new plant at Birkoni and adapting to changing customer needs to increase its revenues and enhance its profitability. We continue to doggedly pursue our mission to become a leading global player in our value-added innovative niche products segments.

Our growth shall continue to derive strength from our highly professional management, which is committed to our key values of mutual trust and commitment, and our thrust on eco-friendly and sustainable business practices. We believe we must respect our life-sustaining forests by minimising the impact of our operations on forest-based ecosystems even as we continue to provide employment opportunities for tribals in remote locations.

The numerous tribal communities that we work with are partners and stakeholders in our success. We continue to stand by them and support them through these difficult times of COVID-19.

### **COVID-19 scenario**

Undoubtedly, the COVID-19 pandemic and resulting economic slowdown have created an unprecedented challenge for the Company and businesses around the world. But like we have in the past, we are confident in our ability to turn the challenge into an opportunity. In these difficult times, we remain confident in our business model and long track record that will weather us through



macro uncertainties. At the same time, given the uncertainty and ever evolving situation with the pandemic, we will continue to apply caution coupled with our financial discipline by aggressively focusing on cost management and cash conservation we believe the company is in a strong position to overcome the challenges of the global pandemic.

### Treasuring trust & support

Needless to say, our success would not have been possible without the efforts of our employees, who are our greatest assets. I wish to express my sincere appreciation to them for their contribution. I would like to extend my gratitude and acknowledgement to our management team, staff, bankers and business associates for their commitment and contribution towards Manorama Industries' journey. Further, I would like to show my appreciation for my

fellow directors for providing guidance amidst the tough operating environment. Last, but not least, I would like to reinforce my acknowledgement of the support to our loyal shareholders for being our pillar of support.

In the end I would like to reiterate that your company will continue to drive ahead in building a more sustainable business for our customers, while enhancing our shareholders' value and will come out of the current crisis stronger than before. ●

Warm regards,  
**Kedarnath Agarwal**  
Executive Director

Ref: 1. *World Economic Outlook Update by IMF – June 2020*  
2. *Report on Cocoa Butter Equivalent by CARE Advisory Research & Training Ltd – July 2020*

## MANAGEMENT REVIEW

# MANAGEMENT DISCUSSION & ANALYSIS

## Macro-Economic Overview

Emerging from the disruptive impact of the global pandemic, businesses and economies are in recovery mode. Even as the International Monetary Fund's report titled *A Crisis Like No Other* has estimated that the global economy will shrink by 4.9% this year, it has projected that global growth will bounce back at 5.4% in 2021.

Overall trade contracted globally by around 3.5 per cent Y-O-Y in the first quarter, due to weak demand, reduction in tourism, restrictions on travels, stoppage of production activity and disruption of supply services due to lockdowns. Consumption is projected to strengthen gradually next year, and investments are also expected to firm up. This indicates a slow and gradual recovery onwards of H2FY21.

While there is still a high level of uncertainty on a global level due to the COVID-19 pandemic, the development and introduction of effective vaccines will play a key role in reshaping the economic



recovery. Vaccine trials are already underway at an unprecedented speed and its advent will develop positive sentiments amongst consumers and businesses.

### Cocoa Butter Equivalent Industry

As per the report by Euromonitor, the demand for chocolates in India has grown substantially, from approximately at a CAGR of 6%, and the growth momentum is expected to continue in the years to come. Multinational companies like Nestle, Mondelez, Ferrero, MARS and Hershey have particularly dominated the market. The Indian chocolate industry is expected to grow rapidly to a consumption level.

Cocoa Butter Equivalent (CBE) is not only a more cost-effective substitute of Cocoa Butter, but it also ensures the same quality of the chocolate, while reducing the cost of the chocolate significantly. CBE is no different in texture, flavour and taste when compared with Cocoa Butter.

In India, the market for CBE is growing and is expected to benefit from the increasing consumption in line with the increasing population, the increased per capita consumption of chocolates and manufacturers switching to CBE in view of high cocoa butter prices.

It is estimated that the global Specialty Fats & Oils market is expected to grow at a CAGR of 6.6% in terms of revenue. The APAC region is one of the largest markets of growth for specialty fats and oils, and will continue to be so with an expected size in terms of volumes.

### Chocolate Industry

The European region is the highest consumer of Chocolates, with an annual consumption of 11 kg per capita. The majority of chocolate sales are accounted for by the US manufacturers like Mondelez International, Mars Inc., etc.

The worldwide consumption of chocolates is fast growing and the market is led by behemoths like Mars, Mondelēz International, Nestlé, Ferrero, Hershey, Lindt & Sprüngli.

The Indian chocolate market has seen a gradual shift of consumer preferences from traditional Indian sweets to contemporary substitutes, of which chocolates are the prominent ones. Six of the top-10 global chocolate manufacturers have already entered the Indian chocolate market, even as chocolates are gradually becoming a part of everyday consumption rather than occasional consumption. Moulded chocolates continue to be the favourite of the Indian market due to its rich taste and ease of availability in neighbourhood kirana shops, convenience stores and even chemist outlets.

The increasing tradition of chocolate gifting and the fear of adulteration in traditional sweets is also expected to be a major driver for the industry. Further, innovation in chocolate marketing and introduction of premium chocolates is also one of the biggest growth drivers for the Indian Chocolate Industry. ●



Ref: 1. World Economic Outlook Update by IMF – June 2020  
2. Report on Cocoa Butter Equivalent by CARE Advisory Research & Training Ltd – July 2020

# PRODUCT PORTFOLIO OF MANORAMA INDUSTRIES



**Cocoa Butter Equivalent (CBE):** The Company's key focus has been on CBE given its various advantages for the chocolate industry, like reduction in the production cost of chocolates as CBEs are more cost-efficient compared to cocoa butter, stabilizing influence on fluctuating price of cocoa butter, improved stability of chocolates in tropical climate and the factor of bloom control.

**Mango butter:** Its fatty acid composition, combined with the unique unsaponifiable matters, helps to maintain soft and supple skin when applied in cream and lotion formulations.

**Mango stearin:** It is obtained via solvent fractionation or dry fractionation of Mango butter, and its composition and physical characteristics are comparable to those of Sal stearin.

**Mango olein:** Mango olein is the liquid fraction obtained from the production of Mango stearin and has a wide application in the cosmetics industry. It is used in formulations which aid in moisturizing, healing dry and cracked skin, and facilitates skin-cell renewal.

**Sal butter:** The Sal seed possesses 13-14% butter content, high in stearic, oleic acids and other essential fatty acids, which finds utility in lotions, creams and butter blends.

**Sal stearin:** It is the solid fraction obtained

via solvent fractionation of Sal Butter and when blended with palm mid-fraction, it results in Cocoa Butter Equivalent.

**Sal olein:** It is the liquid/soft fraction obtained when producing Sal stearin. Having zero trans-fat and being non-hydrogenated, it is also used as a healthy alternative fat in a variety of applications such as soft confectionery, center filling, chocolate spreads, bake-stable bakery applications and ice-cream.

**Shea butter:** Shea nuts possess 45-52% butter content, and are high in stearic, oleic and other essential fatty acids, which find utility in lotions, creams and butter blends. Shea butter contains symmetrical triglycerides, which after fractionation gives suitable raw material for cocoa butter equivalents.

**Shea stearin:** It is the solid fraction obtained via solvent fractionation of Shea butter and when blended with palm mid-fraction, it results in a Cocoa Butter Equivalent.

**Shea olein:** This is the soft fraction obtained when processing Shea butter to produce Shea stearin. Having zero trans-fat and being non-hydrogenated, it is used as a healthy alternative fat in a variety of applications such as soft confectionery, center filling, chocolate spreads, bake-stable bakery applications and ice-cream. ●

# OPPORTUNITIES

Manorama Industries Limited plans to make Manorama Africa Limited, incorporated in Ghana, a wholly-owned subsidiary for its operations in West Africa.

During the year, the Company has achieved excellent performance in terms of growth in sales, led by strong demand and robust profit compared to last year. Through extraordinary execution and efforts, the production facilities at the Company's new plant at Birconi started full commercial production units during the year. The key process of fractionation has also commercially started in March, 2020. With this achievement, the Company is expected to achieve production at optimum level in the year 2020-21. The Company aspires to emerge as one of the leading Indian manufacturers in the global CBE and specialty butters & fats market.

The Government of India provides special incentives and support for agriculture, vegetable oil & fats, and food processing industries. Furthermore, the opening up of global trade and liberalization also provides a huge opportunity for foreign collaboration.

The domestic contribution to the top-line stands at 57%, while exports account for 43% of the sales.

With commencement of new Birconi Plant, the Company has operational capacities as under:

	<b>Refinery</b>	<b>15000 MT</b>
	<b>Fractionation</b>	<b>15000 MT</b>
	<b>Interesterification</b>	<b>15000 MT</b>
	<b>Deodorization</b>	<b>15000 MT</b>
	<b>Packing &amp; Blending station</b>	<b>30000 MT</b>
	<b>Seed Milling</b>	<b>60000 MT</b>
	<b>Solvent Extraction Plant*</b>	<b>90000 MT</b>

\* Proposed in 2021

The new Export-Import Policy under the new input-output norms for export of cocoa butter equivalents has announced an import entitlement of 1.02MTs of Crude Palm Oil & 0.10 MTs of Mid Fraction against export of 1.02MTs of Cocoa Butter Equivalents. The import as mentioned above will be exempt from duty, which is presently 75% of the value of imports. ●



New plant at Birconi

# RISKS & THREATS

## Change in consumer behaviour

Consumer tastes and preferences can change overtime; with more focus on health conscious food habits, the consumption of chocolate and other bakery & confectionary products might be affected.

## Capital Intensive Business

The management anticipates pressures on working capital for sourcing of raw material which is available for a very short span of time during the whole year. Thus, there is a high requirement of funds during this short period, which needs to be planned and provided for appropriately. However, in order to mitigate the potential funds crunch, the Management has made adequate arrangements for the same. The average use of working capital finance was 80% last year.

## Forex Risk

Manorama Industries' financial performance, given its predominant Export Business, is significantly impacted by fluctuations in exchange rates. The Company takes a structured approach to the identification, quantification and hedging of such risks through Forward Forex booking of currency, which is driven by a comprehensive risk management policy of the Company.

## Disruption in Operation due to ongoing Novel Covid 19 Pandemic

It is difficult at this stage to assess the exact impact of COVID-19 on our performance for the whole of FY2020-2021. However, we see strong and encouraging intrinsic upward direction in our user markets and we remain cautiously optimistic. ●

# FINANCIAL OVERVIEW

## For full year ended March 31, 2020 (FY20):

- Revenues from operations for the first quarter ended March 31<sup>st</sup>, 2020 (Q1FY21) stood at ₹ 188.24 crore as compared to 102.39 crore in FY19. Up 83.83% Y-o-Y
- The Company reported Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of ₹ 49.80 crore in FY20 as against ₹ 31.92 crore in FY19, up 55.99%. The Company's EBITDA margin stood at 26.45% Y-o-Y
- Profit before tax stood at ₹ 32.37 crore as compared to ₹ 26.56 crore, up 21.86% Y-o-Y
- The Company reported PAT of ₹ 23.33 crore for FY20 compared to ₹ 19.06 crore, up 22.43%. The Company's PAT margin stood at 12.39%
- The Company achieved Cash margin of ₹ 31.00 crore as compare to ₹ 19.87 crore for the earlier period, up by 56%
- Earnings per share (EPS) for the year end stood at ₹ 20.94

**FY20 YoY Highlights**  
**Revenues up by**  
**84% Y-o-Y to**  
**₹ 18,824 Lacs PAT**  
**up by 22% Y-o-Y to**  
**₹ 2,333 Lacs**

## Top Highlights of the Financial Performance and other Activities during this period:

PARTICULARS	H2 ON H2			YOY		
	Half Year ended 31/03/2020	Half Year ended 31/03/2019	Change in %	Year ended 31/03/2020	Year ended 31/03/2019	Change in %
REVENUE	9,378	6,519	+43.85%	18,824	10,240	+83.83%
EBIDTA	2,365	1,718	+37.65%	4,980	3,192	+55.99%
PBT	1,167	1,358	-14.05%	3,237	2,656	+21.86%
PAT	811	1,030	-21.29%	2,333	1,906	+22.43%
CASH MARGIN	1,413	1,072	+31.78%	3,100	1,987	+56.00%

Amount in Rs. Lacs

# OUTLOOK

The Management is confident that 2020-2021 will be a year of smooth operations and consistent growth, driven by optimum level of production and increased revenue, allowing absorption of costs in an efficient manner, eventually resulting in increased profitability.

With strong expectations of the increase in 5% limit for the use of CBE in chocolates, the scope for growth is exponential. We are confident that the Government will increase the 5% limit as it is beneficial to manufacturers of chocolates, without affecting quality of the product given that CBE is cost-effective compared to Coco Butter, but does not affect the taste and texture of the chocolate. During the year, the facilities at our new plant at Birkoni started full commercial production of all units, including the most important process of Fractionation. With this achievement, the Company is expected to achieve production at optimum levels in 2020-21.

The COVID-19 crisis is an unprecedented event which has affected our lives in a way one could never have expected. However, Manorama Industries, with its decades of entrepreneurial experience, has always taken on tough situations and challenges with a positive approach. Our purpose and values of protecting our people, their lives and livelihood, safeguarding the interest of thousands of partners and stakeholders who contribute to our success and who need a helping hand and to reinforce our bonds with the community and society in this hour of need, guides us through this tough period.

Ensuring timely payments, which is inherent to our values, and recognizing the difficulties of tribals, the company is trying to procure maximum possible quantities of seeds from them in India & West Africa.

At Manorama Industries, we are committed to adapting quickly to changing customer needs and

to various other challenges. We have successfully overcome many challenges and are confident that, together with all those who are fighting against this pandemic and its consequences, we shall overcome this as well. We are already progressing on the new strategy to navigate the new normal and turn the challenges into opportunities while aggressively focusing on cost management and cash conservation in order to tide over these challenging times.

## Internal Control Systems

The Company attaches significant importance on having tested internal control systems, risk assessment and management of operating risks. These risks are actively managed by the Management Committee through various committees and strong internal processes. This internal control structure also has considerable oversight and is monitored by an external set of auditors, both statutory and in-house. The Company's internal controls are commensurate with the nature of the business and size and complexity of its operations.



Some significant aspects covered in the internal control framework include Standard Operating Procedures and Risk Control Matrix for all business processes to ensure effective internal financial controls.

## Oversee by Audit Committee

- End-to-end integration across supply chain, manufacturing and sales processes
- Review and approval of annual operative and capital expenditure budget and monthly monitoring of actual spends
- Regular review of key business risks such as new product development, foreign exchange management, financial reporting, and legal



framework for compliances applicable to the Company

- Implementation of compliance tools in Factory and Head Office
- For overall supervision of controls, Company has a Management Committee to take key business decisions. The statutory auditors have also issued a clean report on internal controls of the Company

### Material developments in HR /Industrial Relations

The Company has established an organizational structure that is agile and focused on delivering business results. Through regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business



evolution. The Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that Manorama's values and principles are understood by all, and are the reference point in all people matters. The Company recognizes the contribution of its dedicated and skilled workforce, the key drivers of the sustainable business growth.

As one of the most valuable assets of the Company, our human resources are responsible for our growth story and competitive advantage. Aligning to our people-first strategy, we continue to focus on hiring the best talent and nurturing them to achieve their full potential. Alongside career growth, we encourage the personal growth of each and every employee to pursue their areas of interest and develop a sense of belonging and ownership towards their duties and responsibilities. ●

Ref: 1. World Economic Outlook Update by IMF - June 2020  
2. Report on Coco Butter Equivalent by CARE Advisory Research & Training Ltd - July 2020

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 15th Annual Report on the business and operations Manorama Industries Limited and the accounts for the Financial Year ended 31st March 2020.

## 1. State of Companies affairs

### a. Financial Performance:

The table below depicts the financial performance of your Company for the year ended 31st March 2020.

Particulars	(Amount in Rs.)	
	For the year ended 31-03-2020	For the year ended 31-03-2019
Total income	1,94,19,33,911	1,06,04,35,861
Total Expenditure	1,61,82,75,087	79,48,32,028
Profit / (Loss): before exceptional items& Tax	32,36,58,825	26,56,03,833
Less: Exceptional items	-	-
Profit / (Loss): before Tax	32,36,58,825	26,56,03,833
Less: Provision for Tax including Deferred tax	9,03,08,829	7,49,99,085
Profit / (Loss): after Tax	23,33,49,996	19,06,04,748
Earnings per equity share (Face Value of 10 ) (Not Annualised)		
(a) Basic (in~)	20.97	20.26
(b) Diluted (in ~)	20.97	20.26

## 2. Financial Highlights

The Company has reported total revenue of Rs.1,94,19,33,911 for the current year as compared to Rs. 1,06,04,35,861 in the previous year. The Net Profit for the year under review amounted to Rs. 23,33,49,996 in the current year as compared to Rs. 1,90,604,748 Crore in the previous year.

## 3. Dividend

With a view to strengthen the financial position of the Company, your Board of Director's have not recommended any dividend for the financial year 2019-2020.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company is not required to adopt a Dividend Distribution Policy.

## 4. Reserves

Company has not transferred any amount to the general reserve or other specific reserves. However, the company has retained the current year profit in the accumulated Profit and Loss Account.

## 5. Nature of Business

During the period under consideration, there were no changes in nature of the business of your Company.

## 6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:

The Company's manufacturing facilities remained shut from March 23, 2020 due to lockdown and partially started from 18th April 2020 after receiving government permissions. However upon reopening of our factories with minimum man power as per state government guidelines, we are in process of dispatch of some of our exports as well as local orders and would have some impact on our H1FY20-21 results. The manufacturing unit of the Company at Birkoni, Mahasamund ( Chhattisgarh) had restarted its operations at 40%-50% capacity as permitted by the State Government guidelines. The Company is taking utmost care of its staff and work force like sanitization, social distancing, Temperature testing, Immunity Boosters for employees,

mandatory mask wearing and thermal check at the gate, maintaining proper hygiene. The company also have ensured regular doctor check-ups in the premises of the company. Due to unpredictable and fast changing COVID -19 situation, it is very difficult to assess the future impact of COVID -19 on business operations and it is expected to evolve over a period of time.

However, we are confident about our ability to manage this crisis through our financial stability, strong Customer base, committed employees and quality leadership.

## 7. Share Capital structure

Particulars	Amount in Rupees
Authorised Capital	
3,00,00,000 Equity Shares of Rs. 10/- each	30,00,00,000/-
<b>Total</b>	<b>30,00,00,000/-</b>
Issued, Subscribed and Paid Up Share Capital	
1,11,27,910 Equity Shares of Rs. 1/- each	11,12,79,100/-
<b>Total</b>	<b>11,12,79,100/-</b>

During the year under review, your Company's authorised share capital was increased on September 30, 2019 from 14,00,00,000 (Rupees Fourteen Crore only) divided into 1,40,00,000 Equity shares of Rs. 10 each) to Rs. 30,00,00,000 divided into 3,00,00,000 Equity shares of Rs. 10 each by creation of additional 1,60,00,000 shares of Rs. 10/- each and such equity shares rank pari-passu with the existing shares of the Company.

There were no changes in the issued, subscribed, and paid-up share capital of the Company during the year under review.

## 8. Subsidiary Companies, Associates & Joint Ventures

The company does not have any company, which is its subsidiary, associate or joint venture. Hence submission of details in Form AOC-1 are not applicable to the Company.

## 9. Related Party Transactions

All Related Party Transactions that were entered during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act. Provisions of materially significant Related Party Transactions under Regulation

23 of the Listing Regulations are not applicable to the Company.

The Company has obtained approval from the shareholders through postal ballot for entering into related party transaction with Manorama Africa Limited required under rule 15(3)(a)(i) of Companies (Meetings of Board and its Powers) Rules, 2014 for an aggregate amount of Rs. 75 crores for Financial year 2019-20 and 2020-21. The said approval was obtained as the Company was likely to exceed the specified limits under Rule 15(3)(a)(i) of Companies (Meetings of Board and its Powers) Rules, 2014

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance.

Details of transactions with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided in 'Annexure I' in Form AOC-2 and forms part of this Report.

## 10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3) (m) of the Companies act, 2013 read with rule, 8 of the Companies (accounts) rules, 2014, is annexed herewith as 'Annexure – II'

## 11. Extract of Annual Return

In accordance with the provisions of section 92(3) and section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, an extract of Annual Return of the Company for the year ended March 31, 2020, is provided in the prescribed form MGT – 9 as 'Annexure VI' which forms part of this report. The extract of the annual return is also hosted on the website of the Company; the weblink for the same is [www.manoramagroup.co.in](http://www.manoramagroup.co.in)

## 12. Board of Directors

The Directors on the Board is having rich experience and have a proven track record in the field of educational research and

## Secretarial

development activities. The Directors of the Company have been appointed keeping in mind the Company's size, complexity and business. The Board has varied expertise and

is committed to its duties and responsibilities.

During the year under review, the Board comprised of the below mentioned Nine (09) Directors:

Sr No.	Name	Designation	Date of appointment	Date of cessation
1	Vinita Ashish Saraf	Chairperson and Managing Director	March 25, 2006 appointed as Managing Director w.e.f. April 1, 2017	-
2	Kedarnath Agarwal	Executive Director	June 16, 2006 Re-designation from Non- executive director to Executive Director w.e.f. April 7, 2018	-
3	Gautam Kumar Pal	Executive Director	January 10, 2018	-
4	Ashish Bakliwal	Independent Director	May 01, 2018	-
5	KanhaiyaLal Kothari	Independent Director	May 01, 2018	April 12, 2019
6	Ashish Kumar Agarwal	Independent Director	May 01, 2018	May 18, 2019
7	Neeta Kanwar	Independent Director	June 10, 2019	-
8	Shrey Ashish Saraf	Executive Director	August 19, 2019	-
9	Jose Vailappallil Joseph	Independent Director	August 19, 2019	-

During the period under review Mrs. Neeta Kanwar, and Mr. Jose Vailappallil Joseph were appointed as the Independent Directors and Mr. Shrey Ashish Saraf was appointed as the Executive Director of the Company.

retires by rotation and being eligible, offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his re-appointment for the consideration of the members of the Company at the forthcoming Annual General Meeting.

Mr. KanhaiyaLal Kothari and Mr. Ashish Kumar Agarwal ceased to be Directors of the Company with effect from April 12, 2019 and May 18, 2019, respectively. Resignation letters are placed on the website of the Company in accordance with Section 168(1) read with Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Brief profile of Mr. Kedarnath Agarwal has been given in the notice convening the Annual General meeting.

None of the Directors of your Company is disqualified as per provision of Section 164 the Companies Act, 2013.

### 13. Key Managerial Personal

In terms of the Section 152 of Companies Act, 2013, Mr. Kedarnath Agarwal, Director of the Company,

During the year under review, the following were the Key Managerial Personal of the Company:

Sr. No	Name	Designation	Date of Appointment
1.	Vinita Ashish Saraf	Managing Director	April 01, 2017
2.	Ashok Kumar Jain	Chief Financial Officer	April 07, 2018
3.	Divya Jajoo	Company Secretary	April 07, 2018

**14. Meeting of the Board of Directors:**

As per section 173 of the Companies Act, 2013, the board is required to hold a minimum number of four meetings during the financial year. During the Financial Year 2019-2020, the Board had met twenty (21) times on:

Sr. No	Date of the Meeting	Number of Directors entitled to attend	Number of Directors attended the meeting
	01 April, 2019	6	5
	10 April, 2019	6	4
	30 April, 2019	5	5
	08 May, 2019	5	3
	09 May, 2019	5	5
	10 June, 2019	4	4
	13 June, 2019	5	5
	27 June, 2019	5	5
	03 August, 2019	5	5
	19 August, 2019	5	5
	26 August, 2019	7	7
	05 September, 2019	7	7
	30 September, 2019	7	5
	25 October, 2019	7	7
	09 November, 2019	7	7
	06 December, 2019	7	7
	09 January, 2020	7	7
	22 January, 2020	7	7
	05 March, 2020	7	4
	18 March, 2020	7	7
	31 March, 2020	7	4

The intervening gap between the Board Meetings was within the limits prescribed under the Companies Act, 2013 and the Rules made there under.

The details of attendance of the Directors are as under:

Sr. No.	Name of the Director	Number of meeting entitled to attend	Number of meetings attended	Whether attended AGM of September 30, 2019
1.	Vinita Ashish Saraf	21	21	YES
2.	Kedarnath Agarwal	21	16	NO
3.	Gautam Kumar Pal	21	21	YES
4.	Ashish Bakliwal	21	19	YES
5.	KanhaiyaLal Kothari	2	0	NA
6.	Ashish Kumar Agarwal	5	5	NA
7.	Neeta Kanwar	15	14	NO
8.	Shrey Ashish Saraf	11	11	YES
9.	Jose Vailappallil Joseph	11	9	YES

**15. Composition & Meetings of the Committees:****a. Audit committee**

The Company has constituted Audit Committee under Section 177(1) of the Companies Act, 2013 Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4

of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Composition of the audit committee is in conformity with the provisions of the Section 177 of the Companies Act 2013. During the year under review, composition of the committee was as follows:

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During the year under review, the Committee had met four (4) times as given below:

Sr. No.	Date of the Meeting	Number of Members entitled to attend the meeting	Number of Members attended the meeting
1.	09 May, 2019	3	3
2.	05 September 2019	4	4
3.	09 November 2019	4	4
4.	22 January 2020	4	4

The details of attendance of the Members are as under:

Sr. No.	Name of the Director	Number of meeting entitled to attend	Number of meetings attended
1.	Ashish Bakliwal	4	4
2.	Kanhaiyalal Kothari	0	0
3.	Ashish Agarwal	1	1
4.	Vinita Saraf	4	4
5.	Neeta Kanwar	3	3
6.	Jose Vailappallil Joseph	3	3

### b. Nomination and Remuneration committee

The Company has constituted Nomination and Remuneration Committee (NRC) under Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014

The Composition of the NRC committee is in conformity with the provisions of the Section 178 of the Companies Act 2013. During the year under review, composition of the committee was as follows:

Sr No.	Name of the member	Designations
1.	Ashish Bakliwal	Chairman
2.	Kanhaiyalal Kothari (ceased to be member w.e.f. April 12, 2019)	Member
3.	Ashish Agarwal (ceased to be member w.e.f. May 18, 2019)	Member
4.	Neeta Kanwar (member w.e.f. June 10, 2019)	Member
5.	Jose Vailappallil Joseph (member w.e.f. August 19, 2019)	Member

During the year under review, the Committee had met once as given below:

Sr. No	Date of the Meeting	Number of Members entitled to attend the meeting	Number of Members attended the meeting
1.	05 September 2019	3	3

The details of attendance of the Members of Committee are as under:

Sr. No.	Name of the Director	Number of meeting entitled to attend	Number of meetings attended
1.	Ashish Bakliwal	1	1
2.	Kanhaiyalal Kothari	0	0
3.	Ashish Agarwal	0	0
4.	Neeta Kanwar	1	1
5.	Jose Vailappallil Joseph	1	1

### c. Stakeholder Relationship Committee

The Company has constituted Stakeholder Relationship Committee (SRC) under Section 178(5) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

The Composition of the SRC committee is in conformity with the provisions of the Section 178(5) of the Companies Act 2013. During the year under review, composition of the committee was as follows:

Sr No.	Name of the member	Designations
1.	Ashish Bakliwal	Chairman
2.	Kanhaiyalal Kothari (ceased to be member w.e.f April 12, 2019)	Member
3.	Ashish Agarwal (ceased to be member w.e.f May 18, 2019)	Member
4.	Vinita Saraf	Member
5.	Neeta Kanwar (member w.e.f. June 10, 2019)	Member
6.	Jose Vailappallil Joseph (member w.e.f. August 19, 2019)	Member

During the year under review, the Committee had met three (3) times as given below:

Sr. No	Date of the Meeting	Number of Members entitled to attend the meeting	Number of Members attended the meeting
1.	30 April 2019	3	3
2.	19 August 2019	3	3
3.	25 October 2019	4	4

The details of attendance of the Members of Committee are as under:

Sr. No.	Name of the Director	Number of meeting entitled to attend	Number of meetings attended
1.	Ashish Bakliwal	3	3
2.	Kanhaiyalal Kothari	0	0
3.	Ashish Agarwal	1	1
4.	Vinita Saraf	3	3
5.	Neeta Kanwar	2	2
6.	Jose Vailappallil Joseph	1	1

## 16. Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company have constituted Corporate Social Responsibility (CSR) Committee.

The Committee is entrusted with the responsibility of:

- Formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken;
- Monitoring the implementation of the framework of the CSR Policy; and

- Recommending the CSR amount to be spent on the CSR activities.

Annual report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20 is annexed to this report as 'Annexure III'. The Company's CSR Policy is placed on the website of the Company [www.manoramagroup.co.in](http://www.manoramagroup.co.in).

The Composition of the CSR committee is in conformity with the provisions of the Section 135 of the Companies Act 2013. During the year under review, composition of the committee was as follows:

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Sr No.	Name of the member	Designations
1.	Ashish Bakliwal	Chairman
2.	Kanhaiyalal Kothari (ceased to be member w.e.f April 12, 2019)	Member
3.	Ashish Agarwal (ceased to be member w.e.f May 18, 2019)	Member
4.	Vinita Saraf	Member
5.	Neeta Kanwar (member w.e.f. June 10, 2019)	Member
6.	Jose Vailappallil Joseph (member w.e.f. August 19, 2019)	Member

During the year under review, the Committee had met once as given below:

Sr. No.	Date of the Meeting	Number of Members entitled to attend	Number of Members attended the meeting
1.	10 June 2019	3	3

The details of attendance of the Members are as under:

Sr. No.	Name of the Director	Number of meeting entitled to attend	Number of meetings attended
1.	Ashish Bakliwal	1	1
2.	Kanhaiyalal Kothari	0	0
3.	Ashish Agarwal	0	0
4.	Vinita Saraf	1	1
5.	Neeta Kanwar	1	1
6.	Jose Vailappallil Joseph	0	0

### 17. Directors' Responsibility Statement:

Pursuant to the requirements under section 134(3) (c) read with section 134(5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, your Directors hereby confirm that –

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 18. Company's policy on Directors' appointment and remuneration including criteria for Determining qualifications, positive attributes, Independence of a Director and other matters Provided under sub-section (3) of Section 178

Based on the recommendation of Nomination and Remuneration Committee (NRC), the Board has adopted the Remuneration Policy for Directors, KMP and other Employees. NRC has formulated the criteria for determining qualifications, positive attributes and independence of an Independent Director and also criteria for evaluation of individual Directors and the Board / Committees.

The policy on remuneration of Directors, Key Managerial Personnel and other Employees is available at the website of the Company and can be accessed at [www.manoramagroup.co.in](http://www.manoramagroup.co.in). Evaluation of Performance of the Board of Directors and Committee Members

The Independent Directors at their meeting held on 18th March 2020 carried out the evaluation of Board, committees and the Chairperson. Pursuant to provisions of section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors and the Board of Directors carried out evaluation of every director's performance and the Board has carried out formal annual evaluation of its own performance and that of its Committees and individual directors has been made. Further, the evaluation of the Independent directors was carried out by the entire Board, excluding the director being evaluated.

The directors were satisfied with the evaluation results, which reflect the overall engagement of the Board and its Committees and on the basis of the report of the said evaluation, the present term of appointment of Independent directors shall be continued with the Company

#### 19. Declaration by Independent Directors:

The Company has received a declaration from each of its Independent Directors confirming that they satisfy the criteria of independence

as prescribed under the provisions of the Companies Act, 2013. In terms of the recently introduced regulatory requirements, name of every Independent Director should be added in the online database of Independent Directors by Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly, the Independent Directors of the Company are required to register themselves with the IICA for the said purpose. The Board opined that Independent Directors are having requisite integrity, expertise, specialised knowledge, experience and the proficiency.

Terms and conditions for Independent Directors are put up on the website of the Company and can be accessed at <http://www.manoramagroup.co.in/terms-and-condition-of-independent-directors.php>

#### 21. Postal Ballot

During the year 2019-20, under Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Ordinary Resolution by postal ballot:

Date of Postal Ballot Notice: January 9, 2020

Date of Declaration of Result: February 25, 2020

Voting Period: January 26, 2020 to February 24, 2020

Date of Approval: February 24, 2020

Sr. No	Ordinary Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No.	%	
1.	Approval of Related Party Transactions with Manorama Africa Limited upto a maximum aggregate value of Rs. 75 crores for the financial years 2019-20 and 2020-21.	1,458,657	100%	0	0%	0

Mrs. Ashwini Inamdar (FCS 9409), Partners of M/s. Mehta & Mehta, Practising Company Secretaries (ICSI Unique code: P1996MH007500), was appointed as the scrutiniser for carrying out the Postal ballot process in a fair and transparent manner.

#### 20. Particulars of Loans, Guarantees or Investments

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013.

#### 22. Risk Management

The assessment of the risks covers Strategy, Technology, Financial, Operations & Systems, Legal & Regulatory and Human Resources Risks. There is appropriate assurance and monitoring mechanism in place to monitor the effectiveness of the risk management. Further company is in the process of developing risk management framework to implement and adhere to the policy to mitigate risk, avoid risk or take risk that cannot be mitigate or avoid for the benefit of the Company's business and growth.

### 23. Internal control systems and their adequacy

The Company engaged BDO India LLP and Mazars India LLP as Internal Auditors of Company. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor's findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

### 24. Green Initiatives

Company has given an advertisement in the newspapers dated August 21, 2020, encouraging the shareholders to update their email addresses with the depositories/ Registrar and Share Transfer Agents.

Electronic copies of the Annual Report and Notice of the 15th Annual General Meeting will be sent to all members whose email addresses are registered with the Company/ Depository Participant(s). Members who have not registered their email addresses are requested to register the same with the Company. Members may note that the Notice along with aforementioned documents shall also be available on the Company's website [www.manoramagroup.co.in](http://www.manoramagroup.co.in).

### 25. Significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### 26. Share Registrar & Transfer Agent (R&T)

The details of Registrar and Share Transfer Agent are as follows:

Name: Link Intime India Private Limited

Address: C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, Maharashtra.

Contact details: 022 – 49186200; Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### 27. Public Deposits

During the year under review, your Company has not accepted / renewed any Deposits from the public as covered under the provisions of Section 73 of the Companies Act, 2013 read with the Rules made thereunder.

### 28. Auditors and their report

#### a. Statutory Auditors:

M/s. O P Singhanian & Co. Chartered Accountants (Registration No :002172C), were appointed as the Statutory Auditors of the Company for a period of 5(five) consecutive years from the conclusion of the 14th AGM till the conclusion of 19th AGM of the Company to be held in year 2024.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Also, no fraud has been reported by the auditor as per Section 143(12) of Companies Act 2013.

#### b. Cost Auditors:

Your Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013, and accordingly, such accounts and records are made and maintained in the prescribed manner.

The Board on recommendation of Audit Committee has appointed S N & Co, cost accountants (FRN. 000309) Cost auditors of the Company for FY 2020-21 under Section 148 and all other applicable provisions of the Act.

S N & Co have confirmed that they are free from disqualifications specified in Section 141(3) and proviso to Section 148(3) read with 141(4) of the Companies Act 2013 and also their appointment meets the requirement of Section 141(3)(g) of the Act.

They have further confirmed their Independent Status and an arm's length relationship with the Company. The remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for

their ratification. Accordingly a resolution for seeking Members' ratification for the remuneration payable to S N & Co is included in the Notice convening the AGM.

### c. Secretarial Auditors:

Pursuant to the provisions of section 204 of the act and rules made thereunder, the Company has appointed M/s. Mehta and Mehta, Practicing Company Secretaries in Practice to undertake the secretarial audit of the Company. The secretarial audit report is annexed as Annexure IV and forms an integral part of this report.

The Secretarial audit Report prepared by M/s Mehta and Mehta Management responses for the qualifications in the Secretarial Audit report are as follows:

Serial No.	Qualifications	Management Responses
1.	Outcome of the board meeting held on May 09, 2019 was submitted beyond 30 minutes to the Stock Exchange and Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for resignation of Mr. Kanhaiyalal Kothari, Independent Director at the board meeting held on May 09, 2019, was not filed within the prescribed time limit.	The said Stock Exchange intimations has not been filed by the Company within the prescribed time limit due to technical hitch.
2.	During the financial year under review, e-form MGT-14 with respect to the borrowings from Federal Bank Limited for Corporate Card Loan, approval for working capital facility from the ICICI Bank Limited and availing of financial facilities from Kotak Mahindra Bank Limited to the extent of Rs. 7,00,00,000/- (Rupees Seven Crores Only) were not filed as the said e-forms are under the process for Condonation of delay.	Forms MGT-14 has not been filed by the Company. The said forms are under process for Condonation of delay.

### 29. Particulars of Employees

The information required pursuant to section 197 (12) of the Companies act, 2013 read with rule 5 of the Companies (appointment and remuneration of managerial Personnel) rules, 2014 in respect of employees of the Company is given in an 'Annexure V' and forms part of this report.

### 30. Complaints relating to Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees during the year under review. The Company has in place an Anti-Sexual Harassment Policy in line with the requirement pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Following summary of the complaints received and disposed off during the financial year 2019-2020:

No of complaints received during the year 2019-2020	NIL
No of complaints resolved during the year 2019-2020	NIL
No of complaints pending during the year 2019-2020	NIL

### 31. Corporate Governance

The company is being SME Company and listed on SME exchange of BSE Limited

therefore, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the compliance with corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation 2 of regulation 46 and Para C, D and E of Schedule V shall not apply.

### 32. Vigil Mechanism

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 a Vigil Mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of person who use this mechanism and direct access to the Chairperson. The Vigil Mechanism Policy has been uploaded on the website of the Company [www.manoramagroup.co.in](http://www.manoramagroup.co.in)

### 33. Listing

The equity shares of your Company are listed on SME exchange of BSE Ltd. Your Company has paid the Listing fees to the Stock Exchanges for the F.Y. 2019-20 and F.Y. 2020-21.

### 34. Compliance with Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### 35. Utilization of IPO Proceeds

The proceeds of funds raised under IPO by the Company are being utilized as per Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") as on March 31, 2020 is as under:

Statement of Variation in Utilisation of Funds Raised						
Name of listed entity	Manorama Industries Limited					
Mode of Fund Raising	Public Issues					
Date of Raising Funds	1st October 2018					
Amount Raised (Rs in Lakhs)	6,400.27					
IPO Expenses (Rs in Lakhs)	(689.93)					
Net Fund Available for Objects of the Issue (Rs in Lakhs)	5,710.34					
Utilised for General Corporate Purpose (Rs in Lakhs)	(110.34)					
Balance Fund Available for Capex (Rs in Lakhs)	5,600.00					
Report filed for Quarter ended	31st March 2020					
Monitoring Agency	Not Applicable					
Monitoring Agency Name, if applicable	Not Applicable					
Is there a Variation in use of funds raised	Yes. Variation between Original allocation of funds and Actual Funds Utilised for the objects specified in Red Herring Prospectus					
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	NA					
If Yes, Date of shareholder Approval	NA					
Explanation for the Deviation / Variation	The cost overrun in capex is mainly on account of increased prices and improvement in plans compare to as projected.					
Comments of the Audit Committee after review	NIL					
Comments of the auditors, if any	NIL					
Objects for which funds have been raised	and where there has been a deviation, in the following table					
Original Object	Modified Object, if any	Original Allocation (Rs in Lakhs)	Modified Allocation, if any	Funds Utilised (Rs in Lakhs)	Amount of Variation for the quarter according to applicable object	Remarks if any

**Statement of Variation in Utilisation of Funds Raised**

Establishing an integrated Greenfield project for manufacturing of CBE / specialty fats and tailormade products at Birkoni, near Raipur, Chhattisgarh.	NA	5,600.00	NA	6,005.44	405.44	The cost over-run in capex is mainly on account of increased prices and improvement in plans compare to as projected.
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The Company has not made any deviations in the utilization of funds raised through IPO. There was a small amount of variation in the projected and actual IPO expenses incurred by the Company. The variation was due to some amount which were unforeseen and could not be projected beforehand by the Company. As on March 31, 2020 the Company has finished utilization of all the proceeds of the IPO.

**36. General**

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There are no shares lying in demat suspense account/unclaimed suspense account. Hence no disclosure is required to be given for the same.

**37. Acknowledgements**

Your Directors wish to convey their gratitude and appreciation to all the employees of the Company's posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

On behalf of the Board of Directors  
For **Manorama Industries Limited**  
**Vinita Saraf**

**Chairperson and Managing Director**  
DIN:00208621

Place: Raipur  
Date: September 03, 2020

**ANNEXURE I**  
**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
    - (a) Name(s) of the related party and nature of relationship
    - (b) Nature of contracts/arrangements/ transactions
  - (c) Duration of the contracts / arrangements/ transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - (e) Justification for entering into such contracts or arrangements or transactions
  - (f) Date(s) of approval by the Board
  - (g) Amount paid as advances, if any:
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis\*:

<b>Name of the related party and Nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>
Manorama Africa Limited. Mrs. Vinita Ashish Saraf is the Chairperson and Managing Director of the Company. She is a Director in Manorama Africa Limited. She has also subscribed to 100% of the share capital of Manorama Africa Limited. Mr. Gautam Kumar Pal is an Executive Director of the Company and he is also a Director in Manorama Africa Limited.	Purchase of SHEA NUTS (goods) from Manorama Africa Limited, directly or through appointment of agent; Clearing, forwarding and shipping of Raw Material purchase by Manorama Industries Limited (any expenses made by Manorama Africa Limited for operational purpose to be borne by Manorama Industries Limited if it relates to supply of SHEA NUTS to Manorama Industries Limited)	Financial years 2019-20 and 2020-21	MATERIAL TERMS: The material terms with respect to quality, quantity and other specifications of Shea nuts will be as per the contract entered into by the Company with Manorma Africa Limited. MONETARY VALUE: Consideration of the transaction shall be determined mutually between the parties and shall be according to prevalent market conditions. The total value of transactions shall be upto Rs. 75 Crores. The pricing / commercial terms will be determined based on the transaction with unrelated parties for similar nature of transaction, if any. The prices / commercial terms will be determined as per prevailing market conditions. The aforementioned transaction amounts to Import of SHEA NUTS (goods) hence the price of the same will be determined on Free-on-board (FOB) basis.	9th November 2019, 9th January 2020

\*The approval from shareholders was obtained in the postal ballot on February 24, 2020 since the Company was likely to cross the threshold limit specified under Rule 15(3)(a)(i) of Companies (Meetings of Board and its Powers) Rules, 2014.

3. Details of material contracts or arrangement or transactions not in the ordinary course of business: Not applicable
- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/ transactions
- (c) Duration of the contracts / arrangements/ transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- On behalf of the Board of Directors  
For **Manorama Industries Limited**
- Vinita Saraf**  
**Chairperson and Managing Director**  
DIN:00208621
- Place: Raipur  
Date: September 03, 2020

**ANNEXURE II**

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo Information under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2013 and forming part of the Boards Report for the year ended March 31, 2020

<b>a. Conservation of Energy</b>	
1. Steps taken for conservation	Adjust your day-to-day behaviours Replace your light bulbs Use smart power strips Install a programmable or smart thermostat Purchase energy efficient appliances Reduce your water heating expenses Install energy efficient windows Upgrade your HVAC system
2. Steps taken for utilizing alternate sources of energy	Solar energy from the sun Steam energy by Boiler Geothermal energy from the heat inside the earth in Future Hydropower from flowing water in Cooling Tower Water energy in the form of flow of water Biomass from plants ( In Future Project)
3. Capital investment on energy conservation equipment	BOILER Cash flow stream of Investment Investment Rs 13,50,000 Annual savings Cashflow 1 5,00,000 2 5,50,000 3 6,50,000 Cost of capital to the plant is 12%. The net present value of the proposal is: NPV = 1 2 3 (1.12) 650000 (1.12) 550000 (1.12) 500000 + + = 446428 + 438456 + 462657 = 13,47,541 2. NPV = 13,50,000-13,47,541 = 2459 SOLAR SYSTEM Enter the project cost : 50,00,000.00 Enter the rebate amount : 20,00,000.00 Enter the annual energy savings : 30,00,000.00 The project's simple payback period is: 1.0 years
<b>b. Technology absorption</b>	
1. Efforts made for technology absorption	The steps taken / impact on conservation of energy: – Air Cooled VRF based AC with non CFC gases leading to savings in energy consumption. – 45 Kw Pumps replaced by 6 Kw Pumps in AC systems for optimising system operations. ... – Overall total demand slab reduced with MGVCL by 15% by improving utilisation of energy
2. Benefits derived	We reduce your home's heating and cooling costs by as much as 30 percent through proper insulation and air sealing techniques. Amount of greenhouse gas emissions that would be reduced if the energy efficiency of commercial and industrial buildings improved by 10 percent: equal to about 30 million vehicles
3. Expenditure on Research & Development if any	No
4. Details of Technology imported, if any	No
5. Year of Import	No import
6. Whether imported technology fully absorbed	No import
7. Areas where absorption of imported technology has not taken place, if any	No
<b>c. Foreign Exchange Earnings and Outgo</b>	
1. Foreign Exchange Earnings by the Company	Rs773701819.00
2. Foreign Exchange Expenditure by the Company	Rs736869652.00

On behalf of the Board of Directors  
**For Manorama Industries Limited**

**Vinita Saraf**  
Chairperson and Managing Director  
DIN:00208621

Place: Raipur  
Date: September 03, 2020

## ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
FOR THE FINANCIAL YEAR 2019-20

Sr. No.	Particulars	Details
1	CSR Policy	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. The company may carry out any one or more of the CSR activities, notified under the section 135 of the Companies Act 2013 and rules made there under and as amended from time to time, inter-alia the following: To fight against hunger, poverty and malnutrition To promote health care including rehabilitation health To promoter education and enhance vocational skills especially among children, women and differently-abled persons To facilitate rural development and slum area development. However, the CSR Committee shall have authority to decide to carry out any other CSR activities within the purview of permissible activities under the Act from time to time. Company is in the process of ascertaining the programs for spending the budget allocated for CSR according to the companies policy
2	CSR Committee	<p>Sr No. Name of the member Designations</p> <p>1. Ashish Bakliwal Chairperson</p> <p>2. Kanhaiyalal Kothari (ceased to be member w.e.f April 12, 2019) Member</p> <p>3. Ashish Agarwal (ceased to be member w.e.f May 18, 2019) Member</p> <p>4. Vinita Saraf Member</p> <p>5. Neeta Kanwar (member w.e.f. June 10, 2019) Member</p> <p>6. Jose Vailappallil Joseph (member w.e.f. August 19, 2019) Member</p>
3	Average net profit for last 3 years	Rs. 146703268/-
4	Prescribed CSR expenditure (2% of (3) )	Rs. 29,34,065/- ( The Company also has Rs. 6,80,000 unspent CSR Expenditure for the previous year)
5.	Details of CSR spent during financial year 2019-2020:	
	(a)	Total amount to be spent for the Financial year: Rs. 36,14,065 (Rs. 29,34,065/- plus unspent amount of previous year of Rs. 6,80,000/-)
	(b)	Amount unspent, if any: Rs. 36,14,065 (Rs. 29,34,065/- plus unspent amount of previous year of Rs. 6,80,000/-)
	(c)	Manner in which the amount spent during the financial year is : NIL
6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's Report.	

Manorama Industries Limited considers Corporate Social Responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society. Company is still in the process of ascertaining the programs for spending the budget allocated for CSR. For this reason, during the year, the Company was unable to spend on the CSR activities as per the limits prescribed under Companies Act, 2013. Moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company is reproduced below:

We hereby affirm that CSR Policy, as recommended by CSR Committee and approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with Company's CSR objectives."On behalf of the Board of Directors

**For Manorama Industries Limited**

**Vinita Saraf**  
**Chairperson and Managing Director**  
DIN:00208621

**Ashish Bakliwal**  
**Chairman of CSR**  
Committee  
DIN:05149608

Place: Raipur  
Date: September 03, 2020

## ANNEXURE IV

## Form MR-3

## Secretarial Audit Report

for the financial year ended 31st March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Manorama Industries Limited,**  
Office No. 403, 4th Floor, Midas,  
Sahar Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai – 400059

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Manorama Industries Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the period under review not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;

- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- a) Outcome of the board meeting held on May 09, 2019 was submitted beyond 30 minutes to the Stock Exchange and Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for resignation of Mr. Kanhaiyalal Kothari, Independent Director at the board meeting held on May 09, 2019, was not filed within the prescribed time limit.
- b) During the financial year under review, e-form MGT-14 with respect to the borrowings from Federal Bank Limited for Corporate Card Loan, approval for working capital facility from the ICICI Bank Limited and availing of financial facilities from Kotak Mahindra Bank Limited to the extent of Rs. 7,00,00,000/- (Rupees Seven Crores Only) were not filed as the said e-forms are under the process for Condonation of delay;

### We further report that:

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

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

We further report that during the audit period there were the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- 1) The members of the Company at their Annual General meeting held on September 30, 2019 approved the following:
  - (i) Increasing the authorized capital of the company from existing Rs. 14 crore to Rs.30 Crore;
  - (ii) To increase the borrowing limit under Section 180(1)(c) in the Company;
  - (iii) To Increase the limits applicable for grant Loans / give guarantee/ make investment/ provide security to any other body corporate or person under Section 186 of Companies Act, 2013
- 2) The members of the Company vide postal ballot dated February 25, 2020 approved a Related Party Transaction with Manorama Africa Limited upto a maximum aggregate value of INR 75,00,00,000 (Rupees Seventy Five Crores only) for the financial year 2019-20 and 2020-21.

**Note:** Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of documents made available to us in electronic form (i.e. scanned copies vide e-mail) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

For **Mehta & Mehta**,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Atul Mehta**  
Partner  
FCS No: 5782  
CP No: 2486

Place: Mumbai  
Date: September 03, 2020  
UDIN: F005782B000653814

**Annexure A**

To,  
The Members,  
Manorama Industries Limited,  
Office No. 403, 4th Floor, Midas,  
Sahar Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai – 400059

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Atul Mehta**  
Partner  
FCS No: 5782  
CP No: 2486

Place: Mumbai  
Date: September 03, 2020  
UDIN: F005782B000653814

**ANNEXURE V**

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2019- 2020:**

The median remuneration of employees of the Company during the 2019- 2020 was Rs. 114958/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>Remuneration of Director for 2019-20</b>	<b>Ratio of Remuneration of each Director to Median Remuneration of employees for 2019-20</b>
	Mrs. Vinita Saraf	Chairperson and Managing Director	96,00,000/-	83.51
	Mr. Kedarnath Agarwal	Director	1,80,000/-	1.57
	Mr. Gautam Kumar Pal	Director	10,20,000/-	8.87
	Mr. Shrey Ashish Saraf	Director	18,00,000/-	15.66
	Mr. Ashish Bakliwal	Independent Director	1,00,000/-	0.87
	Mr. Jose Vaillappalil Joseph	Independent Director	1,00,000/-	0.87
	Mrs. Neeta Kanwar	Independent Director	1,00,000/-	0.87
	Total		12900000/-	

**b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:**

The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2019-20 is provided in the table below:

<b>Sr. No.</b>	<b>Name of Director/KMP</b>	<b>Designation</b>	<b>% increase in Remuneration in 2019-20</b>
1	Vinita Saraf	Managing Director	NIL
2	Kedarnath Agarwal	Director	NIL
3	Gautam Kumar Pal	Director	24%
4	Shrey Ashish Saraf	Director	NIL
5	Ashok Jain	Chief Financial Officer	21%
6	Divya	Company Secretary	32%
7	Dr.KrishnadathBhaggan	VP R&D	6%

c. The percentage increase in the median remuneration of employees in the financial year 2019-2020 is -36%

d. The number of permanent employees on the rolls of the Company as on March 31, 2020 is 228

e. Average increase in the salary of employees other than managerial personnel for the financial year 2019-2020 is 15%.

f. The remuneration is as per the remuneration policy of the company:

On behalf of the Board of Directors  
**For Manorama Industries Limited**

**Vinita Saraf**  
**Chairperson and Managing Director**

DIN:00208621

Place: Raipur

Date: September 03, 2020

**ANNEXURE VI**  
**EXTRACT OF ANNUAL RETURN**  
**Form MGT-9**

as on the financial year ended on 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L15142MH2005PLC243687
2	Registration Date	09/08/2005
3	Name of the Company	Manorama Industries Limited
4	Category / Sub-Category of the Company	Company limited by Shares Non-Government Company
5	Address of the Registered office and Corporate Office	Registered Office: Office No. 403, 4th Floor, Midas, Sahar Plaza, AndheriKurla Road, Andheri East, Mumbai - 400059. Corporate Office: F-6, Anupam Nagar, Raipur (C.G.) 492007
	Email ID	cs@manoramagroup.co.in
	Contact details	022-22622299
6	Whether listed company (Yes / No):	Yes
7	Name, Address and Contact details of Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra www.linkintime.co.in manorama.ipo@linkintime.co.in 022 - 49186200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

**All the business activities contributing 10% or more of the total turnover of the Company are as under:-**

Sr. No	Name and Description of main products / services	NIC Code of the product / service	% of total turnover of the Company
1.	Manufacturing of Specialty fats, Butters & de-oil cakes	1040	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No	Name and Address of the Company	CIN/GIN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Share Holding**

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
(a)	Individuals / Hindu Undivided Family	6791203	0	6791203	61.03	6824803	0	6824803	61.33	0.30
(b)	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>		<b>6791203</b>	<b>0</b>	<b>6791203</b>	<b>61.03</b>	<b>6824803</b>	<b>0</b>	<b>6824803</b>	<b>61.33</b>	<b>0.30</b>

## Secretarial

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Foreign	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)		0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter and Promoter Group (A)</b>		<b>6791203</b>	<b>0</b>	<b>6791203</b>	<b>61.03</b>	<b>6824803</b>	<b>0</b>	<b>6824803</b>	<b>61.33</b>	<b>0.30</b>
<b>(B) Public Shareholding</b>										
<b>(1) Institutions</b>										
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	400	0	400	0.0036	0.0036
(c)	Central Government / State Governments(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(i)	Foreign Portfolio Investors (Corporate)	0	0	0	0	7200	0	7200	0.0647	0.0647
(j)	Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7600</b>	<b>0</b>	<b>7600</b>	<b>0.0683</b>	<b>0.0683</b>
<b>(2) Non-Institutions</b>										
(a)	Bodies Corporate	958579	0	958579	8.6142	473941	0	473941	4.2590	- 4.3552
(i)	Indian	0	0	0	0	0	0	0	0	0
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals -									
I	Individual shareholders holding nominal share capital upto Rs. 1 lakh	335657	700	336357	3.0226	424550	700	425250	3.8215	0.7989
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2619878	0	2619878	23.54	3942728	0	3942728	35.4310	11.8877
(c)	Others (specify)									
(i)	Any Other	421893	0	421893	3.7914	518438	0	518438	4.6588	0.8674
<b>Sub-total (B) (2)</b>		<b>4336007</b>	<b>700</b>	<b>4336707</b>	<b>38.9714</b>	<b>5359657</b>	<b>700</b>	<b>5360357</b>	<b>48.170</b>	<b>9.1990</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>		<b>4336007</b>	<b>700</b>	<b>4336707</b>	<b>38.9714</b>	<b>5367257</b>	<b>700</b>	<b>5367957</b>	<b>48.2387</b>	<b>9.2673</b>
<b>TOTAL (A)+(B)</b>		<b>11127210</b>	<b>700</b>	<b>11127910</b>	<b>100</b>	<b>11127210</b>	<b>700</b>	<b>11127910</b>	<b>100</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2019				No. of Shares held at the end of the year i.e. 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
GRAND TOTAL (A)+(B)+(C)		11127210	700	11127910	100	11127210	700	11127910	100	0.00

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2019			Shareholding at the end of the year i.e. 31.03.2020			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Smt. Vinita Ashish Saraf	2779080	24.97	0	27,79,080	24.97	0	0
2	Shri Shrey Saraf	1031250	9.27	0	10,64,850	9.57	0	0.30
3	Shri Agastya Saraf	2980873	26.79	0	2980873	26.79	0	0
<b>Total</b>		<b>6791203</b>	<b>61.03</b>	<b>0</b>	<b>6824803</b>	<b>61.33</b>	<b>0</b>	<b>0.30</b>

## Change in Promoter Shareholding

Sr. No	Name of the Shareholder	Date	Transaction	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company *
1.	Shrey Saraf			1031250	9.2672		
		05 April 2019	Buy 30600 Shares			1061850	9.5422
		29 November 2019	Buy 3000 Shares			1064850	9.5692
<b>At the end of the year</b>						<b>1064850</b>	<b>9.5692</b>

## Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No	Name of the Shareholder	Date	Transaction	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company *
1.	RITU SARAF			906878	8.1496	-	-
	Shareholding at the end of the year					906878	8.1496
2.	JAGDISH N MASTER			264600	2.3778		
		07 Jun 2019	Buy 5158 Shares			269758	2.4242
		14 Jun 2019	Buy 842 Shares			270600	2.4317
		21 Jun 2019	Buy 23400 Shares			294000	2.6420
		29 Jun 2019	Buy 6000 Shares			300000	2.6959
		28 Feb 2020	Sale (3000) Shares			297000	2.6690
		06 Mar 2020	Sale (5400) Shares			291600	2.6204
<b>Shareholding at the end of the year</b>						<b>291600</b>	<b>2.6204</b>

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Sr. No	Name of the Shareholder	Date	Transaction	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company *
3.	VAIDYANATH BALASUBRAMANIAN			265800	2.3886		-
	Shareholding at the end of the year					265800	2.3886
4.	MAHESH SHIVANAND DESAI			106200	0.9544		
		26 Apr 2019	Buy 150000 Shares			256200	2.3023
	Shareholding at the end of the year					256200	2.3023
5.	SANJAY KATKAR			0	0.0000		
		30 Aug 2019	Buy 118200 Shares			118200	1.0622
		11 Oct 2019	Buy 3000 Shares			121200	1.0892
		18 Oct 2019	Buy 56400 Shares			177600	1.5960
		25 Oct 2019	Buy 1200 Shares			178800	1.6068
		01 Nov 2019	Buy 7200 Shares			186000	1.6715
		27 Dec 2019	Buy 3000 Shares			189000	1.6984
		13 Mar 2020	Buy 2400 Shares			191400	1.7200
	<b>Shareholding at the end of the year</b>					<b>191400</b>	<b>1.7200</b>
6.	CIPHER PLEXUS CAPITAL ADVISORS PRIVATE LIMITED			173779	1.5616		
	<b>Shareholding at the end of the year</b>					<b>173779</b>	<b>1.5616</b>
7.	MANOJ TULSIAN			116400	1.0460		
	<b>Shareholding at the end of the year</b>					<b>116400</b>	<b>1.0460</b>
8.	KAILASH SAHEBRAO KATKAR			0	0.0000		
		09 Aug 2019	Buy 66000 Shares			66000	0.5931
		11 Oct 2019	Buy 6000 Shares			72000	0.6470
		18 Oct 2019	Buy 41400 Shares			113400	1.0191
	<b>Shareholding at the end of the year</b>					<b>113400</b>	<b>1.0191</b>
9.	VIJAY BALKRISHNA PUSALKAR			106200	0.9544		
	<b>Shareholding at the end of the year</b>					<b>106200</b>	<b>0.9544</b>
10.	ARCADIA SHARE AND STOCK BROKERS PVT LTD-PROPRIETARY A/C			117600	1.0568		
		17 May 2019	Buy 2400 Shares			120000	1.0784
		24 May 2019	Buy 600 Shares			120600	1.0838
		31 May 2019	Sale (15000) Shares			105600	0.9490
		07 Jun 2019	Sale (66600) Shares			39000	0.3505
		29 Jun 2019	Buy 1200 Shares			40200	0.3613
		12 Jul 2019	Sale (600) Shares			39600	0.3559
		26 Jul 2019	Sale (1200) Shares			38400	0.3451

Sr. No	Name of the Shareholder	Date	Transaction	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company *
		02 Aug 2019	Buy 6000 Shares			44400	0.3990
		09 Aug 2019	Sale (1800) Shares			42600	0.3828
		06 Sep 2019	Sale (6600) Shares			36000	0.3235
		17 Jan 2020	Sale (600) Shares			35400	0.3181
		20 Mar 2020	Sale (400) Shares			35000	0.3145
						<b>35000</b>	<b>0.3145</b>
	<b>Shareholding at the end of the year</b>						
11.	CHHATTISGARH INVESTMENTS LIMITED			213000	1.9141		
		31 May 2019	Sale (145800) Shares			67200	0.6039
		07 Jun 2019	Sale (67200) Shares			0	0.0000
						<b>0</b>	<b>0.0000</b>
	<b>Shareholding at the end of the year</b>						
12.	HIMMATLAL JETHALAL LAKHANI			115800	1.0406		
		12 Apr 2019	Sale (1800) Shares			114000	1.0245
		19 Apr 2019	Sale (114000) Shares			0	0.0000
						<b>0</b>	<b>0.0000</b>
	<b>Shareholding at the end of the year</b>						
13.	KLEIO TRADECON LLP			113400	1.0191		
		19 Apr 2019	Buy 569 Shares			113969	1.0242
		26 Apr 2019	Buy 49231 Shares			163200	1.4666
		17 May 2019	Sale (102600) Shares			60600	0.5446
		24 May 2019	Sale (21000) Shares			39600	0.3559
		09 Aug 2019	Sale (17985) Shares			21615	0.1942
		16 Aug 2019	Buy 7785 Shares			29400	0.2642
		06 Sep 2019	Sale (6000) Shares			23400	0.2103
		13 Sep 2019	Sale (600) Shares			22800	0.2049
		20 Sep 2019	Sale (22800) Shares			0	0.0000
						<b>0</b>	<b>0.0000</b>
	<b>Shareholding at the end of the year</b>						

### Shareholding of Directors and Key Managerial Personnel

Sr. No	Name of the Shareholder	Date	Transaction (Purchase/sale)	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company
1.	Vinita Ashish Saraf	-	-	2779080	24.97	2779080	24.97
2.	Kedarnath Agarwal	-	-	-	-	-	-
3.	Gautam Kumar Pal	-	-	-	-	-	-
4.	Ashish Bakliwal	-	-	-	-	-	-
5.	KanhaiyaLal Kothari	-	-	-	-	-	-
6.	Ashish Kumar Agarwal	-	-	-	-	-	-

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Sr. No	Name of the Shareholder	Date	Transaction (Purchase/sale)	Shareholding at the beginning of the year as on 01.04.2019		Cumulative shareholding during the year	
				No of Shares	% of total Shares of the Company	No of Shares	% of total shares of the company
7.	Neeta Kanwar	-	-	-	-	-	-
8.	Shrey Ashish Saraf			1031250	9.27	10,64,850	9.57
9.	Jose Vailappallil Joseph	-	-	-	-	-	-
10.	Ashok Kumar Jain	-	-	-	-	-	-
11.	Divya Jajoo	-	-	-	-	-	-

### V. INDEBTEDNESS

(Amount in Rs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1) Principal Amount	24,01,51,672	-	-	24,01,51,672
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	<b>240151672</b>	<b>-</b>	<b>-</b>	<b>240151672</b>
<b>Change in Indebtedness during the financial year</b>				
Principal Amount				
(+) Addition	950033648	-	-	950033648
(-) Reduction	-	-	-	-
Interest accrued but not due				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-
Interest due but not paid				
(+) Addition	-	-	-	-
(-) Reduction	-	-	-	-
Net change	950033648	-	-	950033648
<b>Indebtedness at the end of the financial year</b>				
1) Principal Amount	1190185319	-	-	1190185319
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	<b>1190185319</b>	<b>-</b>	<b>-</b>	<b>1190185319</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Vinita Saraf (Managing Director)	KE-DAR-NATH AGARWAL (Executive Director)	GAUTAM KUMAR PAL (Executive Director)	SHREY ASHISH SARAF (Executive Director)
1	<b>Gross Salary</b>	96,00,000	1,80,000	10,20,000	18,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

Sr. No	Particulars of Remuneration	Vinita Saraf (Managing Director)	KE-DAR-NATH AGARWAL (Executive Director)	GAUTAM KUMAR PAL (Executive Director)	SHREY ASHISH SARAF (Executive Director)
2	<b>Sweat Equity</b>	-	-	-	-
3	Commission	-	-	-	-
	(i) As % of Profit	-	-	-	-
	(ii) Others, specify	-	-	-	-
	Others, please specify	-	-	-	-
4	Performance Bonus	-	-	-	-
	Total	96,00,000	1,80,000	10,20,000	18,00,000
	Stock Options Exercised	-	-	-	-
	Ceiling as per the Companies Act,2013	Remuneration paid was within the prescribed limit in terms of provisions of Companies Act,2013			

**Remuneration to other Directors (Non-Executive Directors):**

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Names of the Directors			Total
1	<b>Independent Directors</b>	<b>Mr. Ashish Bakliwal</b>	<b>Mr. Jose Vaillappalil Joseph</b>	<b>Mrs. Neeta Kanwar</b>	
	Fees for attending board and/ Committee meetings	1,00,000	1,00,000	1,00,000	3,00,000
	Commission	-	-	-	-
	Others please specify	-	-	-	-
	<b>Total (1)</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>
	Overall Ceiling as per the Companies Act, 2013				
2	<b>Other Non- Executive Directors</b>	-	-	-	-
	Fees for attending Board / Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>
	<b>Total Managerial Remuneration</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD**

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total amount
		Chief Executive Officer	Company Secretary and Compliance Officer	Chief Financial Officer	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,81,500	10,09,031	11,90,531
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-

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Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total amount
		Chief Executive Officer	Company Secretary and Compliance Officer	Chief Financial Officer	
2	Sweat Equity	-	-	-	-
3	Commission				
	(i) As % of Profit	-	-	-	-
	(ii) Others, specify	-	-	-	-
4	Others	-	-	-	-
	Performance Bonus	-	-	-	-
5	Stock Option Exercised	-	-	-	-
	<b>Total</b>	-	<b>1,81,500</b>	<b>10,09,031</b>	<b>11,90,531</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under Companies Act, 2013):

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020

On behalf of the Board of Directors  
For **Manorama Industries Limited**

**Vinita Saraf**  
Chairperson and Managing Director  
DIN:00208621

Place: Raipur  
Date: September 03, 2020

# Independent Auditor's Report

## To the Members of Manorama Industries Limited

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Manorama Industries Limited ('the Company'), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with relevant Rules issued thereunder (as amended), ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context

of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include financial statements and our auditors report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls 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 in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters in our audit 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**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-B a statement on the matters specified in paragraph and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our

separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- (g) with respect to the other matters to be included in the Auditors' 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 with accordance with the provisions of Section 197 of the Act; and

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 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; and
  - iii. There were no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**Sanjay Singhania**  
**Partner**

Membership No.076961

Raipur, 29th June, 2020  
UDIN: F005782B000653814

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As explained to us, the property, plant and equipment have been physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Notes on property, plant and equipment to the financial statements, are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information & explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms, limited liability partnership firms or other parties covered in the register maintained under section 189 of the Act during the year. Therefore, the provisions of Clause 3(iii)(a) to (iii)(c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has not given any loan and/or made any investment and given guarantees/security in terms of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore, the provisions of clause 3(v) of the Order is not applicable to the company.
- (vi) 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(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, goods & services tax, professional tax, cess and any other statutory dues with the appropriate authorities except some delay observed in such payments. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable except professional tax Rs.0.69 lacs become payable since June' 2019.
- (b) According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, income tax, custom duty, goods & services tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.

- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loan during the year. However, the Company has utilized the balance amount of money raised during the previous year for which the money was raised.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Order is not applicable to the company.
- (xi) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act wherever applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with relevant rule issued thereunder.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not raised funds through preferential allotment during the year as per Section 42 of the Act. Therefore, the provisions of clause 3(xiv) of the Order is not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order is not applicable to the company.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**Sanjay Singhania**  
**Partner**

Membership No.076961

Raipur, 29th June, 2020  
UDIN: F005782B000653814

## Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Manorama Industries Limited (the "Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate

internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**Sanjay Singhania**  
**Partner**

Membership No.076961

Raipur, 29th June, 2020  
UDIN: F005782B000653814

### **TO THE BOARD OF DIRECTORS OF MANORAMA INDUSTRIES LIMITED**

We have audited the accompanying half yearly financial results of Manorama Industries Limited for the half year ended 31.03.2020 and the year to date results for the period 01.04.2019 to 31.03.2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the half year ended 31.03.2020 as well as the year to date results for the period from 01.04.2019 to 31.03.2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

These half yearly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other

financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

- (i) Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- (v) Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **OPSinghania & Co**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Raipur, 29th June, 2020

UDIN: F005782B000653814

## Balance Sheet as at 31 March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	111,279,100	111,279,100
Reserves and surplus	4	1,161,309,750	927,959,753
		<b>1,272,588,850</b>	<b>1,039,238,853</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	5,007,332	5,146,919
Deferred Tax Liabilities (net)	6	1,947,031	-
Long-term provisions	7	2,448,347	2,262,975
		9,402,710	7,409,894
<b>Current Liabilities</b>			
Short-term borrowings	8	<b>1,185,177,987</b>	<b>235,004,753</b>
Trade payables	9		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		217,885,326	14,715,145
Other current liabilities	10	31,982,150	15,605,439
Short-term provisions	7	57,376,170	22,957,151
		1,492,421,633	288,282,488
		<b>2,774,413,193</b>	<b>1,334,931,235</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	11	513,778,405	63,340,656
Capital Work in Progress		-	155,056,884
Intangible Assets	12	-	3,606
Deferred tax assets (net)	6	-	6,033,066
Long-term loans and advances	13	10,793,812	64,250,455
Other non-current assets	14	101,441,308	69,213,937
		<b>626,013,525</b>	<b>357,898,604</b>
<b>Current Assets</b>			
Inventories	15	1,500,570,552	370,000,105
Trade receivables	16	162,599,391	141,597,344
Cash and bank balances	17	363,701,732	423,900,612
Short-term loans and advances	13	18,766,110	23,741,110
Other Current Assets	14	102,761,883	17,793,460
		2,148,399,668	977,032,631
		<b>2,774,413,193</b>	<b>1,334,931,235</b>
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

**For O P Singhania & Co.**  
Chartered Accountants  
Firm Registration No:002172C

**Sanjay Singhania**  
Partner  
Membership No.: 076961

**Raipur**  
29 June 2020

For and on behalf of the Board of Directors of Manorama Industries Limited

**Vinita Saraf**  
Managing Director  
DIN-00208621

**Ashok Jain**  
Chief Financial Officer

**Gautam Pal**  
Director  
DIN-07645652

**Divya Bhootra**  
Company Secretary

# Statement of Profit and Loss

FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Note No.	Year ended	Year ended
		31 March 2020	31 March 2019
		₹	₹
<b>INCOME</b>			
Revenue from operations	18	1,882,429,108	1,023,988,311
Other income	19	59,504,803	36,447,550
<b>Total Revenue</b>		<b>1,941,933,911</b>	<b>1,060,435,861</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	1,435,536,966	681,539,793
Purchase of stock-in-trade	21	42,714,791	6,292,166
Changes in inventories of finished goods, by-product and stock-in-trade	22	(594,749,906)	(192,389,585)
Employee benefits expense	23	79,541,835	35,024,853
Finance costs	24	97,673,892	45,512,641
Depreciation and amortization expense	25	76,645,188	8,115,871
Other expenses	26	480,912,320	210,736,289
<b>Total Expenses</b>		<b>1,618,275,086</b>	<b>794,832,028</b>
<b>Profit Before Tax</b>		<b>323,658,825</b>	<b>265,603,833</b>
<b>Tax expense:</b>			
Current Tax		80,534,549	81,912,426
Deferred Tax		7,980,097	(7,333,141)
Tax related to earlier years		1,794,182	419,800
		<b>90,308,828</b>	<b>74,999,085</b>
Profit (Loss) for the period		233,349,997	190,604,748
Earnings per equity share:	27		
Basic / Diluted		20.97	20.26
Summary of significant accounting policies	2		
The accompanying notes are integral part of the financial statements.			

**For O P Singhania & Co.**  
Chartered Accountants  
Firm Registration No:002172C

**Sanjay Singhania**  
Partner  
Membership No.: 076961

**Raipur**  
29 June 2020

For and on behalf of the Board of Directors of Manorama Industries Limited

**Vinita Saraf**  
Managing Director  
DIN-00208621

**Ashok Jain**  
Chief Financial Officer

**Gautam Pal**  
Director  
DIN-07645652

**Divya Bhootra**  
Company Secretary

# Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Cash Flow From Operating Activities</b>		
Profit Before Tax	323,658,825	265,603,833
<b>Adjustments for :</b>		
Depreciation	76,645,188	8,115,871
Finance cost	97,673,892	45,512,641
Profit on sale of asset	(1,390)	(257,803)
Provision for gratuity	212,298	852,137
Interest income	(28,609,575)	(31,043,789)
Operating Profit Before Working Capital Changes	469,579,238	288,782,891
<b>Adjustments for :</b>		
(Increase)/decrease in inventories	(1,130,570,447)	(189,658,972)
(Increase)/decrease in trade receivables	(21,002,047)	(123,417,158)
(Increase)/decrease in short-term loans and advances	4,975,000	(10,246,530)
(Increase)/decrease in long-term loans and advances	(7,213,844)	(7,937,256)
(Increase)/decrease in short-term other assets	(83,986,247)	13,993,449
Increase/(decrease) in current liabilities and provision	215,331,974	(19,146,708)
Cash generated from operations	(552,886,373)	(47,630,285)
Taxes Paid	(47,936,637)	(61,910,495)
Net Cash Flow From/ (Used In) Operating Activities	(600,823,010)	(109,540,780)
<b>Cash Flow From / (Used In) Investing Activities</b>		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(307,490,146)	(242,793,174)
Deposit with bank with maturity for more than three months	12,412	333,100
Interest received	179,910,916	(286,641,880)
Proceeds from Disposal of Fixed Assets	27,627,399	31,043,789
Net Cash Flow From / (Used In) Investing Activities	(99,939,419)	(498,058,165)
<b>Cash Flow From / (Used In) Financing Activities</b>		
Proceeds from IPO Issue (net off IPO expenses)		
Proceeds from Private Placement	-	571,033,955
Proceeds from Long term borrowings	-	34,531,625
Repayment of long-term borrowings	3,985,000	9,525,000
Proceeds from Short term borrowings (net)	(5,149,119)	(1,307,042)
Finance Cost	950,173,234	56,771,665
Net Cash Flow From / (Used In) Financing Activities	(96,307,279)	(45,512,641)
	852,701,836	625,042,562
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A + B + C)</b>	<b>151,939,407</b>	<b>17,443,617</b>
Opening Cash And Cash Equivalents	21,787,337	4,343,720
Closing Cash And Cash Equivalents	173,726,744	21,787,337

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Cash In Hand	2,741,497	1,301,511
Balance with Banks in current accounts		
- in current accounts	3,260,613	2,761,724
- in deposit accounts (maturity less than 3 months)	167,724,634	17,724,102
	173,726,744	21,787,337

**For O P Singhania & Co.**  
Chartered Accountants  
Firm Registration No:002172C

**Sanjay Singhania**  
Partner  
Membership No.: 076961

**Raipur**  
29 June 2020

For and on behalf of the Board of Directors of Manorama Industries Limited

**Vinita Saraf**  
Managing Director  
DIN-00208621

**Ashok Jain**  
Chief Financial Officer

**Gautam Pal**  
Director  
DIN-07645652

**Divya Bhootra**  
Company Secretary

# Notes to Financial Statement

for the period ended 31 March 2020

## Note-1 Corporate Information

The Company was originally incorporated as "Manorama Industries Private Limited" at Raipur, Chhattisgarh, as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated 9 August 2005 bearing Corporate Identification Number U15142CT2005PTC17858 issued by Registrar of Companies, Madhya Pradesh & Chhattisgarh. Subsequently the Company was converted in to Public Limited Company pursuant to shareholders resolution passed at Extraordinary General Meeting of the Company held on 06 February 2018 and the name of the Company was changed to "Manorama Industries Limited" and a Fresh Certificate of Incorporation consequent upon conversion of company to Public Limited dated 23 March 2018 was issued by Registrar of Companies, Maharashtra. The Corporate Identification number of the Company is L15142MH2005PLC243687.

The Company is engaged in manufacturing, processing and exporting of specialty fats like shea butter sal butter, shea fat, sal fat, sal oil, sal stearine, mango butter, mango fat, mango oil, mango stearine, kokum butter, kokum oil, de-oiled cakes, mowrah fat and several value-added tailor made products that form the ingredients of Cocoa Butter Equivalent (CBE). The Company manufactures, processes and exports exotic butter extracted from shea seeds, sal seeds, mango kernel, Mowrah seeds, Kokum seeds, Chiuri seeds for usage in Cosmetics as Specialty fats, Chocolate and Confectionaries industries.

The shares of the Company got listed on BSE-SME exchange on 04 October 2018 and the Script code of the company is 541974.

## Note-2 Summary of significant accounting policies

### a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and guidelines issued by the Securities and Exchange Board of India (SEBI). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014.

The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

### b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and judgments that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period for the periods presented. Management believes that the estimates used like Net realizable value of Inventories etc. in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

### c) Property, plant and equipment (PPE)

Property, plant and equipment have been stated at cost of acquisition inclusive of expenses directly attributable / related to the acquisition/ construction/erection of such assets. GST and other applicable taxes paid on acquisition of property, plant and equipment are capitalized to the extent not available/ utilizable as input tax credit under GST or other relevant law in force.

Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds

and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

## **Note 2 Summary of significant accounting policies (cont'd)**

### **d) Capital Work in Progress**

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

### **e) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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.

### **f) Depreciation and Amortization**

Depreciation on property, plant and equipment is provided on Written Down Value Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013. However, assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.

Amortization on Intangible Assets is provided on SLM basis considering estimated useful life of 5 Years.

### **g) Revenue Recognition**

#### **Sale of goods: -**

Revenue is recognised to the extent that it is probable that be economic benefits will flow to the the Company and the revenue can be reliably measured

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with the dispatch / dilevery of goods to coustomer and where there is a reasonagle certainty of acceptance of goods by the coustomer.

Goods & service tax are not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government Accordingly, it is excluded from revenue.

#### **Exports Benefits:**

Benefits arises on exports of goods like Duty Draw Back claim, MEIS licenses are recognized on accrual basis when exports sales are recognized.

#### **Interest Income:**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **h) Inventories:**

The method followed for valuation of Inventories are in line with the method as prescribed in Accounting Standard 2 and are consistently followed on FIFO basis by the company as follows-

The inventories of raw materials, stores & consumables, packing material, chemicals and fuels are valued at its purchase price including expenses which are directly attributable in bringing the Raw material to the Factory/ Godown.

Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

The by-products are valued at net realizable value.

### **i) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **j) Income Tax**

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authority in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where company operate.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets recognized only when there is a reasonable certainty of their realization.

### **k) Impairment**

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.

### **l) Cash Flow Statement**

Cash Flow Statement is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard. For the purpose of presentation in the cash flow statement, cash and cash equivalents includes cash on hand and other highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **m) Foreign exchange transactions**

The functional currency of the Company is Indian Rupee.

The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.

The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.

Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

In respect of transactions covered by forward foreign exchange contracts, the difference between the forward rate and exchange rate

at the inception of contract is recognized as income or expenses over the life of the contract.

**n) Derivative financial instruments and Hedge Accounting**

The Company uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**o) Employee Benefits**

**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.

**Post-Employment Benefits**

**Defined Contribution Plans**

The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is made.

Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

**Defined Benefits Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the

complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as defined benefit plans. The liability in respect of these 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.

**p) Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized or disclosed in the financial statements.

**q) Earnings per share**

Basis of earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity share outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive equity shares.

## Note-3 Share Capital

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>Authorized Capital</b>		
3,00,00,000 (2019: 1,40,00,000) Equity Shares of ₹10 each	300,000,000	140,000,000
	300,000,000	140,000,000
<b>Issued , Subscribed &amp; Paid Up Capital</b>		
1,11,27,910 (2019: 1,11,27,910) Equity Shares of ₹10 each	111,279,100	111,279,100
	111,279,100	111,279,100

### (a) Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period.

	In Value		In Numbers	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	₹	₹	₹	₹
At the beginning of the reporting period	111,279,100	75,497,310	11,127,910	7,549,731
Issued during the period	-	35,781,790	-	3,578,179
At the end of the reporting period.	111,279,100	111,279,100	11,127,910	11,127,910

### (b) Terms & Right attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each Holder of equity share is entitled to one vote per share. In the event of liquidation, shareholder will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the member of equity share held by the share holder.

### (c) Details of number of bonus shares issued and buy-back of shares in the last 5 years

Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
Number of bonus shares issued	-	-	53,92,665	-	-

### (d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	Number	% of holding	Number	% of holding
Smt. Vinita Saraf	2,779,080	24.97%	2,779,080	24.97%
Shri Agastya Saraf	2,980,873	26.79%	2,980,873	26.79%
Shri Shrey Saraf	1,031,250	9.27%	1,031,250	9.27%
Smt. Ritu Saraf	906,878	8.15%	906,878	8.15%
	<b>7,698,081</b>	<b>69.18%</b>	<b>7,698,081</b>	<b>69.18%</b>

## Note-4 Reserves & Surplus

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>Security Premium</b>		
Balance as per last financial statements	569,783,790	-
Add-Addition on issue of fresh equity	-	638,777,035
Less-Utilized for writing off IPO issue expenses	-	68,993,245
	<b>569,783,790</b>	<b>569,783,790</b>
<b>Balance in Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year	358,175,963	167,571,215
Add- Net Profit for the year	233,349,997	190,604,748
Net surplus in the statement of profit and loss	591,525,960	358,175,963
	<b>1,161,309,750</b>	<b>927,959,753</b>

**Note-5 Long Term Borrowings**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Other Loans (secured)	8,365,618	9,529,737
	<b>8,365,618</b>	<b>9,529,737</b>
Less- Current Maturities of long term borrowings (refer note 10)	3,358,286	4,382,818
	<b>5,007,332</b>	<b>5,146,919</b>

**Nature of security and terms of repayment for secured borrowings: -**

Borrowings	Rate of interest	Security	Terms of repayment (EMI)	
			From	To
Axis Bank Ltd.	8.75%	Hypothecation of Vehicle	01-Apr-18	01-Mar-21
Federal Bank Ltd.	8.60% - 12.05%	Hypothecation of Vehicle	01-Apr-18	07-Dec-24

**Note-6 Deferred tax (assets)/liabilities**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Tax effect of items constituting deferred tax liabilities on account of timing difference in property, plant and equipment including intangible assets	10,337,384	(5,280,782)
Tax effect of items constituting deferred tax assets on account of employee benefits	(1,919,148)	(752,284)
on account of other timing differences	(6,471,205)	-
<b>Deferred tax (assets) liabilities</b>	<b>1,947,031</b>	<b>(6,033,066)</b>

**Note-7 Provisions**

	Long-term		Short-term	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	₹	₹	₹	₹
Provision for employee benefits				
- Provision for Gratuity (refer note 29)	2,448,347	2,262,975	347,344	320,418
Provision for income tax (net)	-	-	57,028,826	22,636,733
	<b>2,448,347</b>	<b>2,262,975</b>	<b>57,376,170</b>	<b>22,957,151</b>

**Note-8 Short Term Borrowings**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Working capital facilities from banks (secured)	1,185,177,987	235,004,753
	<b>1,185,177,987</b>	<b>235,004,753</b>

**Terms of borrowings:**

Working Capital facilities are repayable on demand and are secured as follows

- Hypothecation of stock and receivables.
- Packing credit limits against hypothecation of stock meant for export
- Pledge on Fixed Deposits.

- First Parri Passu Charge on Industrial land building, plant and machinery of the Company for credit facility from Bank of india
- Equitable Mortgage of Residential Property in joint name of Vinita Saraf & Shrey Saraf from federal Bank
- Personal Guarantee of Vinita Saraf, Ritu Saraf, Shrey Saraf, Gautam Pal, Kedarnath Agrawal and Ashish Saraf

### Note-9 Trade payable

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Total outstanding dues to Micro,enterprises and Small Enterprises	-	-
Total outstanding dues to creditors other than Micro,enterprises and Small Enterprises		
-Creditors for goods	170,474,056	2,797,864
-Creditors for others	47,411,270	11,917,281
	<b>217,885,326</b>	<b>14,715,145</b>

**Note:** Based on information received and available with the Company, the management has not identified any enterprise which has provided goods and services to the Company and qualifies under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at the year end has not been made in the financials statements.

### Note-10 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Current maturities of long term borrowings (refer note 5)	3,358,286	4,382,818
Interest accrued but not due	1,366,613	-
Statutory Liabilities	2,878,616	3,211,797
Advance from customers	2,841,058	1,558,038
Creditors for capital goods	6,331,879	2,459,043
Payable to directors	2,072,649	-
Payable to related parties	1,195,258	-
Provision for expenses	11,937,791	3,993,743
	<b>31,982,150</b>	<b>15,605,439</b>

**Note 11: Property, Plant and Equipment**

	Freehold Land	Leasehold land	Factory shed and building	Plant and Machinery	Office equipment	Furniture and Fixtures	Computers	Vehicles	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Gross Block</b>									
<b>As on 1 April 2018</b>	<b>15,698,665</b>	-	-	<b>21,912,881</b>	<b>1,371,876</b>	<b>17,977,064</b>	<b>3,975,753</b>	<b>13,632,767</b>	<b>74,569,006</b>
Addition	12,774,577	-	-	5,803,863	3,282,980	3,554,259	1,464,909	12,026,827	38,907,415
Deletions	-	-	-	-	-	-	-	1,112,623	1,112,623
<b>As on 31 March 2019</b>	<b>28,473,242</b>	-	-	<b>27,716,744</b>	<b>4,654,856</b>	<b>21,531,323</b>	<b>5,440,662</b>	<b>24,546,971</b>	<b>112,363,798</b>
Addition	15,578,554	1,128,600	47,505,176	451,077,480	2,423,386	2,013,990	2,005,039	5,358,128	527,090,353
Deletions	-	-	-	-	-	-	-	43,373	43,373
<b>As on 31 March 2020</b>	<b>44,051,796</b>	<b>1,128,600</b>	<b>47,505,176</b>	<b>478,794,224</b>	<b>7,078,242</b>	<b>23,545,313</b>	<b>7,445,701</b>	<b>29,861,726</b>	<b>639,410,778</b>
<b>Accumulated depreciation</b>									
<b>As on 1 April 2018</b>	-	-	-	<b>15,707,175</b>	<b>737,182</b>	<b>13,327,825</b>	<b>3,361,674</b>	<b>8,810,741</b>	<b>41,944,597</b>
For the year	-	-	-	2,590,082	849,438	1,669,293	569,792	2,437,266	8,115,871
Deletions	-	-	-	-	-	-	-	1,037,326	1,037,326
<b>As on 31 March 2019</b>	-	-	-	<b>18,297,257</b>	<b>1,586,620</b>	<b>14,997,118</b>	<b>3,931,466</b>	<b>10,210,681</b>	<b>49,023,142</b>
For the year	-	5,700	663,188	64,659,980	1,766,162	2,170,492	1,689,749	5,686,311	76,641,582
Deletions	-	-	-	-	-	-	-	32,351	32,351
<b>As on 31 March 2020</b>	-	<b>5,700</b>	<b>663,188</b>	<b>82,957,237</b>	<b>3,352,782</b>	<b>17,167,610</b>	<b>5,621,215</b>	<b>15,864,641</b>	<b>125,632,373</b>
<b>Net block</b>									
<b>As on 31 March 2019</b>	<b>28,473,242</b>	-	-	<b>9,419,487</b>	<b>3,068,236</b>	<b>6,534,205</b>	<b>1,509,196</b>	<b>14,336,290</b>	<b>63,340,656</b>
<b>As on 31 March 2020</b>	<b>44,051,796</b>	<b>1,122,900</b>	<b>46,841,988</b>	<b>395,836,987</b>	<b>3,725,460</b>	<b>6,377,703</b>	<b>1,824,486</b>	<b>13,997,085</b>	<b>513,778,405</b>

**Note:**

The gross block above includes ₹55,55,63,596 capitalised towards the Company's new project at Birkoni Location.

## Note 12 : Intangible assets

	Trademark & License	Total
	₹	₹
<b>Gross Block</b>		
As on 1 April 2018	39,000	39,000
Addition	-	-
Deletions	-	-
As an 31 March 2019	39,000	39,000
Addition	-	-
Deletions	-	-
<b>As an 31 March 2020</b>	<b>39,000</b>	<b>39,000</b>
<b>Accumulated amortisation</b>		
As on 1 April 2018	35,394	35,394
For the year	-	-
Deletions	-	-
As an 31 March 2019	35,394	35,394
For the year	3,606	3,606
Deletions	-	-
<b>As an 31 March 2020</b>	<b>39,000</b>	<b>39,000</b>
<b>Net block</b>		
<b>As an 31 March 2019</b>	<b>3,606</b>	<b>3,606</b>
<b>As an 31 March 2020</b>	<b>-</b>	<b>-</b>

## Note 13 Loans and Advances

	Long-term		Short-term	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	₹	₹	₹	₹
(Unsecured, considered good)				
Advance for capital goods	523,244	61,193,731	-	-
Advance to suppliers	-	-	-	-
Advance recoverable in cash or in kind	-	-	13,216,330	12,219,210
Security Deposits	-	-	2,807,638	833,089
Prepaid Expenses	10,270,568	3,056,724	-	6,400,272
Other receivables	-	-	2,599,642	823,142
	-	-	142,500	428,678
	-	-	-	3,036,719
	<b>10,793,812</b>	<b>64,250,455</b>	<b>18,766,110</b>	<b>23,741,110</b>

## Note-14 Other assets

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	₹	₹	₹	₹
Balance with banks in deposit accounts (maturity more than 12 months) (refer note 17)	101,441,308	69,213,937	36,559,691	-
Export incentive receivable	-	-	3,177,190	10,188,833
Interest accrued on fixed deposits	-	-	63,025,002	2,195,015
Others	-	-	102,761,883	5,409,612
	<b>101,441,308</b>	<b>69,213,937</b>	<b>17,793,460</b>	<b>17,793,460</b>

**Note-15 Inventories**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>(Valued at lower of cost or net realisable value)</b>		
Raw Materials	488,365,551	7,596,505
Finished goods	910,751,725	350,732,110
Stock in trade	-	6,292,166
By Product	42,611,063	1,588,606
Fuels	217,528	267,540
Chemicals	9,306,449	1,217,038
Packing Materials	4,337,450	2,306,140
Stores and consumables	44,980,786	-
	<b>1,500,570,552</b>	<b>370,000,105</b>

**Note-16 Trade Receivables**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>(Unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	23,77,775	1,57,190
From Directors, Related Parties, Associate Concerns	-	-
From Others		
Outstanding for less than six months		
From Directors, Related Parties, Associate Concerns	-	-
Others	16,02,21,616	14,14,40,154
	<b>16,25,99,391</b>	<b>14,15,97,344</b>

**Note-17 Cash and bank balances**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>Cash and cash equivalents</b>		
Cash In hand	2,741,497	1,301,511
Balance with Banks		
- in current accounts	3,260,613	2,761,724
- in deposit accounts (maturity less than 3 months)	167,724,634	17,724,102
	173,726,744	21,787,337
<b>Other bank balances</b>		
Balance with Banks		
- in deposit accounts (maturity between 3 to 12 months)	189,974,988	402,113,275
- in deposit accounts (maturity more than 12 months)	101,441,308	69,213,937
	291,416,296	471,327,212
	465,143,040	493,114,549
Less: Balance with bank in deposit accounts (maturity more than 12 months) (refer note 16)	101,441,308	69,213,937
	363,701,732	423,900,612

Note: Deposits with banks aggregating to ₹4,591.41 lacs (2019: ₹2018.90 lacs) has been pledged with banks against bank guarantees and margin money towards working capital facilities.

### Note - 18 Revenue from operations

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Sale of products and by-products</b>		
Domestic	1,060,033,938	549,078,785
Exports	732,306,476	462,227,129
Sale of traded goods	55,687,284	4,170,280
	<b>1,848,027,698</b>	<b>1,015,476,194</b>
<b>Other operating revenues</b>		
Duty Draw Back Claim	907,407	677,125
Merchandise Exports from India Scheme (MEIS)	32,322,491	6,454,536
Sale of scrap	1,171,512	1,380,456
	34,401,410	8,512,117
	<b>1,882,429,108</b>	<b>1,023,988,311</b>

Sale of products and by-products mainly consists of specialty fats like sal butter, sal fat, sal oil, sal stearine, mango butter, mango fat, mango oil, mango stearine, kokum butter, kokum oil, de-oiled cakes, mowrah fat, moringa Oil and several value-added tailor made products that form the ingredients of Cocoa Butter Equivalents.

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Details of traded goods sold</b>		
Sal stearine	5,05,51,820	-
Mahua seeds	1,16,070	41,70,280
Others	50,19,394	-
	<b>5,56,87,284</b>	<b>41,70,280</b>

### Note-19 Other Income

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Interest Income</b>		
- on fixed deposits	28,390,450	16,237,445
- on others	219,125	14,806,343
Foreign exchange gain	24,740,611	4,613,775
Forward contract gain	5,604,361	-
Service Tax Claim Received	-	532,184
Sundry balance written back	543,746	-
Profit on sale of property, plant and equipment	1,390	257,803
Other miscellaneous income	5,120	-
	<b>59,504,803</b>	<b>36,447,550</b>

### Note-20 Cost of Materials Consumed

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Seeds</b>		
Opening Stock	1,336,848	9,564,384
Add:- Purchases	1,792,560,732	618,519,976
Less- Closing Stock	456,802,305	1,336,848
	<b>1,337,095,275</b>	<b>626,747,512</b>
<b>Chemicals</b>		
Opening Stock	1,217,038	1,526,085
Add:- Purchases	43,872,919	23,333,982
Less- Closing Stock	9,306,449	1,217,038
	<b>35,783,508</b>	<b>23,643,029</b>

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Other raw materials</b>		
Opening Stock	6,259,658	1,000,200
Add:- Purchases	87,961,772	36,408,710
Less- Closing Stock	31,563,247	6,259,658
	62,658,183	31,149,252
	<b>1,435,536,966</b>	<b>681,539,793</b>

**Note-21 Purchase of stock-in-trade**

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Sal searine	42,714,791	-
Mahua seed	-	5,898,550
Others	-	393,616
	<b>42,714,791</b>	<b>6,292,166</b>

**Note-22 Changes in Inventory**

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Opening Stock</b>		
Finished Goods	350,732,110	141,555,167
By Product	1,588,606	24,668,130
Stock-in-trade	6,292,166	-
	<b>358,612,882</b>	<b>166,223,297</b>
<b>Closing Stock</b>		
Finished Goods	910,751,725	350,732,110
By Product	42,611,063	1,588,606
Stock-in-trade	-	6,292,166
	953,362,788	358,612,882
	<b>(594,749,906)</b>	<b>(192,389,585)</b>

Finished goods and by-products mainly consists of specialty fats like Shea Butter , sal butter, sal fat, sal stearine, sal oline , mango butter, mango fat, mango stearine, kokum butter, and several value-added tailor made products that form the ingredients of Cocoa Butter Equivalents.

<b>Details of Finished Goods</b>		
Cocoa Butter Equivalents	15536974	4628978
Butter & fats	895214751	346103132
Others	42611063	1588606
	<b>953362788</b>	<b>352320716</b>
<b>Details of stock-in-trade</b>		
Sal searine	-	5,898,550
Mahua seed	-	393,616
	-	<b>6,292,166</b>

### Note-23 Employees Benefits

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Salary, wages and other benefits	75,529,115	32,192,125
Contribution to provident and other funds	2,961,574	1,059,289
Gratuity expense (refer note 29)	212,298	852,137
Workmen and staff welfare expenses	838,848	921,302
	<b>79,541,835</b>	<b>35,024,853</b>

### Note-24 Finance Cost

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Interest expenses</b>		
- on working capital facilities	85,529,370	41,029,718
- on vehicle loans	930,266	281,919
- on others	1,556,827	1,314,923
Bank Charges	9,657,429	2,886,081
	<b>97,673,892</b>	<b>45,512,641</b>

### Note-25 Depreciation and amortisation

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Depreciation expense	76,641,582	8,115,871
Amortisation expense	3,606	-
	<b>76,645,188</b>	<b>8,115,871</b>

### Note-26 Other expenses

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Consumption of stores and spares	34,967,768	-
Power and fuel	42,897,101	4,118,295
Labour charges	13,755,123	4,519,456
Processing Charges	162,671,252	75,910,673
Insurance Expenses	5,262,204	2,878,747
Rent	15,017,243	11,068,083
Rates & Taxes	9,513,289	3,847,798
<b>Repairs and maintenance</b>		
-Plant and machinery	3,008,680	4,898,073
-Others	2,245,927	1,208,107
Lab expenses	5,225,528	1,582,450
Security charges	2,761,371	1,106,744
Travelling Expenses	35,347,843	21,657,914
Communication expenses	900,228	743,530
Printing and stationery	2,173,015	1,709,538
Legal and professional	21,659,939	7,378,050
Commission and brokerage	4,993,841	1,910,470
Sales promotion expenses	1,255,825	603,862
Freight outwards and agency charges	86,485,549	40,112,887
Packaging expenses	21,102,031	8,622,218
Auditor Remuneration (Refer Below)	500,000	500,000
Forward Contract Loss	-	7,122,313
Miscellaneous Expenses	9,168,562	9,237,081
	<b>480,912,320</b>	<b>210,736,289</b>

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Payment to Auditors:-</b>		
For audit	500,000	350,000
		150,000
<b>For tax audit</b>	<b>500,000</b>	<b>500,000</b>

**Note 27 Earnings per share**

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Profit / (Loss) after tax	232,952,847	190,604,748
Weighted average number of equity shares used for calculating basic earnings per share	11,127,910	9,408,192
Weighted average number of equity shares used for calculating diluted earnings per share	11,127,910	9,408,192
Face value of Equity Shares (₹)	10	10
Earnings per share- Basic & Diluted (₹)	20.93	20.26

**Note-28 Related Party Disclosure****a) Parties where control exists**

Related Parties	Nature of relationship
Manorama Earth Private Limited	Directors have a significant influence
Manorama Africa Limited	Directors have a significant influence
Ritu Saraf	Relatives of Key Managerial Personnel's

**Key Managerial personnel**

Vinita Ashish Saraf	Managing Director
Ashish Saraf	President
Deep Saraf	Vice-President
Shrey Ashish Saraf	Director (appointed on 19 August 2019)
Jose Vailappallil Joseph	Director (appointed on 19 August 2019)
Kedarnath Agarwal	Director
Ashish Bakliwal	Director
Neeta Kanwar	Director (appointed on 10 June 2019)
Gautam Kumar Pal	Director
Kanhaiyalal Kothari Badichand	Director ((appointed on 1 May 2018 and resigned on 12 April 2019)
Ashish Kumar Agrawal	Director (appointed on 1 May 2018 and resigned on 18 May 2019)
Ashok Jain	Chief Financial Officer
Divya Bhootra	Company Secretary

**b) Details of transactions with related parties**

Name of Party	Nature of Transaction	Year ended 31 March 2020	Year ended 31 March 2019
Manorama Africa Limited	Purchases of goods	172,177,039	-
Vinita Saraf	Director Remuneration	9,600,000	9,600,000
	Advance received	60,000,000	-
	Advance repayment	60,000,000	-
Manorama Earth Private Limited	Car hire charges	1,200,000	1,200,000
	Advance receipt	-	600,000
Kedarnath Agarwal	Remuneration	180,000	180,000
Ashish Bakliwal	Director sitting fees	100,000	100,000
Kanhaiyalal Kothari Badichand	Director sitting fees	25,000	100,000
Ashish Kumar Agrawal	Director sitting fees	-	100,000
Neeta Kanwar	Director sitting fees	100,000	-
Jose Vailappallil Joseph	Director sitting fees	100,000	-

Name of Party	Nature of Transaction	Year ended 31 March 2020	Year ended 31 March 2019
Ashok Jain	Remuneration	1,009,031	800,000
Divya Bhootra	Remuneration	181,500	124,000
Gautam Kumar Pal	Remuneration	1,020,000	775,500
Ashish Saraf	Remuneration	2,400,000	2,400,000
Shrey Saraf	Remuneration	1,800,000	1,800,000
Deep Saraf	Remuneration	1,500,000	1,500,000
Ritu Saraf	Remuneration	1,800,000	1,800,000

**c) Balance (payable to)/receivable from related parties**

Name of Party	As at 31 March 2020	As at 31 March 2019
Vinita Saraf	(2,072,649)	-
Ritu Saraf	(1,195,258)	-

**Note-29 Employees benefit :**

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

	31 March 2020	31 March 2019
<b>Changes in present value of obligations</b>		
Defined benefit obligation as at beginning of the year	2,583,393	1,731,255
Current Service Cost	990,201	721,348
Interest cost	175,671	133,307
Benefits Paid	-	-
Actuarial losses (gains) arising from change in financial assumptions	220,842	(2,517)
Actuarial losses (gains) arising from experience adjustments	(1,174,416)	-
Defined benefit obligation as at end of the year	2,795,691	2,583,393
<b>Expense recognized in the Statement of Profit and Loss</b>		
Current Service Cost	990,201	721,348
Interest cost	175,671	133,307
Net Actuarial (Gain)/Loss recognized for the period	(953,574)	(2,517)
Expense recognized in the statement of P & L A/C	212,298	852,138
<b>Experience Analysis</b>		
Actuarial losses (gains) arising from change in financial assumptions	220,842	(2,517)
Actuarial losses (gains) arising from experience adjustments	(1,174,416)	-
<b>Total</b>	<b>(953,574)</b>	<b>(2,517)</b>
<b>Bifurcation of Present Value of Benefit Obligation</b>		
Current liability	347,344	320,418
Non-current liability	2,448,347	2,262,975
	<b>2,795,691</b>	<b>2,583,393</b>
<b>Assumptions</b>		
Mortality	IALM(2012-014)Ult.	IALM(2006-08) Ult.
Discount Rate	6.80%	7.60%
Rate of increase in compensation	7%	7%
Rate of return (expected) on plan assets		
Withdrawal rates	5 to 1%	5 to 1%

**Note 30 Contingent liabilities and commitments:**

	As at 31 March 2020	As at 31 March 2019
	₹	₹
<b>Contingent Liability:</b>		
There are no contingent liabilities to be disclosed in the financial statements		
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		128,700,000
	-	<b>128,700,000</b>

**Note-31 Expenditures & Earning in Foreign Currency**

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Earning in foreign currency</b>		
Export of goods (on FOB basis) - manufactured	723,150,019	467,178,677
Export of goods (on FOB basis) - traded	50,551,820	-
	<b>773,701,839</b>	<b>467,178,677</b>
<b>Expenditure in foreign currency</b>		
Purchase of raw material	678,480,670	21,791,885
Purchase of stock-in-trade	42,714,791	-
Salary	10,360,800	2,112,812
Sample testing and analysis	2,311,646	38,247
Membership and subscription	574,149	318,826
Legal and professional	513,621	60,470
Foreign travelling	388,924	2,487,396
Certification charges	1,525,051	649,104
	<b>736,869,652</b>	<b>27,458,740</b>

**Note-32 Value of imports on CIF basis**

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Raw material	678,480,670	21,791,885
Capital goods	28,754,687	-
	<b>707,235,357</b>	<b>21,791,885</b>

**Note-33 Imported and Indigenous raw material & spare parts consumed**

	Year ended 31 March 2020		Year ended 31 March 2019	
	% of Total Consumption	Value	% of Total Consumption	Value
		₹		₹
<b>Raw Materials</b>				
-Imported	243,208,673	16.94%	32,569,586	4.78%
-Indigenous	1,192,328,293	83.06%	648,970,207	95.22%
	<b>1,435,536,966</b>	<b>100.00%</b>	<b>681,539,793</b>	<b>100.00%</b>
<b>Stores &amp; spares</b>				
-Imported				
-Indigenous	34,967,768	100.00%		
	<b>34,967,768</b>	<b>100.00%</b>		

### Note-34 Derivative instruments and unhedged foreign currency exposure

	Currency	Buy / Sell	Purpose	As at 31 March 2020	As at 31 March 2019
				₹	₹
Forward contracts	USD	Sell	Hedging	8,165,130	250,000

Particulars of unhedged foreign currency exposure as at the reporting date

There is no foreign currency exposure that are not hedged by derivative instrument or otherwise.

### Note-35

During the year ended 31 March 2019, the company has raised ₹64,00,27,200 through public issue, specifically to meet its share in the cost of setting-up a new manufacturing facility at Birkoni. Given below are the details of utilization of proceeds raised through public issue.

	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
Amount raised in IPO	-	640,027,200
Unutilized amount at the beginning of the year	387,503,829	-
Less: amount utilized during the year		
- Purchase of Land	16,707,154	28,473,242
- Investment in plant & machinery & other assets	370,796,675	155,056,884
- IPO Expenses	-	68,993,245
<b>Unutilized amount at the year end</b>	<b>-</b>	<b>387,503,829</b>

The unutilized portion of public issue raised during the year ended 31 March 2019 are invested in Fixed deposits with banks.

### Note-36

According to the provisions of section 135 of the Companies Act, 2013, the company is required to spend ₹36,14,065 (2020: ₹29,34,065 and 2019: ₹6,80,000) on account of Corporate Social Responsibility. During the year the company has not spent any amount towards the above said purpose.

### Note-37

In the opinion of the Board, the value of realisation of loans and advances and current & non current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

### Note-38 Segment Reporting

The Company's only identifiable reportable Business segment is Manufacturing of Exotic Seed based Fats and Butters including Cocoa Butter Equivalent (CBE). Further, the Company operates and controls its business activities within/from India, except export of goods. Hence disclosure of Segment wise information is not applicable under Accounting Standard - 17 "Segment Information" (AS-17).

### Note-39

Previous year's figures are regrouped/rearranged wherever necessary.

**For O P Singhania & Co.**  
Chartered Accountants  
Firm Registration No:002172C

For and on behalf of the Board of Directors of Manorama Industries Limited

**Sanjay Singhania**  
Partner  
Membership No.: 076961

**Vinita Saraf**  
Managing Director  
DIN-00208621

**Gautam Pal**  
Director  
DIN-07645652

**Ashok Jain**  
Chief Financial Officer

**Divya Bhootra**  
Company Secretary

Raipur  
29 June 2020

# Notice

Registered Office: Office No. 403, Fourth Floor, Midas, Sahar Plaza,  
Andheri Kurla Road, Andheri East Mumbai-400059.  
Corporate Office: F-6 ANUPAM NAGAR, RAIPUR CHATTISGARH 492007  
CIN: L15142MH2005PLC243687;  
Tel: 022 22622299; Fax: 0771 4056958  
Website: www.manoramgroup.co.in Email: cs@manoramgroup.co.in

## NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 15th ANNUAL GENERAL MEETING ("AGM") OF MANORAMA INDUSTRIES LIMITED will be held on Monday, September 28, 2020 at 2.00 P.M, Indian Standard Time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business. The venue of the AGM shall be deemed to be the Registered Office of the Company at Office no. 403, 4th Floor, MIDAS, Sahar Plaza, Andheri Kurla Road, Andheri (East) Mumbai - 400059:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the report of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Kedarnath Agarwal, (DIN: 00183566), Executive Director who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. To ratify the remuneration payable to M/s. SN & Co., Cost Accountants, appointed as Cost Auditors of the Company for Financial Year 2020-21 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. SN& Co., Cost Accountants (Firm Registration No. 000309), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the financial year ending 31st March 2021 be paid, Rs. 75000/- p.a. plus out of pocket expenses that may be incurred and applicable taxes."

By order of the Board of Directors  
For **Manorama Industries Limited**

Sd/-  
**Divya**  
Company Secretary  
Membership No. A40584

Date: September 3, 2020  
Place: Raipur

### Notes:

- I. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("Act"), in relation to the item no 3. of Special Business in the Notice which were considered unavoidable by the Directors is annexed hereto and forms part of this Notice. Also relevant details in respect of Director seeking re-appointment at the AGM, in terms of Regulations 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings are also annexed to this notice.
- II. General instructions for accessing and participating in the 15th AGM through VC/OAVM
  - 1) In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 15th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
  - 2) In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
  - 3) In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 15th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Corporate Shareholders may be appointed for the purpose of voting through remote e-Voting, for participation in the 15th AGM through VC/OAVM Facility and e-Voting during the 15th AGM.
  - 4) A statement setting out the material facts relating to the special business to be transacted at the Meeting pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting, is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Director seeking appointment/ re-appointment at the Annual General Meeting is furnished as Annexure A to the Notice. The Board of Directors have considered and decided to include item no. 3 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
  - 5) In accordance with the MCA Circulars and the SEBI Circulars, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
  - 6) In line with the MCA Circulars and SEBI Circular, the Notice of the 15th AGM will be available on the website of the Company, on the website of BSE Limited and also on the website of NSDL.
  - 7) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this notice. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 15th AGM through VC/OAVM Facility and e-Voting during the 15th AGM.
  - 8) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing

body Resolution/Authorization etc., authorizing its representative to attend the e-AGM through VC/OAVM on its behalf and to vote through remote e-voting or during the e-AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to info@mehta-mehta.com with a copy to evoting@nsdl.co.in.

- 9) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- 10) Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 15th AGM without any restriction on account of first-come-first-served principle.
- 11) Attendance of the members participating in the 15th AGM through VC/OVAM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 12) The Shareholders who are holding shares in dematerialised form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their Email ID at the earliest, to enable the Company to use the same for serving documents to them electronically, hereafter. Shareholders holding shares in physical form may kindly provide their Email ID to the Registrar & Transfer Agent of the Company viz. Link Intime India Private Limited, by sending an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
- 13) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhar Card) to RTA
- 14) In terms of the provisions of Regulation 40 of SEBI Listing Regulations and various notifications issued in that regard, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. In view of the same, Shareholders are requested to take action to dematerialise the Equity Shares of the Company, promptly.
- 15) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in dematerialised form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Shareholders holding shares in physical form should submit their PAN to the Company/Link Intime India Private Limited.
- 16) Shareholders are requested to intimate changes, if any, pertaining to their name, postal address, Email ID, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their Depository Participants in case the shares are held by them in dematerialised form and to the Company/ Link Intime India Private Limited in case the shares are held by them in physical form.
- 17) In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered 9 their nomination are requested to register the same by submitting Form No. SH-13. Shareholders holding shares in dematerialised form are requested to submit the said details to their Depository Participant(s) and the Shareholders holding shares in physical form, are

Process for those Shareholders, whose Email IDs are not registered with the Company/ Depository Participants for procuring User ID and Password and registration of Email IDs for e-voting for the resolutions set out in this Notice.

requested to submit the said details to the Company or Link Intime India Private Limited.

- 18) Shareholders are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the Link Intime India Private Limited.
- 19) Since the AGM will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the AGM and admission slip is not attached to this Notice

### III. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS

UNDER:-

The remote e-voting period begins on Friday 25th September 2020, at 9:00 A.M. and ends on Sunday 27th September 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your

log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

#### 4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

#### 5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [info@mehta-mehta.com](mailto:info@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@manoramagroup.co.in](mailto:cs@manoramagroup.co.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement,

PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@manoramagroup.co.in

### Other Information:

1. In case of any queries with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll free no.: 1800-222-990 or can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) Ms. Pallavi Mhatre, Manager, NSDL at [pallavid@nsdl.co.in/022-24994545](mailto:pallavid@nsdl.co.in) or Mr. Anubhav Saxena, Assistant Manager- NSDL at [AnubhavS@nsdl.co.in/022-24994835](mailto:AnubhavS@nsdl.co.in)
2. Those persons, who have acquired shares and have become Shareholders of the Company after the dispatch of Notice of the AGM by the Company and whose names appear in the Register of Shareholders or Register of beneficial holders as on the cut off date i.e. Monday, 21st September, 2020 shall view the Notice of the 15th AGM on the Company's website or on the website of NSDL.  
  
Such persons may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)  
  
However, if he/she is already registered with NSDL for remote e-voting then he/she can cast his/her vote by using existing User ID and password and by following the procedure as mentioned above or by voting at the AGM.
3. Voting rights of the Shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, 21st September, 2020. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
4. Every Client ID No./Folio No. will have one vote, irrespective of number of joint holders.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE

#### AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/ AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH

#### VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. As mentioned above, the Shareholders can join the AGM in the VC/OAVM mode 15 minutes

before and 15 minutes after the scheduled time of the commencement of the Meeting by following the necessary procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for Shareholders on 'first come first serve' basis.

6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@manoramagroup.co.in from Friday 18th September 2020 at 9.00 to Friday 25th September 2020 at 5.00 p.m. The same will be replied by the company suitably.
7. Shareholders who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in/022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/022-24994545 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/022-24994553.

**Scrutiniser's report and declaration of results**

1. The Scrutiniser shall, after the conclusion of e voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated

Scrutiniser's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

2. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.manoramagroup.co.in and on the website of NSDL i.e. www.evoting.nsdl.com The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.

By order of the Board of Directors  
For **Manorama Industries Limited**

Sd/-  
**Divya**  
Company Secretary  
Membership No.: A40584  
Place: Raipur  
Date: September 3, 2020

**Registered Office:**  
Office No. 403, 4th Floor, Midas,  
Sahar Plaza,  
Andheri Kurla Road,  
Andheri East Mumbai 400059  
CIN -L15142MH2005PLC243687

## EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act"):

### ITEM NO. 3

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on September 3, 2020 approved the appointment of M/s. SN & Co., Cost Accountants (Firm Registration No. 000309), as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021 at a remuneration of Rs. 75000/- p.a. plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice of 15th AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March 2021.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice of 15th AGM for approval by the Members.

By order of the Board of Directors  
For **Manorama Industries Limited**

Sd/-  
**Divya**  
Company Secretary  
Membership. No.: A40584  
Place: Raipur  
Date: September 3, 2020

## ANNEXURE A

Details of Director seeking appointment/ re-appointment in the forthcoming Annual General Meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015)

<b>Name of the Director</b>	Mr. Kedarnath Agarwal
<b>Director Identification Number</b>	00183566
<b>Category</b>	Executive Director
<b>Date of Birth</b>	11/04/1940
<b>Age</b>	80
<b>Nationality</b>	Indian
<b>Date of First Appointment on the Board</b>	16th June 2006 Re - designation from Non- executive director to Executive Director w.e.f. April 7, 2018
<b>Relationship with Directors and KMPs</b>	Mrs. Vinita Ashish Saraf - Daughter
<b>Qualifications</b>	Graduate
<b>Expertise in specific functional area.</b>	Expertise in Managing the Business Affairs of the company.
<b>Details of Board Meetings attended by the directors during the year</b>	16
<b>Terms and Conditions of Appointment or re-appointment along with remuneration</b>	Mr. Kedarnath Agarwal is Director liable to retire by rotation and being eligible offers himself for re-appointment
<b>Membership of Committees of Manorama Industries Limited</b>	NIL
<b>List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)</b>	Manorama Energy Private Limited Manorama Earth Private Limited Money Resources Private Limited Manorama Oils Private Limited
<b>Membership/ Chairmanship of Committees across other Public Companies</b>	NIL
<b>Shareholding in Manorama Industries Ltd</b>	NIL

## Information at a glance

<b>Particulars</b>	Details
<b>Mode</b>	Video conference and other audio-visual means
<b>Time and date of AGM</b>	Monday, 28th September 2020 at 2.00 p.m.
<b>Participation through video-conferencing</b>	Yes
<b>Helpline number for VC participation</b>	1800-222-990 or can contact NSDL on <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a>
<b>Cut-off date for e-voting</b>	Monday, 21st September 2020
<b>E-voting start time and date</b>	Friday 25th September 2020 at 9.00 a.m.
<b>E-voting end time and date</b>	Sunday 27th September 2020 at 5.00 p.m.
<b>E-voting website of NSDL</b>	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
<b>Name, address and contact details of e-voting service provider</b>	Anubhav Saxena at 022-24994835 and <a href="mailto:AnubhavS@nsdl.co.in">AnubhavS@nsdl.co.in</a>
<b>Name, address and contact details of Registrar and Transfer Agent</b>	Mr. Ashok Sherugar Add: C-101, 1st Floor, 247 Park, L.B.S. Marg, Virkholi (West), Mumbai 400083 Tel: 02249186000







## OUR BANKERS

**The Federal Bank Limited**, Raipur Branch, CG  
**State Bank of India**, SME Branch Raipur, CG  
**ICICI Bank**, Civil Lines, Raipur, CG  
**Bank of India**, Main Branch Raipur, CG  
**Kotak Mahindra Bank**, CIIB Mumbai, MH  
**South Indian Bank**, Corporate Branch, Mumbai, MH

## CHIEF FINANCE OFFICER

**CA Ashok Jain**

TEL +91 771 2283071; 4003145  
EMAIL ashok@manoramagroup.co.in

## STATUTORY AUDITOR

**OP Singhania & Co.**

Chartered Accountants

## INTERNAL AUDITOR

**M/s, Mazars India LLP**

Mumbai

## RTA

**Link Intime India Pvt Ltd**

C-101, 247 Park, L.B.S. Marg  
Vikhroli (West), Mumbai 400083

TEL +91 22 4918 6000  
FAX +91 22 4918 6050  
EMAIL mumbai@linkintime.co.in

## COMPLIANCE OFFICER

**CS Divya Jajoo**

TEL +91 22 22622299; 49743611; 67088148  
EMAIL cs@manoramagroup.co.in

## SECRETARIAL AUDITOR

**Mehta & Mehta**

Company Secretaries  
201-206, Shiv Smriti, 2nd floor, 49/A,  
Dr Annie Besant Road, Above Corporation Bank  
Worli, Mumbai 400018

TEL +91 22 6611 9696  
EMAIL dipti@mehta-mehta.com  
WEB www.mehta-mehta.com

## LEGAL ADVISOR

**Dhawan & Co**

New Delhi

## DESIGNED BY

The Information Company

## PRINTED BY

Print Plus Pvt Ltd





## It is in giving that we receive

*Positively impacting the lives of the community by providing livelihood opportunities to tribals by engagement in seed collection*



**MANORAMA**<sup>®</sup>  
INDUSTRIES LIMITED

### REGISTERED OFFICE

403, 4<sup>th</sup> Floor Midas, Sahar Plaza, Andheri Kurla Road, Andheri (East), Mumbai 400059. Maharashtra, India

TEL +91 22 22622299 / +91 22 49743611 / +91 22 67088148

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[cs@manoramaind.com](mailto:cs@manoramaind.com) / [investors@manoramagroup.co.in](mailto:investors@manoramagroup.co.in) / [investors@manoramaind.com](mailto:investors@manoramaind.com)

### CORPORATE & BUSINESS OFFICE

F-6, Anupam Nagar, Raipur 492007. Chhattisgarh, India

TEL +91 771 2283071 / +91 771 2282457 / +91 771 2282579 / +91 771 4003145

FAX +91 771 4056958

EMAIL [info@manoramagroup.co.in](mailto:info@manoramagroup.co.in) / [info@manoramaind.com](mailto:info@manoramaind.com) / [cs@manoramagroup.co.in](mailto:cs@manoramagroup.co.in) /  
[cs@manoramaind.com](mailto:cs@manoramaind.com) / [investors@manoramagroup.co.in](mailto:investors@manoramagroup.co.in) / [investors@manoramaind.com](mailto:investors@manoramaind.com) /  
[cfo@manoramagroup.co.in](mailto:cfo@manoramagroup.co.in) / [cfo@manoramaind.com](mailto:cfo@manoramaind.com)

### FACTORY ADDRESS

Village Birkoni P.H.N. 0033, Khasra No. 2467, 2474\_1/2,

Near by IIDC Birkoni, Paraswani Road, Dist Mahsamund (CG), India

EMAIL [info@manoramagroup.co.in](mailto:info@manoramagroup.co.in) / [info@manoramaind.com](mailto:info@manoramaind.com)

[www.manoramagroup.co.in](http://www.manoramagroup.co.in)