July 4, 2021

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 543277

National Stock Exchange Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051
Trading Symbol: LXCHEM

Dear Sir / Madam,

Sub: Annual Report for the financial year 2020-21 including notice of annual general meeting

Please see enclosed annual report of the Company for the financial year ended March 30, 2021, including the notice convening the annual general meeting which is being sent to the members of the Company.

The annual report including the notice can also be accessed from the Company's website at https://www.laxmi.com/investors/annual-report

We request you to take the above on record.

Thanking you,

For **Laxmi Organic Industries Limited**

LAXMI ORGANIC INDUSTRIES LTD. MUMBAI

Aniket Hirpara
Company Secretary and Compliance Officer

Encl.: A/a

LAXMI ORGANIC INDUSTRIES LTD

There's a bit of
chemistry
in conversations too.

Know us while you
grow with us.

Annual Report 2020 - 21

Contents

Our Mission

To be the growth partner of choice to the global crop science, life science and pigment industries.

Message from the Chairman

Dear Fellow Shareholders,

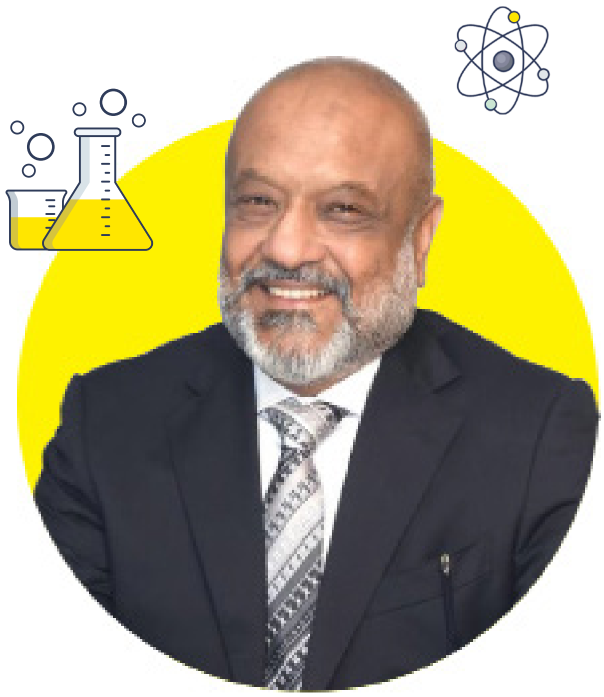
I'm happy to start our very first conversation with you on a positive and promising note. I take this opportunity to thank you for the overwhelming response to Laxmi's maiden share issue. I'm cognisant of the trust reposed on us and am confident that the leadership team is capable and well aligned to deliver the business plans of the Company going forward.

Since inception, Laxmi has been a Company in transformation. It has pursued growth by leveraging scale and size in the acetyl segment and leveraging R&D and technology to move up the value chain in spec chem. Innovation has been a way of life in Laxmi, albeit with a humble beginning. Today we have a large portfolio of products to serve a wide and diverse array of industries which will further extend as we commercialise the fluoro chemistry platform in the coming years.

The past year's performance – particularly the successful listing of our Company and the overwhelming response of the investing community - has reinforced our confidence and strengthened our hands for the journey ahead.

We are proud that in a year of international and national lockdowns, and unprecedented disruptions in production and supply chain, we achieved high levels of productivity and maintained near normal operations. We are pleased that we could fulfil the demands from the domestic pharma, agro and other industries supplying essential goods during these trying times. It may not be out of place to mention here that some of our products went into the manufacture of drugs essential to fight the current ongoing Covid 19 pandemic.

The biggest challenge during the year has been to prevent, mitigate and support the national strategy to fight the pandemic while keeping operations undisrupted. I'm proud we could continue to perform while adhering to all the norms of social distancing, use of mask and sanitisation with minimum disruption in the operations. Our entire workforce has demonstrated exemplary character and discipline and the financial performance of the Company during the year stands testimony to their efforts. We continue to



hold the course in our expansions and post profitable growth despite the challenges. For this, I thank our employees from the bottom of my heart.

From acetyls to derivatives of ketene and diketene and now into fluoro chemicals, Laxmi's DNA is differentiated by the ability of our team to identify scalable opportunities and move in fast, once decided. Project implementation, technology absorption and scale-up, while oberving a high level of financial discipline - I believe, these are Laxmi's strengths. We have continued to invest in new technologies, assets, processes and human resources. The corner stone of our financial judgements has been keeping a light balance sheet with low gearing, modular spends, tight working capital and cash flow management.

Customer centricity is paramount for us. In India, we are partners of choice for many of our large customers across industries. While our dependency on a few customers is low, the stickiness is very high. Most of our customers have remained loyal over several years.

As you may know we are primarily a B2B business, currently operating in two verticals namely; Acetyl Intermediates (AI) and Speciality Intermediates (SI). The upcoming fluorochemicals (FI) vertical is under capitalisation.

At Laxmi we cater to the pharma, agro, flexible packaging, pigments and inks, paints and coatings industries. All these applications have been enjoying robust growth both in India and overseas. The India demand has been growing at mid double digit levels over the last five years and is expected to maintain its trajectory over the next five years, while the global demand is growing at a rate of ~ 7 to 8% CAGR.

We continued our dominance in acetyl intermediates (AI) – our Company along with its sister concern Yellowstone Chemicals Private Limited (YCPL) is one of the largest global producers of ethyl acetate. We are also one of the largest suppliers of fuel grade ethanol to the oil marketing companies under the oil blending program of the Government of India.

The Company has over 1/3rd share of the Indian market in ethyl acetate and is the largest exporter of the product out of India and into Europe consistently over the last several years, with a direct presence in Europe.

In the acetyls space we shall continue to grow as the markets expand; leveraging our scale, supply chain synergies, best in class infrastructure and long standing reputation as a reliable supplier of quality products. Typically for Laxmi this vertical has a low capital intensity, moderate margins and high return on capital.

Our Speciality Intermediates (SI) or spec chem journey began by the acquisition of the diketene business of Clariant in 2012. Since then the revenue from this vertical has grown more than five times through the relentless efforts of our R&D and scale-up teams. We still remain the only player of this chemistry in India with a significant share of the domestic market. Since the acquisition of the Clariant business we have added twenty new products and expanded capacity by nearly three-fold. In this vertical, among others we cater to the needs of flavours and fragrance and supply stabilisers for polyester and PVC players.

Unlike in the acetyls, the endeavour in SI is to constantly move up the value chain, develop and perfect chemistry adjacencies, leverage R&D and scale-up expertise to cater to the emerging needs of the customers. Providing chemistry solutions and growing the share of revenue from contract manufacturing for global and local customers will be our primary focus in the near future. Exports will remain in focus in view of the recent realignment in geopolitical equations and changes in global supply chain dynamics.

This is a relatively high capital intensive vertical with high margin, higher customer stickiness. For Laxmi, this vertical will continue to experience investments in R&D, new capacities and the resultant growth in the medium to long run. Currently, the Company is in the process of implementing several capexes worth approximately ₹ 2000 million which are expected to come on stream towards the end of this financial year; subject, of course, to delays related to the current ongoing global and local pandemic situation.

Our latest spec chem initiative is in the fluorospecialty space by way of acquisition of the assets, technology and other paperwork of Miteni, Spa of Italy. This will introduce us to the world of organofluorine compounds and electrochemical fluorination as a niche chemistry. This initiative will bring in a library of new high margin niche products and at the same time will de-risk Laxmi by reducing dependency on a few raw materials with supply side volatility and a single site operation. This is an R&D, intensive initiative and our plan to have an additional R&D centre in Italy is under implementation. This can act as our touch point with the European innovators for pharma, agro and other application based chemical companies.

The project is currently at an advanced stage of implementation with multiple teams involved in dismantling and relocating the facility to its new site at Lote Parshuram, Maharashtra, absorbing and transferring knowledge and technology and establishing an R&D and Kilo lab facility in Italy to help us with the technology transfer.

The financial year 2020-21 has been the most challenging period in recent human history. However, Laxmi returned a stellar financial performance. During the year the revenues grew by 18% to ₹16,061 million over the previous year. Operating profit before tax increased by 134% over the previous year on the back of excellent performance by both the acetyl and specialty intermediates businesses, in terms of optimisation of product mix, volume and margin expansion. Profit after tax also increased by 56% to ₹1,225.51 million over that of the previous year. Net worth reached ₹ 10,342.84 million consequent upon the initial public offer and net debt as on March 31, 2021 is nil.

I believe that Indian spec chem companies with the right focus on innovation and cost synergies will play a major role in the global supply chain of speciality chemicals and are poised for a robust growth in the next decade. The Government's Vision 2034 for the chemicals and petrochemicals sector, Atmanirbhar Bharat and the PLI schemes will foster strengthening of domestic manufacturing, reduction in imports and attracting investments in the chemicals sector.

I take this opportunity to thank our employees, associates, business partners and government agencies for their relentless support during this unprecedented trying times.

I would like to end by stating that Laxmi will endeavour to remain a humanity focussed, environmentally conscious organisation creating value for its employees, business partners and other stakeholders.

Corporate Information

Board Of Directors

Mr. Ravi Goenka	Chairman and Managing Director
Mr. Rajeev Goenka	Non-Executive Director
Mr. Manish Chokhani	Independent Director
Mr. Omprakash V. Bundellu	Independent Director
Ms. Sangeeta Singh	Independent Director
Dr. Rajeev Vaidya	Independent Director
Mr. Satej Nabar	Executive Director
Mr. Harshvardhan Goenka	Executive Director

Committees of Board

Audit Committee:

Mr. Omprakash V. Bundellu (Chairman)
Ms. Sangeeta Singh
Mr. Ravi Goenka

Nomination & Remuneration Committee:

Ms. Sangeeta Singh (Chairperson)
Mr. Manish Chokhani
Dr. Rajeev Vaidya

Stakeholders Relationship Committee:

Mr. Manish Chokhani (Chairman)
Mr. Ravi Goenka
Mr. Harshvardhan Goenka

Corporate Social Responsibility Committee:

Mr. Ravi Goenka (Chairman)
Ms. Sangeeta Singh
Mr. Rajeev Goenka

Risk Management Committee:

Dr. Rajeev Vaidya (Chairman)
Mr. Satej Nabar
Mr. Harshvardhan Goenka

Finance Committee:

Mr. Omprakash V. Bundellu (Chairman)
Mr. Ravi Goenka
Mr. Satej Nabar
Mr. Partha Roy Chowdhury

Chief Financial Officer:

Mr. Partha Roy Chowdhury

Company Secretary & Compliance Officer:

Mr. Aniket Hirpara

Auditors: Natvarlal Vepari & Co. Chartered Accountants

Bankers:

State Bank of India
Citibank N.A.
HDFC Bank Limited
Axis Bank Limited
RBL Bank Limited
Yes Bank Limited
IDBI Bank Limited

Corporate Office:

Chandermukhi Building,
2nd and 3rd Floor, Nariman Point,
Mumbai – 400021
Tel: +91-22-49104400

Registered Office:

A-22/2/3, MIDC, Mahad,
Raigad – 402 309, Maharashtra, India
Tel: +91-2145-232424
CIN Number: U24200MH1989PLC051736
E-mail: investors@laxmi.com
Website: www.laxmi.com

Registrar & Share Transfer Agent:

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083
Tel. No.: 022 - 4918 6000
Toll-free number: 1800 1020 878
Email: mumbai@linkintime.co.in

Manufacturing Locations

Acetyls Intermediate Unit

A-22/2/3, MIDC,Mahad, Raigad – 402 309
Maharashtra, India

Speciality Intermediate Unit

B-2/2, B-3/1/1, B-3/ 1/2, Mahad,
Raigad - 402309, Maharashtra, India

Fluoro Intermediate Unit (Subsidiary)

G-60, MIDC, Lote-Parshuram, Dhamandevi,
District Ratnagiri, Maharashtra, India

Distillery – Jarandeshwar

795/1, Village Chimangaon Koregoan,
District Satara, Maharashtra, India

Distillery – Panchganga (Subsidiary)

Ganganagar, Hatkananagale,
District Kolhapur, Maharashtra, India

Hydro Power Project

At Post Yedgaon Taluka Junner,
District Pune, Maharashtra, India

Our story:

Growth through transformation

The story of Laxmi Organic Industries Limited began almost three decades ago, when the company was set up to meet the growing need for alcohol-based chemicals.

Beginning as a producer of bulk chemicals, Laxmi Organic has transformed over 30 years into a company with notable expertise in the high-growth and high-value speciality chemicals industry, while we remain a stable, efficient operator in the Acetyl Intermediates market. Pioneering the manufacture of solvents in India, becoming a preferred partner of marquee pharmaceuticals and ink manufacturers and having an enviable portfolio of 34 products in Speciality Intermediates has solidified our position as a leading manufacturer of fine and speciality chemicals in the country.

With a well-earned reputation for quality, a dedication to customer satisfaction and the vision to keep transcending our own boundaries, we intend to become the leader in speciality intermediates and the growth partner of choice of global life sciences, crop sciences and pigments companies.

Senior Leadership Team:

Left to Right (Sitting):	Mr. Partha Roy Chowdhury, Mr. Ravi Goenka, Mr. Satej Nabar and Mr. T C N Saikrishnan
Left to Right (Standing):	Mr. Jitendra Agarwal, Mr. Virag Shah, Mr. Sruti Bora, Mr. B. P. Pant Dr. Ajay Audi and Mr. Harshvardhan Goenka

Milestones on our journey:

1989
Incorporated as Laxmi Organic Industries Limited, a public limited company.

1992
Commissioning of first plant at Raigad to manufacture glacial acetic acid.

1996
Commenced production of ethyl acetate.

2004
Investment in renewable energy source for captive usage.

ISO 9001-2000 certification for AI Products.

2008
Upstream investment in distillery at Jarandeshwar.

Expansion of ethyl acetate capacity beyond 50,000 MT.

2010
Entered the Speciality Intermediate business by acquiring Clariant's diketene business.

2011
Ethyl acetate capacity expanded beyond 120,000 MT

Diketene derivative capacity expanded beyond 13,000 MT.

Set up DSIR-approved R&D centre at our SI manufacturing facility.

2012
Investment by International Finance Corporation in Equity and Debt.

2013
Subsidiaries in the Netherlands & Dubai and creation of stock points in Europe.

2018
Investment in hydro power project at Yedgaon.

2019
Set up DSIR-approved Innovation Centre at Rabale.

2020
Acquisition of fluorospeciality assets of Miteni, Italy.

2021
Ethyl acetate capacity expansion by acquiring Yellowstone Chemical.

USDA certified bio-based product label for ethyl acetate.

ISO 45001:2018; ISO 9001:2015; ISO 14001: 2015 certifications for AI products.

Successful listing on stock exchanges.

Our business:

Quality products, diverse portfolios, wide applications

Acetyl Intermediates (AI) and Speciality Intermediates (SI) form the core of our business. We are diversifying into manufacturing speciality fluorochemicals with the acquisition of Miteni, a manufacturer of organic fluorospecialities and electrochemical fluorination.

We also offer customised manufacturing services, deploying our expertise to manufacture specific chemicals for customers based on their specification and requirements.

Acetyl Intermediates (AI)

Our portfolio comprises 13 products, including ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents.

Application:
Pharmaceuticals, agrochemicals, inks and paints, coatings, printing, packaging and adhesives industries.

Speciality Intermediates (SI)

Our portfolio comprises ketene and over 34 diketene derivatives, including esters, acetic anhydride, amides and arylides.

Application:
Pharmaceuticals, agrochemicals, dyes and pigments, flavor and fragrance and paints and coatingsindustries.

Fluorospeciality Intermediates (FI)

Our portfolio will comprise over 100 products in R&D and scale-up stage.

Application:
Pharmaceuticals, agrochemicals, aerospace, automobiles, flame retardant industries.

- **One of India's largest manufacturers of ethyl acetate, with a market share of approximately 30%.**
- **India's largest exporter of ethyl acetate since 2018**
- **India's only manufacturer of diketene derivatives, with a market share of approximately 55%.**
- **We have one of the largest portfolios of diketene products in India.**

Our manufacturing facilities:

Operationally efficient, well-connected, state-of-the-art.

We have two manufacturing facilities in Mahad, Maharashtra, one dedicated to Acetyl Intermediates (AI) and the other dedicated to Speciality Intermediates (SI). Our AI Manufacturing Facility is the single largest ethyl acetate manufacturing site in India, in terms of capacity. We are in the process of setting up a manufacturing facility, with a new R&D lab, at Lote Parshuram, Maharashtra for manufacturing fluorospeciality chemicals.

We have two distilleries located in Satara district and Kolhapur in Maharashtra, for the manufacture of ethanol, a basic raw material required for the manufacture of acetyls, and specially denatured spirit from molasses.

Our distilleries enable backward integration by acting as feeder plants to both our Acetyls as well as Speciality Intermediates operations, provide effective control over raw materials, reduce costs and also reduce our dependence on third parties for ethanol.

Our Manufacturing Facilities have received a number of accreditations including ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. We are one of the few Indian chemical companies to be recognised with RESPONSIBLE CARE certification by the Indian Chemical Council. We have received authorisation from the U.S. Department of Agriculture to use the USDA Certified Biobased Product Label for Ethyl Acetate.

Acetyl Intermediates, Mahad

Speciality Intermediates, Mahad

Our global footprint:

Our scale of operations and global footprint covers customers in over 30 countries including **Argentina, Armenia, Austria, Belgium, China, Cyprus, the Czech Republic, France, Germany, Italy, the Netherlands, Portugal, Romania, Russia, Singapore, Spain, Sweden, the U.A.E., the U.K. and the U.S.**

Our international operations are supported by our offices in **Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates).**

Research and Development:

Innovating, evolving, propelling our growth.

We invest in research and development to ensure our products and production techniques stay current with evolving trends and also to propel our company's growth.

We have two R&D facilities recognised by the Department of Scientific and Industrial Research, Government of India (DSIR), equipped with state-of-the-art research and development infrastructure to synthesise speciality molecules and advanced intermediates.

We have a team of highly qualified research scientists who work on improving manufacturing efficiency and reducing production costs of existing products, and also develop new, potentially marketable products.

Our efficient and synergistic supply chain integration

A clear vision and far-sighted planning have ensured that our supply chain operations are efficient and well-synergised.

- We are optimally located in the middle of Maharashtra's ethanol producing belt, with several west coast all-weather ports less than 200 kms from our sites.
- We are close to our key markets – the pharma hub in South India and agro companies in West India.
- Our energy requirements – steam for AI and power for SI – are supplied by our captive cogeneration plants.
- Acetic acid is the common raw material for both our businesses, in which we are one of the largest consumers. The sourcing terms are same for both businesses.
- We also have power from captive renewable sources, both hydro and wind.
- We have large tankages at ports and on site which are fungible, giving us the necessary leverages on the sourcing and the supply sides.

Our sustainability commitment:

A staunch commitment to green and sustainable chemistry has been a part of our ethos since inception.

Our resolve, backed by a ₹ 52.5 million capital investment in energy conservation equipment, has helped to enhance plant efficiency and reduce energy consumption and operational costs significantly.

We use naturally available ingredients like sugarcane as the basis of our alcohol-based chemicals. We also utilize process waste as fuel, to heat furnaces and for steam generation.

We are committed to exploring renewable energy sources, with windmills in Maharashtra and Karnataka, and a hydro-electric power project at Yedgaon. Our renewable power plants reduce our dependence on the electricity grid and third parties and ensure a regular supply of power and steam.

Setting even higher benchmarks for the future, the company ensures that all new projects incorporate energy efficient technologies in design and implementation. 27 new energy-saving opportunities, identified through an audit by an independent agency, are being reviewed for implementation in the current financial year.

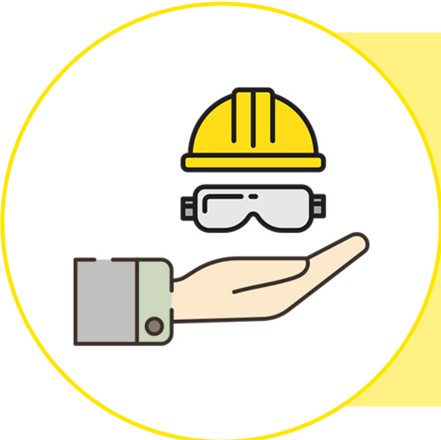
Through continuous training and awareness programmes within the company, we are working to embed the value of sustainability within the DNA of the organization, and within the mindset of every employee.

As part of our social sustainability effort, we support primary schools in villages around our plants and conduct tree plantation drives.

Ours is a certified RESPONSIBLE CARE company, respected for our superior HSE standards and excellent track record.

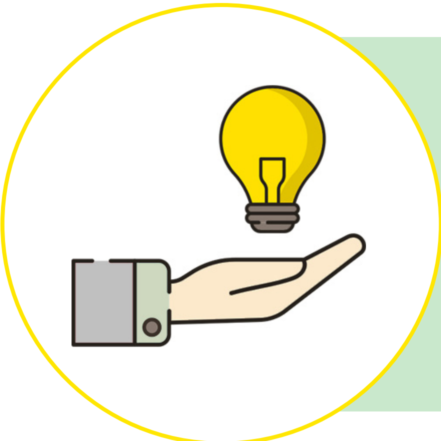
Our plants are ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015 certified for quality, robust environment management systems and our best practices in organizational health and employee safety.

Awards and recognitions:



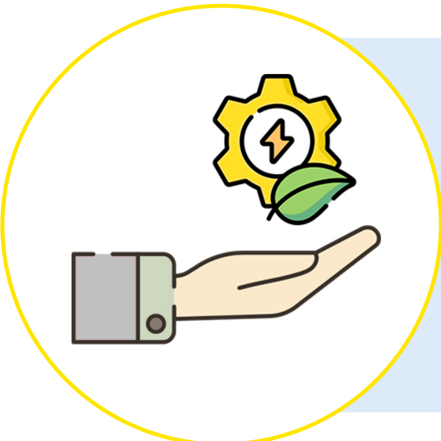
2018

Meritorious performance in
Industrial Safety during the year 2017
in Chemicals & Fertilizers
by The National Safety Council,
Maharashtra Chapter



2020

Excellence in Energy Conservation
and Management
by Indian Chemical Council



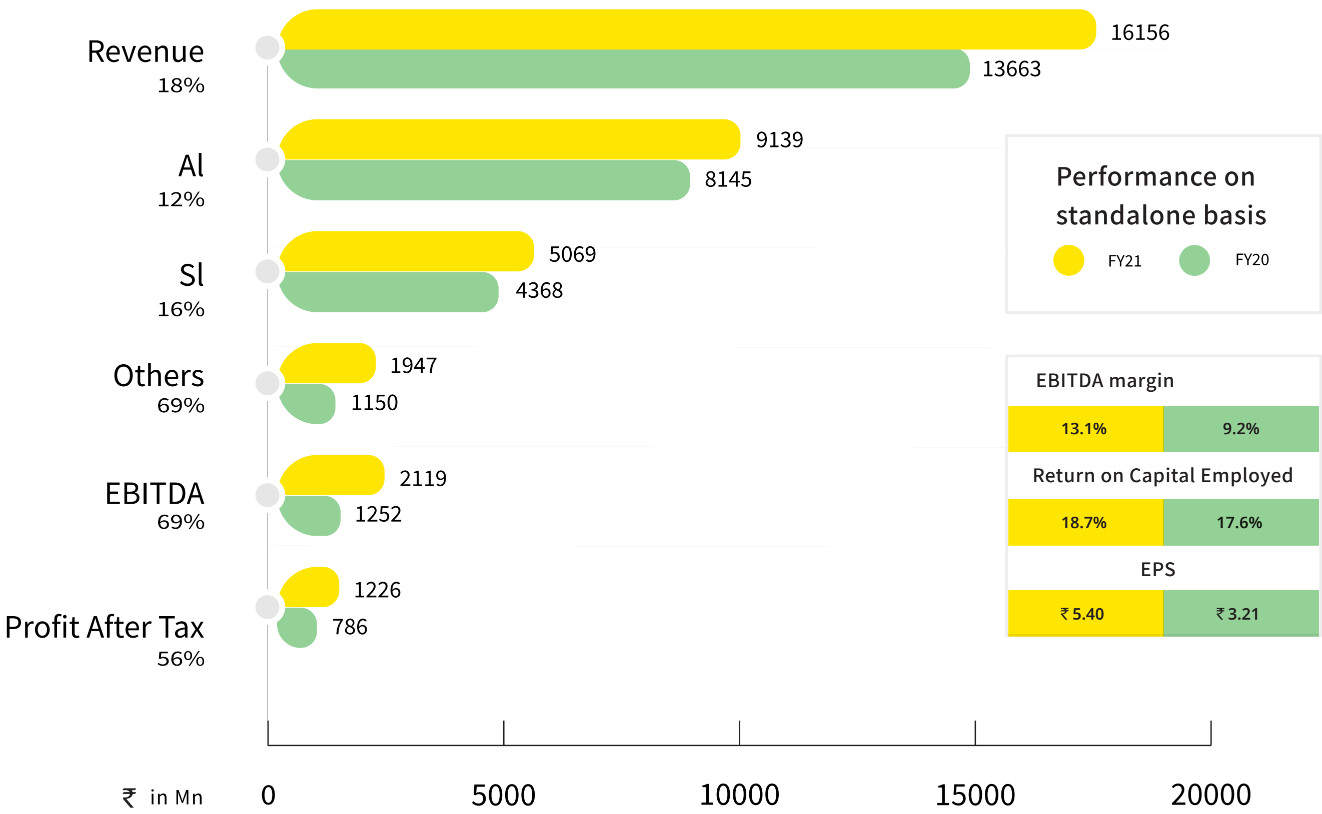
2020

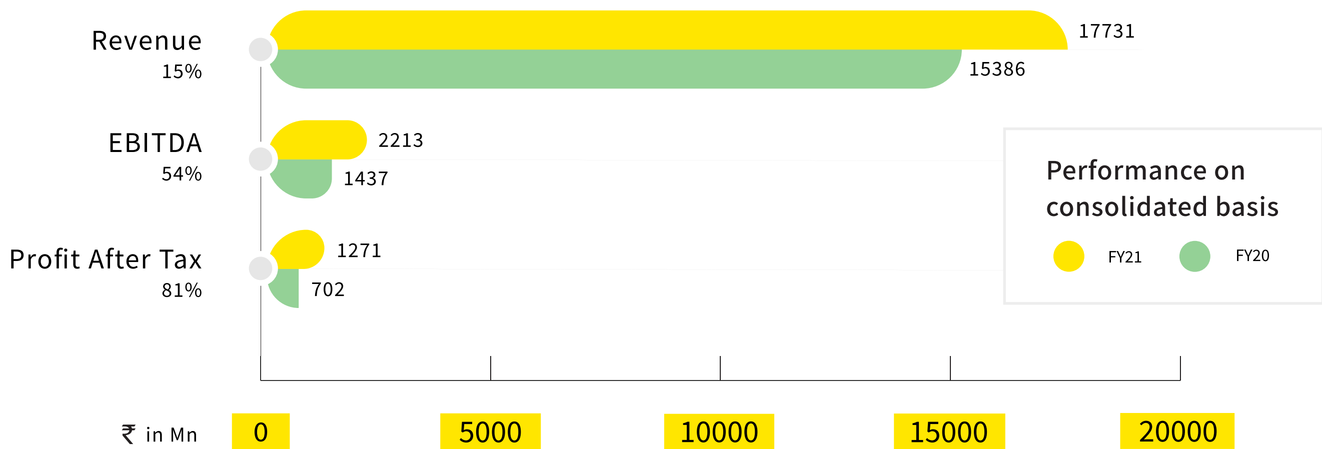
21st National Award for
Excellencein Energy Management
by CII for Energy Efficient Unit

Management Review:

When purpose meets action, it creates the chemistry to succeed.

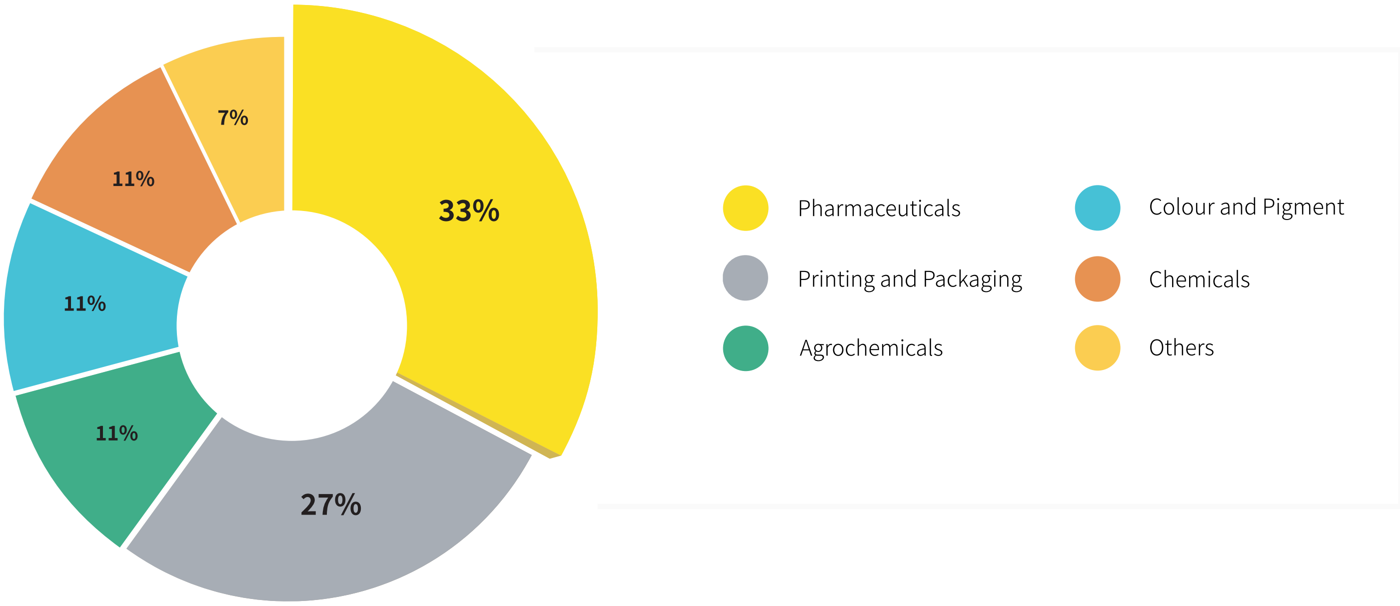
Financial highlights:



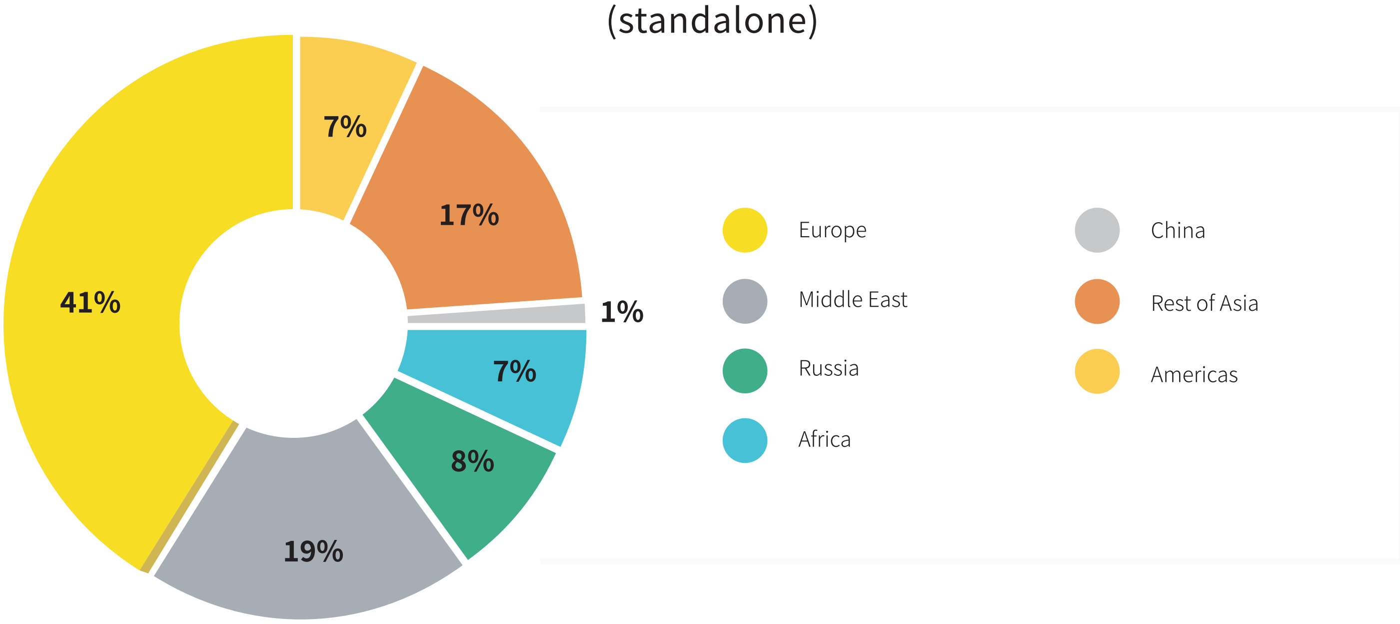


EBITDA margin	12.5%	9.3%
Return on Capital Employed	18.9%	15.6%
EPS	₹ 5.59	₹ 2.86

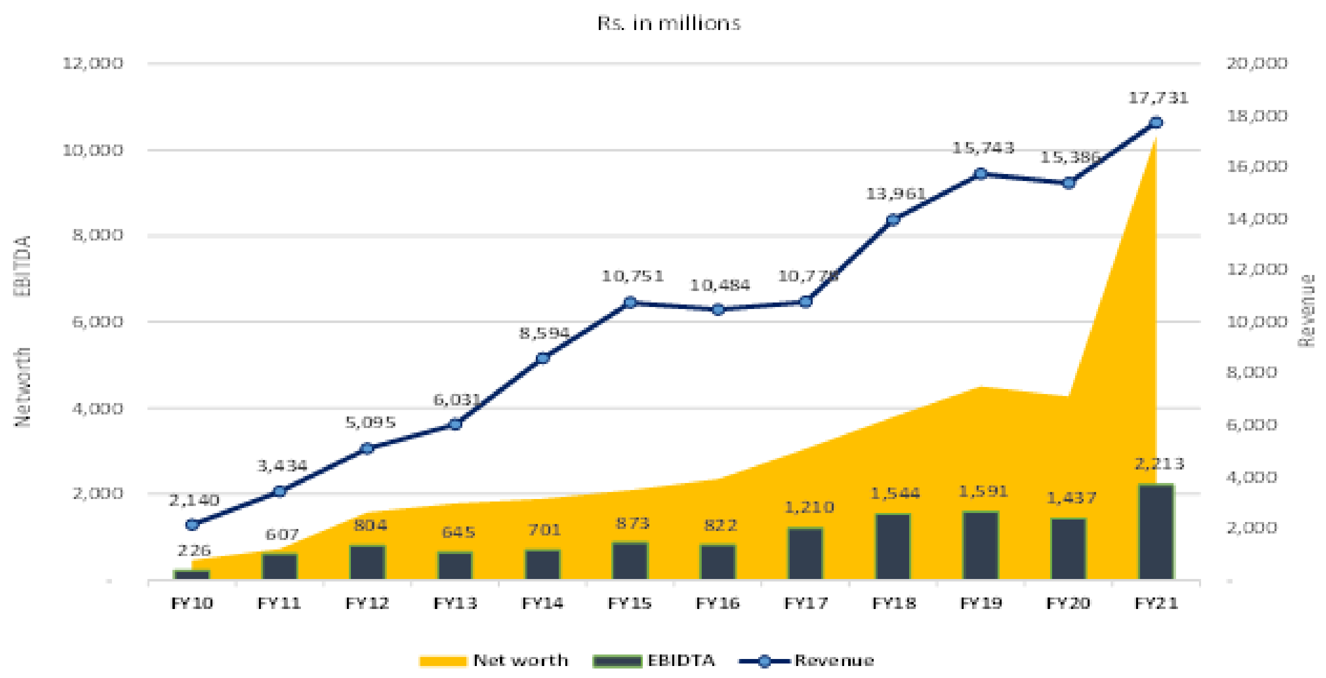
% of revenue from sale of manufactured products & services (standalone)

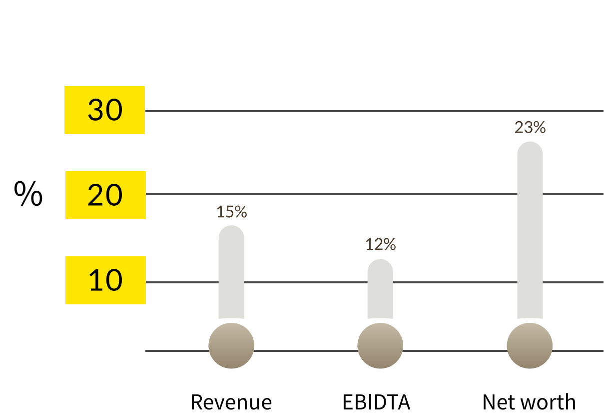


FY 21 Export Sales Break-up (standalone)

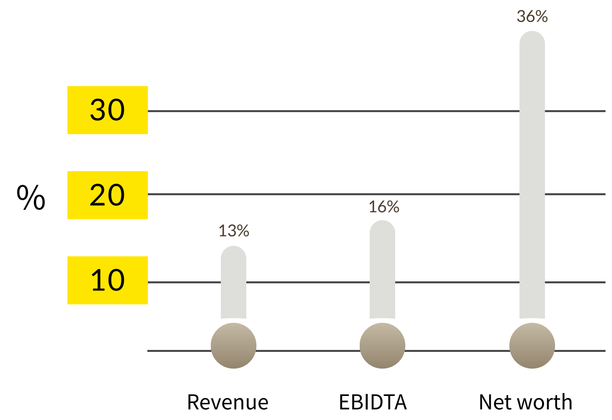


Revenue, profilability and net worth trend:





10 Year Growth Trajectory: CAGR



5 Year Growth Trajectory: CAGR

Management discussion and analysis

The global chemicals market: An overview

The global chemicals market is valued at around USD 4,738 Bn; China accounts for the major market share (37%), followed by the European Union (17%) and the United States (14%). India's share stands at ~3.5%. However, as the chemicals markets in Western Europe, North America and Japan are relatively mature, they are expected to record slow growth rates of around 3-4%, while the Asia Pacific (APAC) region should grow at a faster rate of 7-8% during the forecast period (2019-24F).

Acetyls

The major products of the Company in this segment are Ethyl Acetate (ETAC) and various derivatives of ethanol including ethanol supplied under the Oil Blending Program of the Government of India. There is a strong demand for ETAC across varied end use sectors, including the pharma and agro industries, packaging, inks and coatings. The demand for ethanol derivatives by oil marketing companies in India, among others, for blending with fuel as an initiative for emission reduction from fossil fuel will also continue to grow as the Government of India progressively moves towards achieving a 20% blending by the year 2030.

Ethanol and acetic acid are the basic raw materials used to produce ethyl acetate.

Both ethanol and acetic acid are building block chemicals available in abundance. While globally acetic acid has a market size of 12.8 million tons (Frost & Sullivan), the ethanol market size is ~ 90 million tons (Alternate Fuels Data Centre, US Department of Energy). The geographical distribution, however, is not uniform in terms of manufacturing capacities. While the USA and Brazil remain the largest global producers of ethanol, China is the largest producer and exporter of acetic acid.

India's capacity of acetic acid is 160,000 tons and that of virgin ethanol is 3.4 million tons (Ethanol capacities, supplies and targets: October 2020, a CARE Report). Therefore, India remains a net importer of both acetic acid and ethanol for industrial use.

Ethyl Acetate

Ethyl acetate is a very versatile solvent which is benign to human health and our environment due to its high organic content. It is used in large quantities in the agro and pharma industries, flexible packaging, printing inks and coatings and paints. In fact, ethyl acetate is progressively replacing other solvents like toluene, methyl isobutyl ketone, methyl ethyl ketone, acetone and cyclohexane in several applications.

The global ethyl acetate market is expected to grow at a CAGR of more than 4.5% over the next decade in terms of volume, from ~4 MMT in 2019 to ~5 MMT by 2024F, driven by consumption-led demand primarily from the APAC region.

In terms of revenue, the global ethyl acetate market stands approximately at USD 3.5 billion and is expected to grow at 5.5% to 6% CAGR over the next half a decade. In terms of capacity, the Asia Pacific region dominates the market with ~82% of ethyl acetate capacity, followed by Europe (8%), Latin America (6%), North America (2%) and MEA (2%).

China has historically been a leader in the supply of ethyl acetate, with ample availability of acetic acid, a primary raw material, and high end use growth. China is the largest producer and exporter of the product despite the fact that it has to import significant quantities of ethanol from the USA and Brazil. India is also a net exporter of ethyl acetate, mainly to the Europe and the MEA (Middle East & Africa) region. North America & Europe are among the large consumers and have remained net importers of the product.

Speciality Chemicals

Speciality chemicals are typically low-volume, high-value products which are sold on the basis of their quality and functionality, rather than their composition. Therefore, they may be used primarily as additives or to provide a specific attribute to the end product or perform some specific functionality in the chemical reaction.

The APAC region dominates this market across the world, with a share of 42% - the demand is driven by the large customer base in this region and rising industrial production. APAC is followed by Europe and North America.

Speciality Intermediates

The global speciality intermediates market stood at USD 115 Bn in the year 2019, and is projected to grow at 5.2% CAGR by 2024F, reaching an estimated USD 148 Bn. This growth will be driven primarily by high growth end-use segments like pharmaceuticals, agrochemicals, paints and coatings, personal care, flavours and fragrances.

The global market for ketene and diketene derivatives is valued at 3.5 to 4 Bn in 2019 and is expected to grow at a CAGR of ~4% till 2024. One of the global trends observed is a shift towards APAC for consumption and product of Speciality Chemicals. As global supply chain look to hedge themselves from China, serveral countries in this region will look to benefit from this trend.

Fluorochemicals

Fluorochemicals are chemicals containing fluorine as an element; this is one of the most critical classes of chemicals, used across varied applications. For all the fluorochemicals the starting material is hydrofluoric acid (HF) which is commercially produced from fluorspar, a mineral found in abundance.

The fluoro intermediates comprise of both basic and advanced, organic and inorganic chemicals which go into a variety of applications like pharmaceuticals, agrochemicals, fluoropolymers and speciality functional additives. A large part of the fluorochemicals demand comes from refrigerant gases and fluoropolymers, whereas a variety of value-added organic fluorides are used in the agro and pharma industries, paints, electronics and automotive industries in relatively small quantities for their specific functionalities.

The global fluorochemicals market was valued at USD 22.5 Bn in 2019, and is projected to witness a significant growth at a CAGR of 5.1% to reach USD 28.8 Bn by 2024F. Fluorine-based intermediates have been growing at a substantially higher rate (6-7%) compared to the other segments (3-4%), a trend that is expected to continue during the forecast period due to evolving needs in end use applications.

Pharmaceuticals and agrochemicals are among the fastest-growing demand segments. Fluorochemicals are used as fumigants to reduce pest infestation of stored grains and other food products, while in pest control they provide a viable alternative to the highly toxic bromomethanes. Fluoropolymers and speciality fluorochemicals consume ~12% of the total fluorine consumption by tonnage and are the fastest growing segments. Typically they have higher margins than the commodity derivatives of hydrofluoric acid and fluorocarbons. Organofluorine compounds are versatile and find wide application in daily life as functional materials, pharmaceuticals and agrochemicals.

Most of the advancements in perfluoroalkylation are based either on transition-metal chemistry or radical chemistry. Electrophilic fluorination/ perfluoroalkylation reagents are frequently used as they are both reactive oxidants and excellent fluorine sources. While traditional methods are only suitable for simple fluorinated molecule synthesis and have a narrow substrate scope, these chemistries show great promise for preparing fluorine containing molecules with diversified substitution, especially for use in performance chemicals. Currently, there are only a limited number of players in this field with such advanced technologies; there is also an entry barrier for new players entering the segment.

The Indian chemicals market: An overview

The Indian chemicals market is valued at USD 166 Bn (~4% share in the global chemical industry) with commodity chemicals accounting for almost 46% of the share. It is expected to reach ~USD 280-300 Bn in the next 5 years, with an anticipated growth of ~12% CAGR.

The speciality chemicals industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11-12% over the same period.

Acetyls

The Indian acetyl market (excluding acetic acid), valued at USD 1.5 Bn in 2019, is expected to grow at the rate of 6.6% over the next 5 years and reach USD 2.1 Bn by the end of 2024. India's acetyls market demand was 0.73 MMT in 2019 and is projected to grow at ~4.4% CAGR to more than ~0.9 MMT by the end of 2024, of which ethyl acetate is the dominant product. The market is dominated by domestic suppliers. 5 applications account for ~70% of the demand for acetyls in India: flexible packaging, pharmaceuticals, printing inks, coatings, adhesives, sealants and elastomers (CASE) and agrochemicals. India is a net exporter of ethyl acetate.

Speciality Intermediates

India's speciality intermediates market stood at USD 6.6 Bn in 2019, and is projected to grow at 10.2% CAGR over the next half decade to reach USD 10.8 Bn by the 2024F. India accounts for ~ 5-6% of the global speciality intermediates market.

The ketene and diketene derivatives find wide application in pharmaceuticals, agrochemicals, industrial chemicals, polymers and resins, colours and pigments, flavours and fragrances and dyes. The Indian market for these chemicals is ~ USD 230 Mn growing at 5-7% over the last five years, and is expected to grow at a similar rate till 2024F. ~ 40% of this demand is serviced through imports from USA, China and Europe.

Diketene derivatives are technology intensive and hazardous, leading to restrictions on the transportation of diketene as a product which leads to the derivatives getting imported.

Fluorochemicals

There are a limited number of fluorochemicals players in India and all the major players are integrated HF manufacturers. A large portion of the India demand for organfluoro compounds are catered through imports of fluorinated intermediates or formulated products. The growth in this segment is expected to be a high of CAGR of 16.1%, propelled by India moving towards the domestic manufacture of many actives and intermediates which are currently imported from China and other countries.

Of the 3 commercial technologies in India, nucleophilic fluorination is the most commonly used. Electrophilic fluorination is not preferred as it's extremely challenging to perform due to the high reactivity of the reagents.

Impact of COVID-19

Global impact

The pandemic has had a significant impact on lives and livelihood across the world and India is no exception. Many industries were severely impacted. Capacity utilizations suffered due to man power crises, supply chain disruptions and demand side weakness. However, the chemical sector with linkages to pharma and agro value chains has suffered less comparatively.

Impact in India

On the March 23, 2020 the Prime Minister announced an immediate nationwide lockdown. This was expected but the scale and impact of the disruption which followed was staggering. All the levers e.g. demand, supply, manpower availability, logistics, liquidity, etc. which impact business were at their lowest points. Fortunately, the speciality chemicals industry, especially the ones in the value chains of pharma and agro chemicals, both locally and globally, experienced demand side traction from the first quarter of the financial year itself. The manpower and supply chain issues also got progressively resolved such that they could come back to normal operations within a short time. The Government also came up with various schemes to support the industry during these unprecedented times.

Our performance and prospects

The Company is one of the largest Indian players in Acetyl Intermediates (AI) and the only producer of ketene/diketene derivatives in India. The ketene/diketene derivatives are christened as Speciality Intermediates (SI).

Acetyl Intermediates (AI)

The Company along with its sister concern Yellowstone Chemicals Private Limited (YCPL) is one of the largest global producers of Ethyl Acetate. It is also one of the largest suppliers of fuel grade ethanol to the oil marketing companies under the oil blending program of the Government of India.

The Company has a more than 1/3rd share of the Indian market in Ethyl acetate and has been the leading exporter of the product consistently over the last several years.

The Company has a diversified customer base in India, in high growth industries having double digit CAGR growth. It supplies to nearly all the pharma, agro, inks and coatings and flexible packaging players in India. Internationally, the consuming sectors are growing at high single digit CAGR numbers.

During the year the Company has exported to more than 30 countries and has been the largest exporter from India to Europe. With stock points in western and southern Europe, Laxmi is the only Indian company with a direct presence on the continent, enabling the Company to provide just in time service to its customers. The other dominant markets for the Company are the Middle East, North Africa and South Asia.

This vertical includes the distillery operations of the Company as well. It has two in-house distilleries in Satara and Kolhapur which support both the ethyl acetate and ethanol for the oil blending businesses.
During the year the Company clocked a standalone revenue (including its exports to its European subsidiary) of ₹9139 million against ₹8145 million of the previous year registering a growth of 12% on the back of higher volumes and better prices

towards the last quarter of the financial year. The Company continuously endeavours to enhance its asset utilisation by de-bottlenecking capacities on the ground.

Typically, this is a moderate EBIDTA (earnings before interest, depreciation, taxes and amortisation) margin and high RoCE (return on capital employed) business for the Company given the infrastructure built over time by the Company and its ability to leverage its scale to get the best in class cost synergies.

Speciality Intermediates (SI)

The Company is the only producer of diketene derivatives in India and has a market share of ~ 55% in India. This basket also includes some ketene derivatives. The Company moved into this vertical in 2012 by acquiring the Indian business of Clariant, a global speciality chemical major, and relocating its assets to its current site at Mahad. Since the acquisition, the revenues from SI operations have grown by ~ 500% through the introduction of twenty new products and a nearly three-fold expansion of the capacities.

The SI business leverages the Company's strengths, namely:

- A long-standing presence in the common customer segments - pharma, agro, inks and coatings, colours and pigments and industrial applications; and
- The supply chain synergies of the Company

SI also caters to high growth industries having double digit CAGR growth in India and overseas - pharma, agro, dyes and pigments, paints and coatings, flavours and fragrance and stabilisers for polyester and PVC players. This business gets further traction due to the changing geopolitical and supply chain scenarios and shift in the sourcing strategies of the global customers.

This is a multi-product business built on multiple synergistic chemistries. The revenue and margin profile of this business is highly dependent on capacity utilisation and product mix.

The Company has a focussed approach to grow in this business, both in the domestic and exports markets. The strategy is to intensify R&D initiatives, introduce newer value added products and increase the share of contract manufactured products.

As in many speciality chemicals businesses, continuous investment in re-engineering facilities and investment in new downstream facilities is a way of life. Typically, this is a high EBIDTA margin and moderate RoCE business as it is in a growth phase and the Company will continue to invest and grow this vertical.

Currently, the Company is in the process of implementing several capexes worth approximately ₹ 2000 million which are expected to come on stream towards the end of this financial year; subject, of course, to delays related to the current ongoing global and local pandemic situation. Successful implementation of the capexes will result inter-alia, into increase in exports and the share of the contract manufactured business of the Company.

During the year the Company clocked a standalone revenue (including its exports to its European subsidiary) of ₹ 5069 million against ₹ 4368 million of the previous year registering a growth of 16% on the back of higher volumes and improved product mix.

Fluorospeciality (FI)

The Company initiated its investment in organic fluorospecialities and electrochemical fluorination by acquiring the assets, including plant and machinery, design and operating paperwork, REACH registrations and patents of Miteni, Spa, Italy. Currently, the Company is pursuing the following processes:

- dismantling and relocating the facility at its new site in India at Lote Parshuram, Maharashtra
- absorbing and transferring knowledge and technology
- establishing an R&D and Kilo lab facility in Italy to help us with the technology transfer and eventually function as the Company's front end to cater to the existing and emerging needs of

the innovator pharma, agro, functional and spec-chem companies.

The addressable universe in this chemistry space for the Company is very large and the Company is well poised to leverage its existing customer relationships, familiarity with chemistry adjacencies, and ability to handle complex chemistries and downstream synergies with diketene and acetyl chemistries.

Once operational this will be the third vertical for the Company and de-risk the revenues of the Company by reducing dependency on a few raw materials and a single site operation.

Offices and manufacturing infrastructure

The Company through its subsidiaries operates offices in Amsterdam, Dubai and Shanghai. We have initiated the process of opening a subsidiary in the United States of America to support both sourcing and sales operations.

The Company currently has two manufacturing facilities in Mahad, Maharashtra, one dedicated to Acetyl Intermediates and the other dedicated to Speciality Intermediates. They are strategically located in proximity to several ports and to each other. The Company is in the process of acquiring YCPL and their manufacturing site is also located in Mahad, MIDC adjacent to our Acetyl Intermediate facility.

We also have two distilleries in Satara and Kolhapur, Maharashtra for the manufacture of ethanol or specially denatured spirit from molasses. The ethanol manufactured at the distilleries is primarily consumed for the manufacture of fuel-grade ethanol, ethyl acetate and certain Speciality Intermediates.

The Company operates a 3.5 MW hydro-electric plant at Yedgaon and a 1.25 MW wind turbine at Satara, Maharashtra for self-consumption at the SI manufacturing site.

Further, we are in the process of setting up a manufacturing facility at Lote Parshuram, Maharashtra for manufacturing fluorospecialities.

Energy intensity and conservation

~ 6% of the revenue from operations is spent by way of consumption of power and fuel. The acetyls have high consumption of steam while the speciality intermediates are power intensive. The Company is able to optimise both the costs as it has a 7.5 MW co-generation plant. This produces power which is consumed in the manufacture of speciality intermediates while the low pressure waste steam is used in acetyls intermediates manufacturing.

More than 50% of the power consumed by the Company is produced in-house and approximately 8% of the total power consumed is from renewable sources (both hydro and wind).

The Company is among the very few chemical companies which have proactively invested in hydro power keeping in view the long term implications of moving towards green energy. During the year the Company demonstrated its environmental commitment by contracting an additional 5 MW of wind energy to augment its increasing demand of power for capacity expansions in the SI facility.

Innovation and Research and Development

Nearly half the revenues of the SI vertical of the Company has come from new products synthesised by our R&D by developing more than twenty new products around the capabilities acquired from Clariant and building new chemistry capabilities.

We have two research and development facilities recognised by the Department of Scientific and Industrial Research, Government of India (DSIR), with state-of-the-art infrastructure to synthesise speciality molecules and advanced intermediates supporting both SI and the upcoming fluorospeciality business. The current R&D spend of the Company is ~ 3% of the revenue from SI and this ratio will go up in the coming years. We have also invested in a new 30,000 SFT R&D building near Mumbai and the plan is to consolidated all the R&D initiatives and under one roof. The R&D and fluoro Kilo lab has ~ 75 managers comprising of chemical engineers, post-graduates and other functional experts.

To support the fluorospeciality initiative the Company has set up a dedicated Kilo lab facility at Mahad. An R&D and Kilo lab facility is in the process of being set up in Italy through a wholly owned subsidiary.

Supply Chain Operations

The Company has very robust and efficient supply chain operations. We move ~ half a million tons of raw material and finished goods annually with large import-exports components.

We are well supported by global and local suppliers for raw materials and services. Most of the significant suppliers are organisations of repute and have healthy financial standing. The Company is in regular communication with the major suppliers regarding the market dynamics of various raw materials and services.

The Company due to its financials and long standing credible relationships with its suppliers enjoys industry leading credit terms from most of its major suppliers of raw materials.

The supply chain operations are supported by our offices in China, Dubai and the Netherlands. We also have large storages at site, at ports in India and in Europe.

Risks, Opportunities and Threats

The major raw materials used by the Company are ethanol, acetic acid, aniline and other organic chemicals. While the Company faced supply chain related challenges including logistical issues due to Covid 19 related disruptions, the prices remained steady during the first half of the current financial year. The later part of the second half witnessed huge inflationary pressure which is continuing, in line with the escalation of all major global commodity prices including crude. Despite these pressures the Company has been able to protect and grow the margins. Going forward the working capital levels could get reset, but the Company is well equipped to deal with the challenges.

The changes in the demand-supply situation and pricing contours of the raw materials and finished products of the Company from time to time pose some challenges. These are managed and mitigated by a wholesome synergistic approach in supply chain operations and maintaining a balance between demand and supply side order books. The fungible storages help the Company manage its inventories in the most efficient manner during periods of volatility and disruption in the supply chain of the Company.

Given the nature of the raw materials, the availability risk is quite low.

The Company runs an active treasury to manage its foreign currency risks. The Company has a foreign exchange management policy which is approved by the Board and is reviewed every quarter by the Finance Committee of the Board along with treasury performance for the quarter. The policy is amended from time to time after evaluating various factors including forward view on different currencies. However, the general mandate is to carry a high hedge ratio at all times.

Most of the imports are denominated in US dollars while the exports are both in US dollars and Euros. On an aggregate, the Company imports in excess of US Dollar 100 million p.a while the exports are ~ 35 to 40 million in US dollar terms. Therefore, the Company has a natural downside exposure if INR continues to decline versus the US dollar. The Company remains focussed on closing this gap between import and exports. In the coming years, based on the business plans and strategies we are confident that this gap will get narrowed down.

The impact of currency fluctuations is passed on to the market through product pricing and the residual risk is managed through hedging operations wherein the counterparties are primarily banks. Depending on factors like the currency view and premium, the risks are managed through some simple derivative structures sometimes.

During the year INR – USD moved in the range of 76.91 to 72.25 with an annual volatility of 6.14% which is lower than the volatility of 11.56% of the previous financial year. The INR closed at 73.11 as on March 31, 2021.

As stated earlier the Company is present in the B2B segment and caters to high growth industries like pharma, agro, inks, coatings and paints and flexible packaging, most of which are growing at high single digit or double digit numbers. It also supplies value-added functional chemicals for industrial applications.

Many research reports suggest that the entire speciality chemicals space in India is poised for a robust growth over the next few years. Indian producers with the right cost synergies will play a major role in the global supply chain of speciality chemicals in the times to come due to a shift in the supply chain focus of global majors and emerging global geopolitical situations. The Company is well poised to take advantage of this shift.

The government's Vision 2034 for the chemicals & petrochemicals sector, Atmanirbhar Bharat and the PLI schemes will foster strengthening of domestic manufacturing, reduction in imports and attracting investments in the chemicals sector.

Quality Assurance

We believe that supplying our customers with the right product the first time is a true differentiator and remain committed to it for a high level of customer satisfaction. The stickiness of the customers and repeat orders bear testimony to the same.

We have put in place modern quality systems for equipment and processes, covering all areas of our business processes from manufacturing to product delivery. These are continuously upgraded to ensure the consistent quality, efficacy and safety of our products. Our quality systems are regularly audited by international customers or other accredited agencies. We have dedicated teams of qualified professionals for both the AI and SI operations.

We also have a supplier quality evaluation process and we ensure that the materials received comply with our internal standards and specifications which, in turn, are designed to satisfy the requirements of our customers.

Health, safety and environment (HSE)

The Company is among the very few Indian chemical companies which are "Responsible Care" certified. The Company practices a high standard of health, safety and environment principles. In compliance with the relevant regulations, our environment, occupational health and safety policy is designed to prevent environmental pollution, injury and ill health of our personnel.

We have a well-established Occupational Health and Safety Management System (OHSMS) which has received the ISO 45001:2018 certification. We believe that our Company's OHSMS has enabled our Company to prevent the occurrence of any material reportable incidents at our manufacturing facilities during the Fiscal 2021 and Fiscals 2020.

The Company consistently keeps investing in upgrading its HSE standards through the introduction of modern processes, equipment and training. We conduct regular trainings for our employees and employees of third party agencies, including drivers of transport vehicles which transport the Company's materials.

Human resources

All strategic and operational decisions are taken by the leadership team, which includes professionals with deep and wide experience in their own fields of specialisation.

We acknowledge the criticality of our work force in the growth journey of the Company and appropriate programs are held regularly to upgrade their skills and knowledge focused on industry practices, recent trends and new technologies. As of March 31, 2021, our Company had 684 permanent employees. The relationship with the employees have been cordial during the year and all co-operation has been received from them.

Except for the initial three weeks after the announcement of the lockdown in India on March 23, 2020, the Company operated at its optimum capacity utilisation and had adequate man power present on site to run the operations in a safe and efficient manner with due adherence to the Covid 19 and lockdown related regulations published by the state or national governments from time to time.

We take this opportunity to thank our people for their initiatives and efforts, especially in the face of Covid 19 related disruptions, during the year and expect the same dedication in the years to come.

Systems and Internal controls

The Company has achieved a high level of digitisation of all its business critical processes commensurate with its size and complexity. The operations are integrated through an ERP namely SAP-S4 HANA. The Company also has an in-house Information Technology (IT) function which takes care of the uptime of all the IT processes, connectivity, hardware and software. This has helped the Company to continue with its operations with minimum disruptions during the Covid 19 pandemic, despite implementing “Work From Home” from Day One (March 23, 2020) for all critical office users.

The Company has internal controls including internal financial controls commensurate with its size, diversity and complexities of operations. The internal audit is conducted by a reputed firm of Chartered Accountants who submit their report to the audit committee of the Board periodically.

The Company got listed in the National Stock Exchange of India Limited and BSE Limited on March 25, 2021 and it is now required to comply with the regulations of the Securities and Exchange Board of India (SEBI). Accordingly, the Company has constituted the Risk Management Committee of the Board in its meeting held on November 25, 2020. It is in the process of setting up formal process in this regard.

Details of significant changes in key financial ratios

Particulars	20-21	19-20	Remarks
Debtors turnover Average debtors as no. of times of sales (average debtors is the average of opening and closing debtors)	4.56	4.36	Sales of the Company increased by 18% over the previous year. The average debtors have gone up by 13% over the previous year. As a result there is an improvement in the debtors’ turnover.
Inventory turnover Average inventory as no. of times of sales (average inventory is the average of opening and closing inventories)	10.15	9.92	There is an increase of 15% in the average inventory over the previous year, whereas the increase in sales is 18% over the previous year. This has resulted in the improved inventory turnover ratio.
Interest Coverage Ratio (Finance cost / Earnings before interest and tax)	10.86	8.02	Though there is an increase in the finance cost by 19% compared to the previous year the EBIT has gone up by 61% over that of the previous year.

Particulars	20-21	19-20	Remarks
Current Ratio (Current assets / current liabilities)	1.94	1.37	The current assets as on March 31, 2021 is higher by 97% than that of 31st March, 2020. A major component of this increase is the cash and bank balances which include the IPO proceeds. In addition, there has been increase in the inventories and debtors. The current liabilities as on March 31, 2021 have also gone up by 39% compared to that of March 31, 2020 due to increase in the trade creditors.
Debt Equity Ratio (Net debt / Net worth)	-	0.23	Net debt of the Company is NIL as on March 31, 2021
Operating Profit Margin % (Operating profit before tax / revenue)	9%	5%	There has been an increase of 134% in the operating PBT over the previous year on the back of excellent performance by both the acetyl and speciality intermediates businesses, in terms of margin expansion. The revenues have gone up by 18%. Hence, the operating profit margin has improved from 5% to 9%, an increase of 80% over the previous year.
Net Profit Margin % (Profit after tax / revenue)	8%	6%	There has been an increase of 56% in the PAT over the previous year for reasons stated above. The revenues have gone up by 18%. Hence, the operating profit margin has improved from 6% to 8%, an increase of 33% over the previous year.

Directors' Report

The Members,
Laxmi Organic Industries Limited

Your Directors are pleased to present their report on the business and operations of your Company along with the audited accounts of your Company for the year ended March 31, 2021.

1. FINANCIAL RESULTS:

(₹ in million)

Particulars	Year Ended March 2021	Year Ended March 2020
Revenue from operation	16,061.10	13,586.93
Profit before interest, tax, depreciation and amortization	2,119.29	1,508.80
Finance Cost	153.40	128.70
Depreciation	452.64	476.30
Profit before tax (PBT)	1,513.25	903.81
Tax	287.74	117.60
Net profit	**1,225.51**	**786.21**

2. DIVIDEND:

The Directors are pleased to recommend a Dividend of 25% (₹ 0.50 per equity share) on the face value of ₹ 2/- per share for the financial year ended March 31, 2021. The Dividend, if approved by the members at the ensuing Annual General Meeting, will result into an outflow of ₹ 131.83 million.

The dividend pay-out for the year under review is in accordance with the Dividend Policy approved and adopted by the Board of Directors of the Company.

3. FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW:

Key financial highlights during the year were as under:

- Total Revenue from operations increased by 18% to ₹ 16,061.10 million against ₹13,586.93 million of the previous year.
- Earnings before interest tax depreciation and amortization (EBITDA) incre ased by 40% to ₹ 2,119.29 million against ₹1,508.80 million of the previous year.
- Profit Before Tax (PBT) increased by 67% to ₹ 1,513.25 million from ₹ 903.81 million of the previous year.
- Net Profit increased by 56% to ₹ 1,225.51 million from ₹786.21 million of the previous year.

During the year under review, your Company came out with and Initial Public Offering (IPO) aggregating to ₹8,000.00 million out of which ₹2,000.00 million was issued as Pre-IPO placements to marquee investors such as IIFL, GMO, WhiteOak, Malabar and Kuber India. Your Company received an overwhelming response to its IPO and the offer was subscribed 107 times the offer size. Eventually, the Company was listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on March 25, 2021 and debuted the stock exchanges on a positive note.

Your Company runs a large foreign currency portfolio under the guidance and supervision of its Finance Committee of the Board. It has a foreign currency management policy approved and reviewed by the Board from time to time.

During the year INR – USD moved in the range of 76.91 to 72.25 with an annual volatility of 6.14% which is lower than the volatility of 11.56% of the previous financial year. The INR closed at 73.11 as on March 31, 2021.

Our manufacturing facilities have received a number of accreditations including ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. We are one of the few Indian chemical companies to be recognised with RESPONSIBLE CARE certification by the Indian Chemical Council. We have received authorisation from the U.S. Department of Agriculture for use of the USDA Certified Bio-based Product Label for Ethyl Acetate.

4. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

5. TRANSFER TO GENERAL RESERVE:

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

6. SHARE CAPITAL:

Pursuan t to a resolution passed by our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹2 each and accordingly then existing (a) Authorised Share Capital consisting of 51,000,000 (Five Crore Ten Lakhs) equity shares of ₹10 each were sub-divided into 255,000,000 (Twenty-Five Crore Fifty Lakhs) equity shares of face value of ₹2 each and (ii) Paid-up Share Capital consisting of 45,016,395 (Four Crore Fifty Lakhs Sixteen Thousand Three hundred Ninety-Five) equity shares of ₹10 each were sub-divided into 225,081,975 (Twenty Two Crore Fifty Lakhs Eighty One Thousand Nine Hundred Seventy-One) equity shares of face value of ₹2 each.

Subsequently, the Authorized Share Capital of the Company was also increased from ₹510,000,000/- (Rupees Fifty-One Crore) divided into 255,000,000 (Twenty-Five Crore Fifty Lakhs) equity shares of ₹2/- (Two) each to ₹610,000,000/- (Rupees Sixty-One Crore) divided into 305,000,000 (Thirty-Crore Fifty Lakhs Shares) equity shares of ₹2/- (Two) each during the financial year under review.

During the year under review the Company has issued securities as under:

- **Issue of fresh equity shares under pre-IPO placements:**

  Your Company has made pre-IPO placements thru preferential allotment to marquee investors in 2 (Two) tranches whereby it has allotted 10,077,519 equity shares at a price of ₹129 per equity share (including premium of ₹127 per equity share) on February 27, 2021 and 5,426,356 equity shares at a price of ₹129 per equity share (including premium of ₹127 per equity share) on March 1, 2021.

- **Issue of fresh equity shares under IPO:**

  Subsequently, your Company has allotted 23,076,923 equity shares at a price of ₹129 per equity share (including premium of ₹128 per equity share) on March 23, 2021 in the IPO.

7. EMPLOYEE STOCK OPTION SCHEMES

The Company has two Employees' Stock Option Schemes as under:

ESOP-2014 (Past employee stock option scheme):

The Company has formulated an employee stock option scheme titled Employees Stock Options Scheme (ESOP-14) ("ESOP-2014"). ESOP-2014 was approved by the shareholders of the Company pursuant to a resolution passed at the EGM dated January 9, 2015. All the options granted under ESOP-2014 were either vested or exercised and consequently this employee stock option scheme was closed and such closure of ESOP-2014 was noted by the Board in its resolution dated October 30, 2020. No options were granted or equity shares were issued under ESOP-2014, in the preceding three years.

Laxmi - Employee Stock Option Plan-2020 (Active employee stock option scheme):

Pursuant to the resolutions passed by the Board of Directors on October 30, 2020 and subsequently by the members on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for issue of employee stock options ("ESOPs") or thank you grants or restricted stock units ("RSUs") to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward, retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivating them to contribute to overall corporate growth and profitability. ESOP-2020 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Further, as per proviso to regulation 12(1) of the SEBI ESOP Regulations, ESOP-2020 is placed for the ratification of the members at the 32nd Annual

General Meeting in order to empower the Company to grant of ESOPs under ESOP-2020 to the present or future Employees.

The Nomination and Remuneration Committee had on January 27, 2021 granted 5,690,467 options (comprising of 4,245,540 employee stock options, 1,143,263 RSUs and 301,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date of this report, no Equity Shares have been issued pursuant to the ESOP-2020.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, the details of stock options as on March 31, 2020 are specified in **Annexure "A"** to this Report.

8. FINANCE:

During the year under review the Company availed various credit facilities from the existing Bankers as per the business requirements. Your Company has been regular in paying interest and in repayment of the principal amount of the term lenders.

9. CREDIT RATING:

The Company's financial discipline and prudence is reflected in the strong credit rating ascribed by the rating agencies. Set forth below is the instrument-wise of credit ratings assigned to our debt facilities by India Ratings & Research Private Limited since December 28, 2018 (last revalidated on February 27, 2020).

Instrument	Rating
Term Loans	**Ind A+/Stable**
Fund-based working capital facility	Ind A+/Stable/ IND A1
Non-fund based working capital facility	IND A1
Commercial paper	IND A1

10. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS:

The Company has well established, comprehensive and adequate internal controls commensurate with the size of the operations, which are designed to assist in identification and management of business risks and ensure high standards of corporate governance. The internal financial controls have been documented, digitized and embedded in the business processes. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

Assurance on the effectiveness of internal financial controls is obtained through monthly management reviews, control self-assessment and continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of internal auditors to the Audit Committee of the Board.

To further strengthen the compliance processes the Company has an internal compliance tool for assisting statutory compliances. This process is automated and generate alerts for proper and timely compliance. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

As per the requirements of Listing Regulations, a Risk Management Committee has been constituted with responsibility of preparation of risk management plan. The details of the constitution, authority and terms of reference of the Risk Management Committee is captured in the corporate governance report.

11. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder. An Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

During the year under review, no complaints of sexual harassment were received by the Company. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

12. PERSONNEL / HUMAN RESOURCES DEVELOPMENT:

The employees, as always remain the most valuable asset for the Company and the Company's thrust area is to attract, develop and retain talent. The Company continues to maintain an open culture, congenial work atmosphere and healthy industrial relations, and is committed to providing the employee with a pragmatic workplace. During the year under review the Company has launched the following new initiatives on the Human Resource front:

i) Employee referral program:

The Company recognizes that the success of our operations and the achievement of our business objective are dependent on our employees. Thus, it is imperative for us to improve the speed, quality and cultural fit of our hires, thereby increasing new employee retention. In this regard, the Company has introduced the employee referral program to attract talent through our own employees and reward them for their contribution. This has led to an increase in the hires through referral from 7% to 17%.

ii) Corporate induction program:

This is an initiative to integrate new employees into the Laxmi brand across all countries. This will not only standardise the on-boarding experience but also give them a universal view of the industry, the Company and the brand. The program includes four E-courses and a virtual game that will help to measure induction effectiveness post induction in a fun way. One E-course called Global Chemical Industry & Laxmi Organic Quotient Game was launched in FY 2020.

iii) Degreed:

An online platform aided by AI/ machine learning multimedia was launched in FY 2020. Around 56% of employees (enterprise wide) are active users and around 20% users actively use this platform on a monthly basis. This allowed the Company's employees to self-learn, social learn, and also have best in class international courses at their disposal.

iv) Skill gap matrix:

A skill gap framework was developed with a view to identify and plug skill gaps across the manufacturing facilities. This included the preparation of a skill dictionary (92 job roles), assessment of 400+ employees and individual training plans for them. This will also provide the Company with a basis for developing multiskilling plans, job rotation and career pathing.

v) Annual employee engagement survey:

Until last year the Company did not have a formal benchmark on how well we are doing on employee satisfaction, engagement and enablement. Therefore, the Company partnered with Korn Ferry to roll out an engagement survey in three languages. With a 93% response rate the Company has received a score of 68% on employee engagement and 70% on employee enablement.

vi) Vision Mission Values (VMV) and competency framework:

The Company has engaged through light house interviews with key stakeholders, employees and customers to synthesize our Vision, Mission and Values for the organization. As part of the exercise the Company has created a competency framework which will impact every part of the employee lifecycle, from talent acquisition to performance management to succession planning. The competency framework consists of 6 competencies for the organization with proficiency levels (four levels within each competency) for each of the behavioural strands. This will be rolled out in the coming year.

vii) Succession planning:

The Company is working on implementing a succession planning process in the coming year. All the critical positions were finalized with the help of the SABI Tool and a list of successors was identified through the retention plot. Critical talent was identified via the potential assessment tool using the 5 box Talent Grid. The identified pool will be part of critical development and retention programs to be initiated in the current financial year.

viii) Total rewards Mindset:

To build a strong base for this mindset it is essential to understand the external market. A basket of 20+ chemical sector companies were handpicked based on revenue, size, focus of work and other parameters and benchmarked for compensation and other best practices. This activity helped the Company to have a robust compensation philosophy which hinges on the pillars of 'Pay for performance' and being 'Open, fair and consistent'.

ix) Covid Precautions:

Our organization has been taking various proactive and preventive steps while dealing with the Covid 19 pandemic situation. Apart from sanitization of premises and factories, social distancing, testing and inoculation of the employees, we have extended medical benefits including suspension of copay, extension to family members, term insurance benefits to all employees and Covid incentive to employees who worked unceasingly for the organization in the factories.

x) WeCare Program:

This program was initiated during the pandemic, with 3 pillars. We Connect - is about connecting with each other along with our families in a fun way. 15 different activities were planned for employees and their families, e.g. painting, fitness and dance. Around 50% of the employees participated from each unit, functions and teams. We Care - is about providing important information through HR contact and making medical consultations available for all the employees. We Learn - is about learning opportunities made available to all the employees through a virtual platform. 12 webinars of 90 minutes each on different topics were delivered. It covered around 260 colleagues.

xi) Human Resources Information System Initiatives:

Several new modules and enhancements were launched including Payroll Go Live for the Corporate Office, Rabale and Pune locations, Employee investments and TDS computation. We also completed implementation of an onboarding module across the organization, covering pre and post joining formalities and documentation, induction feedback and 90 days' feedback and the digitization of the recruitment process from requisition approval to onboarding.

13. SUBSIDIARIES & JOINT VENTURE:

During the financial year under review, your Company has incorporated a new wholly owned subsidiary in name and style of Yellowstone Speciality Chemicals Private Limited on April 24, 2021. Further, your Company has acquired 26% stake in Cleanwin Energy One LLP in order to avail benefits under renewal energy schemes. The details of the subsidiaries and the joint ventures as on March 31, 2021 is given as under:

Sr. No.	Name & Country of incorporation	Category
1.	Laxmi Organic Industries (Europe) BV, Netherlands (LOBV)	Wholly owned subsidiary
2.	Laxmi Petrochem Middle East FZE, Dubai (LPMEF)	
3.	Cellbion Lifesciences Private Limited, India (CLPL)	
4.	Laxmi Lifesciences Private Limited, India (LLPL)	
5.	Viva Lifesciences Private Limited, India (VLPL)	
6.	Laxmi Speciality Chemicals (Shanghai) Co. Limited, China (LSCSCL)	
7.	Yellowstone Fine Chemicals Private Limited, India (YFCPL)	
8.	Yellowstone Speciality Chemicals Private Limited, India (YSCPL)	
9.	Saideep Traders, India (ST)	Step down subsidiary
10.	Cleanwin Energy One LLP, India (CEOLLP)	Associate company

The financial information of the subsidiary companies as required pursuant to section 129(3) of the Companies Act, 2013 read with applicable provision of the Companies (Accounts) Rules, 2014 is set out in Form No. AOC-1 is annexed as an **Annexure "B"** to this report.

The annual accounts of the subsidiary companies are available for inspection by any shareholder at the registered office of the Company and interested shareholder may obtain it by writing to the Company Secretary of the Company. The same are also placed on the website at https://www.laxmi.com/investors/financials.

The Company does not have any material subsidiary. The policy for determining material subsidiaries can be downloaded from the website of the Company at https://www.laxmi.com/investors/policies.

14. DIRECTORS:

a. Appointment/re-appointment/resignation:

At the Extra Ordinary General Meeting held on June 15, 2020, upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, the members approved the appointment of Mr. Satej Nabar (DIN: 06931190) as Whole-time Director designated as Executive Director & Chief Executive Officer for a period of five years with effect from April 1, 2020 till March 31, 2025.

At the 31st Annual General Meeting held on November 24, 2020, upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, the members have approved the appointment of Mr. Harshvardhan Goenka (DIN: 08239696) as Whole-time Director designated as Executive Director – Business Development & Strategy for a period of five years with effect from November 1, 2020 till October 31, 2025.

At the Extra Ordinary General Meeting held on November 25, 2020, upon the recommendation of the Nomination and Remuneration Committee and Board of Directors, the members approved the appointment of Dr. Rajeev Vaidya (DIN: 05208166) as non-executive independent director for a period of five years with effect from November 25, 2020 till November 24, 2025.

During the year under review, Mr. Vasudeo Goenka, the former Chairman of the Board and Mr. Desh Verma, non-executive director, both being founding Directors of the Company, have resigned from the Directorship w.e.f. November 25, 2020. Subsequently, pursuant to a resolution passed by the Board dated November 25, 2020, Mr. Vasudeo Goenka has been appointed as the Chairman Emeritus for life to perform such roles and functions as set out in Article 143 of the Articles of Association. Your Board places on record its appreciation for the valued contributions of Mr. Vasudeo Goenka and Mr. Desh Verma.

Upon resignation of Mr. Vasudeo Goenka, as Chairman, the Board has unanimously appointed Mr. Ravi Goenka as Chairman of the Board w.e.f. November 25, 2020.

Mr. Ravi Goenka (DIN 00059267) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

After closure of the financial year under review, Dr. Rajiv Banavali was appointed as an Additional independent director with effect from May 18, 2021. As per section 161 of the Act, Dr. Rajiv Banavali shall hold office as Directors of the Company till ensuing 32nd AGM. Your Company has received notice from Member(s) proposing their appointment and requisite proposals seeking your approval for the appointment of Dr. Rajiv Banavali forms part of the Notice of the ensuing 32nd Annual General Meeting. Your Board recommends this proposal for your approval.

During the year under review, the non-executive directors of the Company had no material pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Details of the Directors seeking appointment / reappointment including a profile of these Directors, are given in the Notice convening the 32nd Annual General Meeting of the Company.

Based on the confirmations received, none of the Directors are disqualified for appointment under section 164(2) of Companies Act, 2013.

b. Key Managerial Personnel:

In accordance with the provisions of section 203 of the Companies Act, 2013, and rules made thereunder, following are the Key Managerial Personnel of the Company for the year ended March 31, 2021:

- Mr. Ravi Goenka
  Chairman and Managing Director
- Mr. Satej Nabar
  Executive Director & CEO
- Mr. Partha Roy Chowdhury
  CFO
- Mr. Aniket Hirpara
  Company Secretary

c. Declarations by independent directors:

Pursuant to the provisions of section 149 of the Companies Act, 2013, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in section

149(6) of the Companies Act, 2013 along with rules framed thereunder and regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting the status of independent directors of the Company.

The Board is of the opinion that all the independent directors appointed are of integrity and possess the requisite expertise and experience (including the proficiency). In terms of regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

d. Board evaluation:

The details relating to the Board's performance evaluation are in the corporate governance report.

14. FIXED DEPOSITS:

During the year under review, the Company has not accepted any fixed deposits from public pursuant to section 73 and section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

15. INSURANCE:

The Building, Plant and Machinery and Stocks at all locations of the Company have been adequately insured.

16. CONTRACTS & ARRANGEMENTS WITH RELATED PARTY:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval and also before the Board for its noting and approval, if required as per the policy on Materiality of Related Party Transaction of the Company. Prior omnibus approval of the Audit Committee and Board is being obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed periodically and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their noting on a quarterly basis. The particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure "C".** Members may also refer to Annexure 1 to the standalone financial statement which sets out related party disclosures pursuant to Ind AS.

Except Mr. Ravi Goenka, Mr. Harshvardhan Goenka and Mr. Rajeev Goenka, none of the other Directors have any pecuniary relationships or transactions vis-à-vis the Company.

17. AUDITORS AND AUDITORS REPORT:

M/s Natvarlal Vepari & Co., Chartered Accountants, were appointed as statutory auditors of the Company at the 29th Annual General Meeting of the Company for a term of 5 (Five) consecutive years. In accordance with the Companies Amendment Act, 2017, ratification of M/s Natvarlal Vepari & Co. is not required at the ensuing Annual General Meeting. The notes on financial statement referred to in the auditors' report are self-explanatory and do not call for any further comments. The auditors' report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers of employees, the details of which would need to be mentioned in the Board Report.

18. SECRETARIAL AUDIT AND SERETARIAL STANDARDS:

The Board has appointed M/s GMJ & Associates, Practicing Company Secretary, to conduct secretarial audit for the financial year 2020-21. The secretarial audit report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure "D"** to this report. The secretarial audit report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

Additionally, in line with SEBI Circular dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance with all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditors and filed with the Stock Exchanges. It is annexed to this report as **Annexure "E".** The remarks provided in the report are self-explanatory.

The Directors state that applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings', have been duly complied with by the Company.

19. COST AUDITORS:

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost audit record maintained by the Company is required to be audited. The Board of Directors has on the recommendation of the Audit Committee, appointed M/s. B.J.D. Nanabhoy & Company, a firm of cost auditors for conducting the audit of such records and for preparing compliance report for the financial year 2021-22.

M/s. B.J.D. Nanabhoy & Company have confirmed that their appointment is within the limits of section 141(3)(g) of the Companies Act, 2013, and rules made thereunder, and have also certified that they are free from any disqualifications specified under section 141(3) and proviso to section 148(3) read with section 141(4) of the Act.

As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be ratified by the members of the Company. Accordingly, resolution seeking members' ratification for remuneration to be paid to cost auditors is included in the Notice convening Annual General Meeting.

Further, the Board hereby confirms that the maintenance of cost records specified by the Central Government as per section 148(1) of the Companies Act, 2013, and rules made thereunder, is required and accordingly, such accounts / records have been made and maintained.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company launched a number of initiatives through CSR during the COVID-19 outbreak, to help the communities where our manufacturing factories are located. Ventilators were provided to the Mahad government hospital to treat Covid 19 patients of Mahad and its surrounding blocks. We also distributed dry rations to more than 500 daily wage earner families of Mahad and Chiplun taluka, benefitting ~ 2,000 people whose livelihood was affected by the sudden lockdown. The Company also partnered with Mahad Manufacturing Association to distribute more than 45,000 sanitizers and spread awareness about the importance of hygiene. The sanitizers were distributed in more than 120 villages of Mahad and nearby talukas. More than 8,000 masks were distributed to the communities for their protection. Fumigation was carried out in more than 9 villages that are close to the industrial area of Mahad. All these activities were undertaken when there was an acute shortage of masks, sanitizers and PPEs.

The Annual Report on CSR Activities as on March 31, 2021, is annexed herewith as **Annexure "F".**

21. OTHER DISCLOSURES:

a. Meetings:

The details of various meetings of the Board and its committees are in the corporate governance report.

b. Committees of the Board:

The details of the various committees constituted by the Board are provided in the corporate governance report.

c. Material changes and commitments if any, affecting the financial position of the Company:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

d. Consolidated financial statements:

Your Company's Board of Directors is responsible for the preparation of the consolidated financial statements of your Company and its subsidiaries ('the Group'), in terms of the requirements of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Companies Act, 2013. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of your Company, as aforestated. The consolidated financial statements of the Group are provided separately and forms part of the Annual Report.

e. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as 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 "G"** and forms part of this Report.

f. Annual Return:

The copy of the annual return for financial year under review will be uploaded on the website of the Company.

g. Loans, Guarantees and Investments:

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

h.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, as amended, has been provided as **Annexure "H".**

The requisite details relating to the remuneration of the specified employees under rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this report. Further, this report and accounts are being sent to members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013, the said annexure will be open for inspection by any member. Interested members may write to the company secretary.

i. Disclosure pursuant to section 197(14) of the Companies Act, 2013, and rules made thereunder:

The Managing Director and Whole Time Director of the Company are not in receipt of any remuneration and / or commission from any subsidiary company, as the case may be.

j. Significant and material orders passed by the regulators or courts:

There are no significant material orders passed by the regulators or courts which would impact the going concern status of the Company and its future operations.

k. Statement of deviation(s) or variation(s):

During the year under review, there was no instance to report containing statement of deviation(s) or variation(s) as per regulation 32 of Listing Regulations.

22. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of the Listing Regulations, as amended, inter alia, provides that the annual report of the top 1000 listed entities based on market capitalization (calculated as on March 31st of every financial year), shall include a business responsibility report (BR Report). Since your Company is one of the top 500 listed entities as on March 31, 2021, the Company, has presented its BR Report for the financial year 2020-21, which is presented in a separate section, forming part of the Annual Report.

23. CORPORATE GOVERNANCE REPORT:

The corporate governance report relating to the year under review is presented in a separate section, forming part of the Annual Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of section 134(3)(c) of the Companies Act, 2013:

1. that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

2. that such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the annual financial statements have been prepared on a going concern basis;

5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

6. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

25. ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the continued cooperation and support of the customers, suppliers, bankers and Government authorities. Your Directors also wish to place on record their deep appreciation for the dedicated services rendered by the Company's executives, staff and workers.

By Order of the Board

For Laxmi Organic Industries Limited

Ravi Goenka

Chairman and Managing Director

Date : May 25, 2021

Place : Mumbai

ANNEXURE A :
DETAILS OF ESOPS AS PER SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Disclosures with respect to Employees' Stock Option Schemes viz Employees Stock Options Scheme (ESOP-14) ("ESOP-2014") and Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") of the Company pursuant to regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) as on March 31, 2021:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time:

Members may refer to the note no. 33 of the standalone audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2020-21.

B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33:

Diluted EPS for the year ended March 31, 2021 is ₹5.38 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to ESOP-2014 & ESOP-2020:

1. The description including terms and conditions of ESOP scheme is summarised as under:

Particulars	ESOP-2014*	ESOP-2020
Date of Shareholder's Approval	January 9, 2015	November 24, 2020
Total number of options approved	Up to 100,000 options exercisable into up to 100,000 equity shares of ₹ 10 each	6,750,000 options
Vesting requirement	One Year	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options and shall end over a maximumt period of 3 years from the date of grant of the options.
Exercise Price or Pricing Formula	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options.	As may be decided by the Nomination & Remuneration Committee, in compliance with the accounting policies as specified in SEBI SBEB Regulations, as on date of grant but in any case, shall not be less than the face value of Shares of the Company.
Maximum term of option granted	One year & three months	Eight years
Source of shares (Primary, secondaryor combination)	Primary	Primary
Variation in terms of options	There has been no change in the terms of the options granted.	There has been no change in the terms of the options granted.

** ESOP- 2014 was closed and such closure was noted by the Board at its meeting dated October 30, 2020.*

2. Method used to account for ESOP: Fair Value

3. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed: Not Applicable

4. Option movement during the year:

Particulars	ESOP 2014*	ESOP-2020
Number of options outstanding at the beginning of year	-	-
Number of options granted during the year	-	5,690,467
Number of options forfeited / lapsed during the year	-	-
Number of options vested during the year	-	-
Number of options exercised during the year	-	-
Number of shares arising as a result of exercise of opttions	-	-
Money realized by exercise of options	-	-
Number of options outstanding at the end of the year	-	5,690,467

** ESOP- 2014 was closed and such closure was noted by the Board at its meeting dated October 30, 2020.*

5. Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options:

During FY 2020-21, under ESOP-2020, the Company had granted in aggregate 5,690,467 options (comprising of 4,245,540 employee stock options at exercise price of ₹100 per option, 1,143,263 RSUs at an exercise price of ₹2 per option and 301,664 thank you grants at an exercise price of ₹2 per option).

In view of this weighted average exercise price is ₹75.11 and weighted average fair value is ₹ 85.40.

6. Employee-wise details of options granted under ESOP-2020 during the year:

a. Key managerial personnel and senior managerial personnel:

Name of Key Managerial Personnel	No of option
Mr. Satej Nabar	1,093,098
Mr. Partha Roy Chowdhury	689,444
Mr. Sruti Bora	689,720
Mr. T C N Sai Krishnn	572,039
Mr. Jitendra Agarwal	420,752
Mr. B.P. Pant	259,036
Mr. Virag Shah	212,315
Dr. Ajay Audi	220,622
Mr. Aniket Hirpara	92,784

b. Employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year:

Name of employee	No of options granted	% of total options granted
Mr. Satej Nabar	1,093,098	19.21%
Mr. Partha Roy Choudhary	689,444	12.12%
Mr. Sruti Bora	689,720	12.12%
Mr. T C N Sai Krishnan	572,039	10.05%
Mr. Jitendra Agarwal	420,752	7.39%

c. Identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

7. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following information:

Refer note 33 to the notes to standalone audited financial statements prepared as per Indian Accounting Standard (Ind-AS) for the year 2020-21 for description of method and significant assumptions used to estimate fair value of options granted during FY 2020-21.

ANNEXURE B :
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS OF SUBSIDIARIES/ ASSOCIATE /JOINT VENTURE

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

Name of the Subsidiary Company	LOBV	CLPL	ST	VLPL	LLPL	YFCPL	YSCPL	LPMEF	LSCSCL
Financial year ended on	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21	Mar-21
Reporting currency	EUR	INR	INR	INR	INR	INR	INR	AED	RMB
Exchange rate (in ₹)	86.099	1	1	1	1	1	1	19.91	11.14
Capital	173.74	0.10	79.36	0.10	0.10	1.00	1.00	0.70	3.21
Reserves	60.34	13.88	(1.63)	(3.74)	(0.15)	(0.72)	(0.04)	1.90	(0.30)
Total assets	731.25	80.64	248.57	919.23	0.02	246.22	1.00	352.91	6.45
Total liabilities	497.17	66.66	170.84	922.88	0.07	245.94	0.04	350.31	3.54
Details of investment	-	-	-	-	-	-	-	-	-
Net turnover	1,656.53	-	123.77	14.88	-	-	-	982.22	10.97
Profit before taxation	121.69	(1.88)	4.44	(3.36)	(0.05)	(0.72)	(0.04)	34.33	(0.38)
Provision for taxation	(25.69)	-	-	-	-	-	-	-	(0.04)
Profit after taxation	96.01	(1.88)	4.44	(3.36)	(0.05)	(0.72)	(0.04)	34.33	(0.04)
Proposed dividend			-	-	-	-	-	-	-
% of Shareholding	100%	100%	95%	100%	100%	100%	100%	100%	100%
Country of incorporation	Netherland	India	India	India	India	India	India	UAE	China

Note: From the above, CLPL, VLPL, LLPL, YSCPL and YFCPL are yet to commence the operations.

Part B: Associate & Joint Ventures

Name of Associate	CEOLLP
Latest audited balance sheet date	March 31, 2021
Capital contribution in associate company by the Company as on the year end amount of investment in associate	₹ 12.50 million
Extend of %	26%
Description of how there is significant influence	There is significant influence as the Company is holding 26% of the Partners capital in LLP.
Reasons why associate is not consolidated	The company has been supplimenting its incremental energy requirements by sourcing power from renewable sources. To this end, the Company on January 25, 2021, acquired 26% stake in CEOLLP for supply of 5 MW electricity generated through wind turbines at a concessional rate with a minimum entitlement of 51% in lieu of share of profits. Therefore there will be no profit or loss accretion on application of equity method.
Net worth attributable to shareholding as per latest audited balance sheet	26%
Profit/Loss for the year i. Considered in Consolidation ii. Not considered in consolidation	 Nil Nil

ANNEXURE C :
PARTICULARS OF RELATED PARTY TRANSACTIONS

Form No. AOC-2
Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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 arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2021 which are not at arm's length basis.

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

The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021 are as follows:

Name(s) of the Related Party and Nature of relation	Nature of contracts Arrangements/ transactions:	Duration of contracts / arrangements/transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by th Board:	Amount paid as advances, if any:	Date on which the special resolution was passed:
Brady Investments Private Limited	Reimbursement of expenses (telephone, internet, electricity, taxes and other charges etc.)	01/04/20 till 31/03/21	2.50	30/10/20	NIL	24/11/20
Smt. Laxmidevi Nathmal Goenka Charitable Trust	Payment of donation to undertake CSR Activities as approved by CSR Committee pursuant to section 35 of the Companies Act, 2013		Upto 2% of the Average Net Profits of last 3 FY and unspent CSR Corpus if any of the previous years.			
Laxmi Foundation						
Maharashtra Aldehydes and Chemicals Limited	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc. 2. Availing and providing any kind of consultancy, technical, R & D, logistical or any other kind of services. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses		100.00			
Laxmi Petrochem Middle East FZE			50.00			
Laxmi Organic Industries (Europe) B.V.			1700.00			
Saideep Traders			500.00			
Yellowstone Chemicals Private Limited			1000.00			
Laxmi Speciality Chemical (Shanghai) Co. Ltd.			1000.00			
Yellowstone Fine Chemicals Private Limited			1000.00			
Yellowstone Speciality Chemicals Private Limited			100.00			
Cleanwin Energy One LLP	1. Purchase of Electricity 2. Payment of electricity and other incidental charges 3. Investment in the form of equity share purchase or loan. 4. Reimbursement/recovery of expenses		150.00			
Acetyls Holdings Private Limited	To execute Share Purchase Agreement for acquisition of Equity Shares	30/10/20 till 31/12/21	400.00		200.00	NA
Harshvardhan Goenka	Approval for payment of Remuneration	01/04/20 till 31/10/20	10.6		NA	24/11/20

ANNEXURE D:
SECRETARIAL AUDIT REPORT

Form No.MR-3 for the financial year ended March 31, 2021
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC MAHAD – 402309.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LAXMI ORGANIC 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 compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minutes, 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, 2021** complied with the statutory provisions of the applicable Acts 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, Minutes, forms and returns filed and other records maintained by **LAXMI ORGANIC INDUSTRIES LIMITED** for the financial year ended on March 31, 2021, according to the provisions of:

1. The Companies Act, 2013 ("the Act") including the Companies (Amendment) Act, 2020 and the rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent applicable.
4. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz **[applicable w.e.f March 25, 2021]:**
   a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period);
   f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the review period);
   g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the review period);
   h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the review period).

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

1. Secretarial Standards 1 & 2 with respect to Board and General meetings, respectively, issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Ltd read with the 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 the Act, rules, regulations, guidelines, standards, etc. mentioned above, to the extent applicable.

We further report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We report that the compliance by the Company of applicable financial laws, like direct, indirect tax and GST laws, has not been reviewed in this audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and independent directors. 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.
- There are adequate systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- Adequate notice is given to all directors to schedule the Board Meetings and wherever necessary consent for shorter notice was given by Directors, Board Committee Meetings, agenda and detailed notes on agenda were sent well 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 decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period:

1. The Company has sub-divided it's equity shares from ₹10/- per share to ₹2/- per share and increased its Authorised Share Capital from ₹510,000,000/- to ₹610,000,000/- divided into 305,000,000 equity shares of ₹2/- each and altered it's Memorandum of Association in compliance with the provisions of the Act.
2. The Company has approved Employee Stock Option (ESOP-2020) Scheme to create, offer and grant, issue and allot upto 6,750,000 employee stock options/ restricted stock units/ thank you grants to the eligible employees of the Company, as determined in terms of the scheme. As on March 31, 2021, the Company has not issued any equity shares pursuant to the ESOP-2020.
3. The Company has issued 20,930,231 equity shares at a price of ₹129/- per share (including premium of ₹127/- per equity share) on Private Placement basis (Pre-IPO Placement) to identified investors.
4. The equity shares of the Company were listed and admitted to dealings on National Stock Exchange of India Ltd. and BSE Ltd. on March 25, 2021 by way of Initial Public Offering, comprising 46,153,846 equity shares at a price of ₹130/- per share (including a premium of ₹128/- per share) aggregating to ₹6,000 million comprising of a Fresh Issue of 23,076,923 equity shares and an Offer of Sale of 23,076,923 equity shares by the Promoter Selling Shareholder through Book Building Process.

For **GMJ & ASSOCIATES**
Company Secretaries
Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706C000369599
Place: Mumbai
Date: May 25, 2021

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

ANNEXURE A

To,
The Members,
LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC MAHAD – 402309

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

1. Maintenance of secretarial records is the responsibility of 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 and other applicable laws, rules and regulations, standards is the responsibility of the 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.
7. We have verified the Documents provided by the Company through Virtual Private Network (VPN) for audit purpose due to COVID-19 restrictions in Maharashtra, Mumbai, physical examination of documents is not possible.

For **GMJ & ASSOCIATES**
Company Secretaries
Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706C000369599
Place: Mumbai
Date: May 25, 2021

ANNEXURE E:
SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to SEBI circular - CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC MAHAD – 402309

CIN: U24200MH1989PLC051736
Authorized Share Capital: ₹ 610,000,000/-

We **GMJ & Associates, Company Secretaries** have conducted the secretarial compliance audit of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the period commencing from March 25, 2021 to March 31, 2021 of **Laxmi Organic Industries Limited** (“the listed entity”). The Equity shares of the Company were listed and admitted to dealings on National Stock Exchange of India Ltd. and BSE Ltd. on March 25, 2021. The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

a) all the documents and records made available to us and explanation provided by the listed entity,
b) the filings/ submissions made by the listed entity to the stock exchanges,
c) website of the listed entity,
d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the period commencing from March 25, 2021 to March 31, 2021 (“Review Period”) in respect of compliance with the provisions of:

1. The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
2. The Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);
3. The following Regulations prescribed under The Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the circulars/ guidelines issued thereunder, have been examined:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period);
f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the review period);
g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the review period);
h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the review period).

Based on our examination and verification of the documents and records produced to us and according to the information and explanations given by the Company, we report that:-

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Not Applicable
Compliance Requirement	
(Regulations/ circulars / guidelines including specific clause)	
Deviations	
Observations/ Remarks of the Practicing Company Secretary	

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Not Applicable
Action taken by	
Details of violation	
Details of action taken e.g. fines, warning letter, debarment, etc.	
Observations/ Remarks of the Practicing Company Secretary, if any	

(d) The Company was not required to take any action with regard to compliance with the observations made in previous reports as the same was not applicable.

Sr. No.	Not Applicable
Observations of the Practicing Company Secretary in the previous reports	
Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	
Actions taken by the listed entity, if any	
Comments of the Practicing Company Secretary on the actions taken by the listed entity	

Note: Due to the prevailing restrictions in Mumbai, Maharashtra due to COVID -19 pandemic, physical examination of documents under SEBI Act and Regulations was not possible; we have therefore relied upon the documents provided by the Company through Virtual Private Network (VPN) for Audit purpose.

For **GMJ & ASSOCIATES**
Company Secretaries
Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706C000369599
Place: Mumbai
Date: May 25, 2021

ANNEXURE F:
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company recognizes that any sort of production activity has a direct or indirect impact on the peripheral geographical areas. It changes the traditional lifestyle of the inhabitants/communities living in that area and also affects the socio-economic profile of the area. The Company strives to balance its business values and operations in an ethical manner to demonstrate its commitment to sustainable development, by preparing, empowering and inspiring communities in the locational periphery of the Company's manufacturing units through various voluntary social actions covering micro-enterprises and, self-help groups. The Company regards the community as a major stakeholder and accordingly identifies their needs and addresses their concern areas to ensure a better quality of life.

In the aforesaid background, the Company has framed a CSR Policy to achieve the following objectives:

a. To help enrich the quality of life of the communities neighbouring the manufacturing units of the Company.
b. To promote good practices for the environment, safeguard and maintain the ecological balance and create a positive impact by ensuring sustainable development.
c. To be a responsible and responsive corporate citizen by providing welfare measures and creating a safe, harmonious and ecologically balanced environment for members and the community at large.
d. To maintain a commitment to quality, health and safety in every aspect of the business and for people.
e. To promote equality of opportunity and diversity of workforce through its business operations.
f. To commit to creating social value and also allow individual employees to contribute in the various programs.
g. To provide vocational training to improve skills of people in the unorganized sector.

As per the CSR Policy the Company can pursue CSR activities in areas as prescribed under Schedule VII of the Companies Act, 2013 and the same can be carried out by the Company as under:

- By the Company directly.
- Through the Laxmi Foundation, which is the Company's own dedicated CSR Trust.
- Through the Smt. Laxmidevi Nathmal Goenka Charitable Trust (LNGCT) which is a registered trust having track record of more than 3 years.
- In collaboration with other companies undertaking projects in CSR activities.
- Contributions/donations to organizations permitted under the applicable laws from time to time.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website. The web link for the same is https://www.laxmi.com/investors/policies.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	CSR committee meetings held in FY 2020-21	CSR committee meetings attended in FY 2020-21
1.	Mr. Ravi Goenka	Chairman & Managing Director	1	1
2.	Ms. Sangeeta Singh**	Independent Director	NIL	NIL
3.	Mr. Rajeev Goenka	Non-Executive Director	1	1

***The CSR Committee has been reconstituted on November 25, 2020 whereby Ms. Sangeeta Singh was inducted in place of outgoing members namely Mr. Vasudeo Goenka and Mr. Omprakash V Bundellu.*

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	CSR Committee link: https://www.laxmi.com/investors-information/board-committees CSR Policy link: https://www.laxmi.com/investors/policies
4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	During the year under review the provisions relating to impact assessment was not applicable to the Company. However, in 2019-20 the Company has voluntarily undertaken a feasibility study through CSR consulting firm namely, "Indeed (Dentsu Aegis Network)" in the neighbouring areas of Mahad and Lote Parshuram (Chiplun), wherein the Company's manufacturing operations are presently located. After completing the feasibility study, the real need assessment study was also undertaken by the Company to understand the actual requirements of the local community in these neighbouring areas. The assessment studies have brought up some key areas like education through digital platforms, primary health care through mobile health units (MHU), woman empowerment, community drinking water programme, waster management through sewage treatment plant etc., which can form a part of the Company's long term CSR strategy. However, due to the ongoing COVID-19 pandemic the Company has temporarily shifted the CSR focus to Covid relief works, which is the need of the hour.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	NIL
6. Average net profit of the Company as per section 135(5)	₹ 10,009.10 million
7. (a) Two percent of average net profit of the Company as per section 135(5)	₹ 20.18 million
(b) Surplus/Deficit arising out of the CSR projects or programmes or activities of the previous financial years	₹ 21.67 million
(c) Amount required to be set off for the financial year, if any	NIL
(d) Total CSR obligation for the financial year (7a+7b- 7c)	₹ 41.85 million

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ in million)	Amount Unspent (₹ in million)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
₹ 43.88	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amt allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to unspent CSR account for the project as per section 135(6) (in ₹)	Mode of implementation Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District						Name	CSR registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in million).	Mode of implementation - Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
1.	Covid Relief Measures	Disaster Management	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	₹ 2.22	Yes	NA	NA
2.	Fund to set up Covid Relief Hospital	Disaster Management	Yes	Maharashtra	Mahad	₹ 0.50	Yes	NA	NA
3.	Corpus transfer					₹ 0.50	Yes	Smt. Laxmidevi Nathmal Goenka Trust	NA
4.	Corpus transfer					₹ 40.66	Yes	Laxmi Foundation	CSR00003506
Total						₹ 43.88			

	(₹ In million)
(d) Amount spent in Administrative Overheads	**0.03**
(e) Amount spent on Impact Assessment, if applicable	**NIL**
(f) Total amount spent for the financial year (8b+8c+8d+8e)	**43.91**
(g) Excess amount for set off, if any:	

Sl. No.	Particulars	Amount ₹ in million
i.	Two percent of average net profit of the Company as per section 135(5)	20.18
ii.	Total amount spent for the financial year	22.21
iii.	Excess amount spent for the financial year [(ii)-(i)]	2.03
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.03

9. (a) Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under schedule vii as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project completed /ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details)

a) Date of creation or acquisition of the capital asset(s). b) Amount of CSR spent for creation or acquisition of capital asset c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NIL

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

ANNEXURE G:
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2021.

A. CONSERVATION OF ENERGY

a) Efforts made for conservation of energy: -

1. During the year under review the cogeneration power plant located at manufacturing unit 1 was utilized to maximize the output. Power generation per metric ton (MT) of steam has been improved from 142 unit to 146 unit. This has improved power plant output efficiency.

2. Utilization of renewable power energy sources like hydro power and wind has been increased from 10.98% to 12.00%.

3. With improvement in the overall efficiency of the cogeneration power plant the specific auxiliary energy consumption kw/kw has been improved from 13 kw/kw to 11.3 kw/kw.

4. Energy Saving: During the year under review, through various energy saving efforts, the Company has been able to achieve a reduction in specific electrical energy consumption per MT of ethyl acetate (ETAC) from 79 kw/MT to 74 kw/MT. Additionally, the Company has also been able to maintain the specific steam consumption per MT of ETAC at 2.38 MT/MT. This has improved overall productivity and plant operation efficiency.

5. At manufacturing unit 2 the thermal and electrical energy audit was carried out by an independent agency. The audit has highlighted and identified a total of 27 energy saving opportunities which are presently being considered for implementation in the current financial year.

6. At manufacturing unit 2 thermal system efficiency was maintained with efficient plant operation. Condensate recovery above 90% and steam to fuel ratio has been improved from 6.70 kg/kg to 6.73 kg/kg. The per MT steam generation cost has been reduced from 980 to 973.

7. You Company has continued its focus on utilization of process waste as fuel for furnace heating and steam generation.

8. The Company has been recognized as an "Energy Efficient Unit" and has received the following prestigious awards:

- Confederation of Indian Industries (CII) has awarded 21st National Award for Excellence in Energy Management 2020 to our manufacturing unit 2.
- Indian Chemical Council (ICC) has awarded "ICC Award for Excellence in Energy Conservation and Management" for energy management to our manufacturing unit 2.

9. The National Energy Conservation Awareness Program has been conducted within the Company in the form of various competitions in the month of December 2020.

10. The Company is using energy efficient technologies for the design and implementation of all its new projects. New Projects were also identified for further energy conservation in thermal and electrical energy.

11. Awareness training, with the help of in-house and external experts, has continuously being imparted to employees to make them aware about the need for energy conservation.

b) Impact of above measures on consumption of energy: -

The Company expects more than 5% reduction in energy consumption during the next year.

c) Capital investment on energy conservation equipment: ₹ 52.5 million

d) Power & Fuel Consumption:

For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended March 2021	Year ended March 2020
1. Electricity Unit Total Amount Rate/Unit	KWH ₹ in million ₹/Unit	68,072,684 489.33 7.19	68,245,062 500.18 7.33
2. Coal Quantity Total Amount Rate/Unit	MT ₹ in million ₹/MT	105,720 566.74 5,367	102,794 587.81 5,718
3. C-9 Plus Quantity Total Amount Rate/Unit	MT ₹ in million ₹/MT	428 15.70 36,662	464 19.00 41,032

1.Power generated from alternative energy sources:
Generated by wind mills in:

a. Karnataka* Total Units Value	KWH ₹/Unit	115,190 3.90	1,617,932 5.37
b.Maharashtra# Total Units Cost	KWH ₹/Unit	1,498,699 1.36	2,163,642 5.45

* The units generated was supplied to the state electricity utilities under PPAs.
# The units generated in FY 2020-21 was captively consumed by the Company through the open access permission. However, the units generated in FY 2019-20 was supplied to the state electricity utilities under PPAs.

II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products		Year ended March 2021	Year ended March 2020
I. Acetyls			
(a) Electricity	Kwh/MT	74	74
(b) Coal	Kg/MT	0	0
(c) Steam (from CPP)	Kg/MT	2,350	2,386
II. Speciality			
(a) Electricity	Kwh/MT	1,641	1651
(b) Coal	Kg/MT	848	862
(c) Steam	Kg/MT	4,132	-
III. Special Denatured Spirit			
(a) Molasses	Kg/Ltr.	3,851	3,851

B. TECHNOLOGY ABSORPTION

(a) Research & Development (R&D):

1. Major efforts made towards technology absorption:

With a view to enhance technical capabilities, your Company continues to invest in research activities to introduce new technologies at R&D and pilot scales. The R&D team continuously interacts and coordinates with experts in national laboratories, IITs, CSIR institutes and universities for upgradation of knowledge, training of researchers and developmental activities.

The processes developed differ from the traditional commercial routes being followed resulting in better control and superior quality of the final products. This ultimately has a positive impact on the overall revenue and foreign currency.

During the year under review, our R&D has scaled up and established two novel technology platforms that we plan to commercialise in the next few years.

Our R&D team has been effectively working on the following areas:

- Process absorption involves absorption of new technologies from business partners / customers within or outside India, and proving the technology in R&D, pilot stages and in a commercialization campaign. This will help to strengthen our capacities in diversified businesses in the fields of intermediates.

- Process intensification involves process improvements, cost reductions, effluent reductions, reducing emissions through recoveries and recycles of solvent and reagents, conversion of batch mode processes to continuous mode to reduce raw material consumption norms and formation of by-products thus impacting higher productivity and purities of the products.

- Product optimization involves a long process starting from selection of viable ROS for the products under consideration through in-depth literature to complete development in R&D through stage gate activity, to complete development on synthesis and analytical front to get robust reproducible processes in the form of technical package for commercial productions.

- New product development starts from identification and selection of new products within or outside existing competencies, having wide business dimensions. This is followed by a thorough developmental study covering wide areas concerning process parameters and related safety and engineering design. The processes stand firm on commercial scale production.

2. Benefits derived as a result of the above R&D:

The indigenously developed environmentally friendly technologies will help increase the Company's revenues and profitability in the speciality and intermediate chemicals business.

Major beneficial factors:

a. Increase of technical capacity due to insertion of new chemistries in commercialization mode and enhancement in production capacity to fulfil market demands.

b. Production and supply of superior quality products for agro, pharma and pigments sectors.

c. Conscious attention to control over effluents, safety and health through recoveries and recycles will develop green processes for manufacturing of various products.

d. The processes developed for import substituted products will save foreign exchange and increase in-house availability of raw materials for the Indian market.

e. The improvements in existing manufacturing processes and developments of new products for the export market will enhance the capability of the R&D team.

f. The success gives confidence to our customers in agrochemicals and pharmaceuticals and paves the way for newer projects.

3. Information regarding imported technology (Imported during last three years):

For the diversified business of fluoro-chemicals the Company has acquired technology in fluorination using HF and electrochemical fluorination from the Italian company Miteni. The absorption of the technology in R&D and piloting has already been already started. The existing manufacturing set-up of

Miteni will be shifted and re-erected at our new plant located at Chiplun, Maharashtra and will be housed in our Company's wholly owned subsidiary Company namely Yellowstone Fine Chemicals Private Limited.

(a) The Company has incurred following expenditure on R&D:

Particulars	March 2021	March 2020
a) Capital	41.81	11.28
b) Recurring	73.87	39.27
Total (a + b)	**115.68**	**50.55**
Total R&D expenditure as % of total turnover	0.7%	0.4%

(b) Technology absorption, adoption & innovation: NIL

(c) Foreign Exchange Earning and Outgo:

(₹ in million)

Particulars	March 2021	March 2020
Foreign exchange earnings (In flow)	3,548.50	3,292.91
Foreign exchange (Out go)		
a. Chemicals	7,602.11	7,363.74
b. Capital Goods	25.16	3.71
c. Expenses	62.46	60.73

ANNEXURE H: PARTICULARS OF EMPLOYEES

(Pursuant to section 197 (12) of the Companies Act, 2013 Read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name	Remuneration (₹ in million)	% increase in Remuneration	Ratio of Directors remuneration to Median remuneration
Executive Director			
Mr. Ravi Goenka	78.90	10.62%	193.87
Mr. Satej Nabar	30.21	-	74.23
Mr. Harshvardhan Goenka*	12.24	96.70%	30.08
Non-Executive Director$			
Mr. Rajeev Goenka#	-	-	-
Mr. Manish Chokhani	2.06	37.00%	5.06
Mr. Omprakash Bundellu	2.06	37.00%	5.06
Ms. Sangeeta Singh	2.06	37.00%	5.06
Dr. Rajeev Vaidya&	0.71	NA	1.74
Key Managerial Personnel			
Mr. Partha Roy Chowdhury	16.22	12.0%	39.86
Mr. Aniket Hirpara	4.95	12.0%	12.16

**Mr. Harshvardhan Goenka has been appointed as Executive Director – Business Development & Strategy w.e.f. November 1, 2020 and consequently his remuneration got revised accordingly.*
$ Non-Executive Directors remuneration represents commission payable for FY 2020-21. The increase in commission to Non-Executive Directors has been worked out on annual basis.
#Mr. Rajeev Goenka being Promoter director is not receiving any commission.
& Dr. Rajeev Vaidya has been paid a commission on pro-rata basis w.e.f. November 25, 2020.

Disclosure Requirement:

Sr. No.	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY 20-21	7.92%
2	Number of permanent employees on the rolls of the Company	684
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 7.95% while the average increase in managerial remuneration was 23.23% during the year. Mr. Harshvardhan Goenka was promoted to Executive Director of the Company in FY 20-21 and hence the exceptional increase.
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.

BUSINESS RESPONSIBILITY REPORT

Introduction:

The Laxmi's Business Responsibility (BR) Report 2020-21 covers our practices and performance on key principles defined by regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, covering topics across environment, governance, and stakeholder relationships.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information/Reference sections
Corporate Identity Number (CIN) of the Company	U24200MH1989PLC051736
Name of the Company	Laxmi Organic Industries Limited
Registered address	A- 22/2/3 MIDC Mahad, Raigad – 402 309
Website	www.laxmi.com
Email ID	investors@laxmi.com
Financial year reported	2020-21
Sector(s) that the Company is engaged in (Industrial activity code)	201 - Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastic and synthetic rubber in primary forms As per National Industrial Classification – The Ministry of Statistics and Programme Implementation
List three key products/services that the Company manufactures/provides (as in balance sheet)	Company's products are currently divided into two broad categories, namely the Acetyl Intermediates and the Speciality Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Speciality Intermediates comprises of ketene, diketene derivatives namely esters, acetic anhydride, amides, arylides and other chemicals.
Total number of locations where business activity is undertaken by the Company	**International locations:** Company's international business operations are carried in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America through various direct subsidiaries overseas through their offices in 3 international locations (including representative offices and/or distribution arrangement). **National locations:** Indian operations of the Company are carried out through over 11 offices located in Mumbai, Pune, Mahad, Chiplun, Satara, Kolhapur, Ahmedabad and Hyderabad.
Markets served by the Company:	In addition to serving Indian markets, the Company has global footprint with customers in over 30 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures	Information/Reference sections
Paid-up capital	₹ 527.33 million
Total turnover	₹ 16,061.10 million
Total profit after taxes	₹ 1,225.19 million
Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, Company CSR spend was ₹ 43.91 million which, included amounts remitted towards CSR Projects committed during last financial year. The CSR spend during the year works out to 3.58% of profit after tax for FY 20-21.
List of activities in which the CSR expenditures have been incurred	The major areas in which the CSR expenditure has been incurred include, disaster relief (Covid relief), education, healthcare and community development.

SECTION C: OTHER DETAILS

Disclosures	Information/Reference sections
Does the Company have any Subsidiary Company/ Companies	As at March 31, 2021, the Company has 9 subsidiaries, including 6 domestic and 3 overseas direct and indirect subsidiaries.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	BR initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION
1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR:

Disclosures	Information/Reference sections
a. Details of the Director/Directors responsible for the implementation of the BR policy/policies	Mr. Ravi Goenka, Managing Director Mr. Satej Nabar, Executive Director & CEO
b. Details of the BR head	Not Applicable

2. Sr. No. 1. PRINCIPLE-WISE AS PER NATIONAL VOLUNTARY GUIDELINES (NVGS) BR POLICY/POLICIES (REPLY IN Y/N):

NVGs released by the Ministry of Corporate Affairs (MCA) has adopted nine areas of BR. These briefly are as follows:

Principles	Reference Policy
P1. Business should conduct and govern themselves with Ethics, Transparency an d Accountability.	Whistle-blower Policy, Code of Conduct & Ethics & Speak-up Policy
P2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Responsible Care Policy
P3. Businesses should promote the wellbeing of all employees.	HR Policies and Integrated Environment Heath Safety & Quality (EHSQ) Policy
P4. Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and mar-ginalized.	CSR Policy, Prevention of Sexual Harassment (POSH) Policy, Speak-up Policy
P5. Businesses should respect and promote human rights.	Integrated EHSQ Policy
P6. Business should respect, protect, and make efforts to restore the environment.	Integrated EHSQ Policy
P7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Integrated EHSQ Policy and Responsible Care Policy
P8. Businesses should support inclusive growth and equitable development.	CSR Policy
P9. Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Integrated EHSQ Policy

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	as the policy been formulated in consultation with relevant stake-holders?	Yes, while formulating the policy documents - rights & obligations of concerned stakeholders are analysed in view of best Industry Practices.								
3.	Does the policy conform to any na-tional /international standards? If yes, specify.	Innovation, customer centricity, Integrity and sustainability are the four cornerstone values which Company follows. Being global partner of choice, the Company believes in benchmarking practices and global standards - to the best possible extent. Some of the policies are linked to the following National / International Standards: International Organization for Standardization (ISO 9001, ISO 14001), Occupation Health and, Responsible Care (RC 14001).								
4.	Has the policy been approved by the Board?	All statutory policies and Codes are adopted considering prevailing legal requirements and approvals of respective body (Board of Directors or its Committees or Company Management). All policies are signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director/Of-ficial to oversee the implementation of the policy	Implementation mechanism of all the policies & codes is presented to and reviewed by the respective body periodically.								

6.	Indicate the link for the policy to be viewed online?	All policies as approved by the Board of Directors can be viewed online on the website of the Company at https://www.laxmi.com/investors/policies
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, requisite awareness programs are carried out and communicated to all the stakeholders, which help them understand behavioural expectation from them. In critical areas such as environment, health and safety, advance trainings and workshops with specific focus have been conducted time to time.
8.	Does the Company have in-house structure to implement its policy/policies?	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Company' Vigil Mechanism / Whistle Blower Policy, Speak-up Policy, POSH Policy are an effective tool towards grievance redressal mechanism.
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No

2a. IF ANSWER TO SL. NO. 1 AGAINST ANY PRINCIPLE IS 'NO', PLEASE EXPLAIN WHY (TICK UP TO TWO OPTIONS) –

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles					NA				
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles					NA				
3.	The company does not have financial or manpower resources available for the task					NA				
4.	It is planned to be done within next 6 months					NA				
5.	It is planned to be done within the next 1 year					NA				
6.	Any other reason (please specify)					NA				

3. GOVERNANCE RELATED TO BR:

a. Frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the Company's BR performance	Sustainability activities are proposed to be reviewed on a need basis by Mr. Ravi Goenka, Chairman and Managing Director and the leadership team.
b. BR and Sustainability Reports published; frequency and link of published reports	The provision of preparing the BR report has got applicable in the current financial year. The Company has not published BR report in 2019-20. For FY 2020-21, the BR report is part of Company's Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability
BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes
How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management? If so, provide the details thereof, in about 50 words or so.	During FY 2021 the Company has not received any stakeholders Complaints and there is no outstanding complaint as on March 31, 2021.

Principle 2: Product Life Cycle Sustainability
BUSINESSES SHOULD PROVIDE SAFE GOODS AND SERVICES THAT CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLES

List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	As per the Company's Policy, the designs of every product have been incorporated with environmental, health, safety concerns, risks & opportunities.
For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional) :	NA
Does the Company have procedures in place for sustainable sourcing (including transportation)?	-
If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	-
Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	-
Does the Company have a mechanism to recycle products and waste?	Yes
If yes, what is the percentage of recycling of products and waste separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	The Company has proper mechanism to recycle product and waste. The percentage of recycling of product is between 5% to 10 %

Principle 3: Employee Well-Being
BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

<table>
<tr><td>Please indicate the total number of employees</td><td>684</td></tr>
<tr><td>Please indicate the total number of employees hired on a temporary / contractual / casual basis</td><td>292</td></tr>
<tr><td>Please indicate the number of permanent women employees</td><td>40</td></tr>
<tr><td>Please indicate the number of permanent employees with disabilities</td><td>0</td></tr>
<tr><td>Do you have an employee association that is recognized by the Management?</td><td>Yes</td></tr>
<tr><td>What percentage of your permanent employees are members of this recognized employee association?</td><td>11.4%</td></tr>
<tr><td>Please indicate the number of complaints relating to child labor, forced labor, involuntary labor and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.</td><td>
<table>
<tr><th>Sr. No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr>
<tr><td>1.</td><td>Child labour/forced labour/ involuntary labour</td><td>NIL</td><td>NIL</td></tr>
<tr><td>2.</td><td>Sexual harassment</td><td>NIL</td><td>NIL</td></tr>
<tr><td>3.</td><td>Discriminatory employment</td><td>NIL</td><td>NIL</td></tr>
</table>
</td></tr>
<tr><td>What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
• Permanent Employees
• Permanent Women Employees
• Casual/Temporary/Contractual Employees
• Employees with Disabilities</td><td>•
• Permanent Employees: 326
• Permanent Women Employees: 14
• Casual/Temporary/Contractual Employees: 342
• Employees with Disabilities: NA</td></tr>
</table>

Principle 4: Stakeholder Engagement
BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE OR MARGINALISED

Has the Company mapped its internal and external stakeholders?	Yes
Out of the above, has the Company identified the disadvantaged, vulnerable and mar ginalized stakeholders?	Yes
Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so	Organization implemented series of initiative to battle COVID 19 and help save lives. We distributed 45000+ sanitizers, 8000+ masks to 120 villages of Mahad and nearby talukas. Provided ventilators to equip and enable Mahad trauma center which is accessible by 1.8 Lac population of Mahad. Distributed dry ration to 500+ daily wagers during lockdown who had no livelihood, in Mahad and Chiplun area.

Principle 5: Human Rights BUSINESSES SHOULD RESPECT AND PROTECT HUMAN RIGHTS

Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	NA
How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	NA

Principle 6: Environmental Management
BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes, the policy is extended to all the group to the extent applicable.
Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	Yes, as per the EHSQ goals and objectives.
Does the Company identify and assess potential environmental risks?	Yes, environmental risks (aspects & impacts) are identified & assessed for all activities, products and services.
Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, has any environmental compliance report been filed?	No.
Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	Yes, ethanol, one of our major raw material is synthesized from renewable resources like molasses. Thus, a large sector of our portfolio i.e. alcohol-based chemicals are based on bio-renewal raw source. As commitment towards sustainability the company has invested in renewable power plants. The Company has windmills located in Maharashtra and Karnataka and has also set-up a hydroelectric power project at Yedgoan, Maharashtra. These renewable sources of power have reduced the dependence on power grid to the extent and ensures a regular supply of power and steam. Combined heat and power cycle while generating electricity for the energy-intensive unit, also utilises heat energy of the low-pressure steam for obtaining production output at the heat-intensive unit. Thus, heat energy which otherwise would be wasted, is utilised thus improving energy efficiency.
Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes, all the emissions are monitored through online emission / effluents monitoring system (OCMS). In addition, monthly analysis has been performed by the agencies approved by MoEF&CC & State Pollution Control Board Authorities.
Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year.	There are no pending cases of show-cause/legal notice as on the end of financial year 2020-21.

Principle 7: Policy Advocacy
BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	Some of the major associations to which the company holds membership are: • Indian Chemical Council (ICC) • Chemexcil • Mahad Manufacturers Association (MMA) • Safety Professionals Area Network (SPAN) • Mutual Aid and Response Group. • Local and District Crisis Groups. • National Safety Council of India

Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Mr. Ravi Goenka, the Chairman and Managing Director of the Company is honourable President of Indian Chemical Council which is dedicated to the growth and promotion of the Chemical Industry in India. We support and promote all branches of the industry through a variety of events, trainings, awards & recognitions, policy advise and other useful activities. Local and District Crisis Groups are constituted under the Directives from Directorate of Industrial Safety & Health and the District Collectorate. Activities such as development of green book for the region, training on hazardous chemicals, emergency drills were undertaken.

Principle 8: Inclusive Growth
BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	The Company has given direct & indirect employment to several local residents and also engaged them by awarding contracts in the manufacturing complexes.
Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	The programs are conducted through an in-house through HR Department as per need basis.
Have you done any impact assessment of your initiative?	Impact assessment is done through regular interactions with local representatives
What is your Company's direct contribution to community development projects – amount in ₹ and the details of the projects undertaken.	-
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	-

Principle 9: Value for Customers
BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

What percentage of client complaints / consumer cases are pending as on the end of the financial year?	The customer centricity is one of the values which the Company and all its employees believe and follow in letter and spirit. Our customers include end-user industries to whom, we supply our products. We regularly interact with the customers to understand their needs. Regular meetings are conducted in a year with key customers and regular feedbacks are encouraged by other customers. It is a Company's philosophy to redress all the customer complaints as early as possible. All the customer complaints received till the end of the financial year have been investigated, root cause identified, and corrective actions have been initiated.
Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information).	All the mandatory information as required to be displayed on the product label are being displayed. Any additional information may be provided based on customer requirement. • Additional information useful during transportation is provided in the form of TREM cards. TREM cards are provided with each consignment. Safety datasheet provides detailed information on the product, its properties and the aspects/hazards associated with the product. Handling & storage instructions as well as the risk mitigation measures are documented in the SDS.

Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on the end of the financial year? If so, provide the details thereof, in about 50 words or so.	No
Did your Company carry out any consumer survey / measure consumer satisfaction trends?	The Company undertakes customer surveys periodically. Additionally, the company is audited by customers as well as independent audit agencies. The information received from the customer surveys and audits is compiled and corrective actions are taken, where needed. The customer trends are measured and evaluated during management review meetings. The Company has documented procedures for conducting customer surveys and measuring customer satisfaction trends.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

The Company's philosophy on corporate governance is 'to attain right results through right means' by conducting business in the most efficient, responsible, honest, transparent and ethical manner. corporate governance goes beyond compliance and it involves Companywide commitment. The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long term enhancement of the shareholders/ stakeholders value and interest. It encompasses achieving the balance between shareholders' interest and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations.

Corporate governance is about commitment to values and about the ethical business conduct. The commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all its stakeholders. The Board has adopted a Board charter spelling out the role and responsibilities of the Board.

Our endeavour is to adopt the best governance and disclosure practice by providing the timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that the good corporate governance practices, is a key driver to sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

BOARD OF DIRECTORS:

As on March 31, 2021, the Company's Board consists of eight (8) members. The composition of the Board, as on March 31, 2021, is in conformity with the provisions of the Companies Act, 2013 ("the Act") and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended enjoining specified combination of executive and non-executive directors with at least one woman director and at least one-half of the Board comprising of independent directors for a Board chaired by an executive promoter director.

A brief profile of Directors seeking appointment / reappointment has been given in the notice convening the 32nd annual general meeting of the Company.

Composition:

Sr. No.	Category of Director	Name of Director
1	Promoter & Promoter Group	1. Mr. Ravi Goenka, Chairman & Managing Director
		2. Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy
		3. Mr. Rajeev Goenka, Non-Executive Director
2	Non-Promoter (Non-Independent)	4. Mr. Satej Nabar, Executive Director & CEO
3	Non-Promoter (Independent)	5. Mr. Omprakash V Bundellu
		6. Mr. Manish Chokhani
		7. Dr. Rajeev Vaidya
		8. Ms. Sangeeta Singh

Note:

- Mr. Vasudeo Goenka, former Non-Executive Chairman and Mr. Desh Verma, Non-Executive Director, have resigned from the Board w.e.f. November 25, 2020.
- The Directors mentioned at serial no. 3 above fall within the expression of "Independent Directors" as mentioned in regulation 16(1)(b) of the Listing Regulations.

Board Skill Matrix:

As required by Listing Regulations the matrix setting out the Skills / Expertise / Competencies that are identified and available within the Board of the Company for effective functioning are given below:

Name of Directors	Skills/Expertise/Competency
1. Mr. Ravi Goenka	Leadership/Operational Experience | Strategic Planning | Procurement |Global Chemical Industry | Finance, Regulatory/Legal & Risk Management | Industrial & Stakeholders Relations | Corporate Governance
2. Mr. Harshvardhan Goenka	Strategic Planning | Business Development | New Product/Chemistries Initiatives | Sales and Marketing | R & D & Innovation | Finance
3. Mr. Rajeev Goenka	Strategic Planning | General Management
4. Mr. Satej Nabar	Leadership/Operational Experience | Strategic Planning | General Management | Sales and Marketing | Procurement | Chemical Industry Expert | Manufacturing | Industrial Relations
5. Mr. Omprakash V Bundellu	Strategic Planning | Banking & Finance | Regulatory/Legal & Risk Management | Corporate Governance
6. Mr. Manish Chokhani	Strategic Planning | Finance & Accounting | Investment Banking & Capital Market | Regulatory/Legal & Risk Management | Stakeholders Relations | Corporate Governance
7. Dr. Rajeev Vaidya	Strategic Planning | Investment Banking | Global Chemical Industry | Stakeholders Relations | Corporate Governance
8. Ms. Sangeeta Singh	Strategic Planning | HR & People Management | Regulatory/Legal & Risk Management

Certificate from the Practicing Company Secretary:

A certificate from M/s GMJ & Associates, Practicing Company Secretary, a Company Secretary in practice (FCS No. 3706, C. P. No. 2324) has been obtained to the effect that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. This Certificate is attached and marked as **Annexure I** to this Report.

Independent Directors:

The independent directors of the Company fully meet the requirements laid down under regulation 16(1)(b) of the Listing Regulations. The Company has received a declaration from each of the independent directors confirming compliance with the criteria of independence as laid down under this regulation as well as section 149 (6) of the Act and rules made thereunder.

None of the independent directors of the Company had any material pecuniary relationship or transactions with the Company, its Promoters, its management during the financial year 2020-21 which in the judgment of the Board may affect independence of judgment of the such independent directors.

In the opinion of the Board, all the independent directors are independent of the management and satisfy the criteria of independence as defined under the Companies Act, 2013 and the Listing Regulations.

In accordance with the applicable provisions of the Listing Regulations, the Company has issued formal letters of appointment to all the independent directors. The terms and conditions of their appointment have also been disclosed on the website of the Company at https://www.laxmi.com/investors/investor-information

The maximum tenure of the independent directors is in compliance with the Act and Listing Regulations.

Limit on the number of directorships:

None of the Directors is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an independent director in more than 8 listed companies or 3 listed companies in case he/ she serves as whole-time director in any listed Company (as specified in regulation 17A of Listing Regulations). None of the executive directors are serving as an independent director in any other listed entity.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in regulation 26 of Listing Regulations.

Board Performance Evaluation:

The Company will devise a formal Policy for performance evaluation of the Board, committees and other individual Directors (including independent directors) which include criteria for performance evaluation of non-executive directors and executive directors. In the meanwhile, the Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy etc. At a separate board meeting, the performance of the Board, its committees, and individual directors was also discussed.

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

Succession Plan:

In the current financial year, the Board of Directors in consultation with the Nomination & Remuneration Committee, will design the succession plans for orderly succession for outgoing members of the Board of Directors and senior management personnel.

Familiarization Programme for Board members:

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and committee meetings on business and performance updates of the Company including finance, sales, marketing of the Company's major business segments, overview of business operations of major subsidiaries, global business environment, business strategy and risks involved.

Detailed presentations on the Company's business segments are made in separate meetings of the independent directors from time to time. Monthly / quarterly updates on relevant statutory, regulatory changes are periodically informed to the Directors. Visits to the plant locations are organised for the independent directors to enable them to understand and get acquainted with the operations of the Company.

A policy on familiarisation of independent directors is formed and is available under the investor section on the Company's website www.laxmi.com/investors/policies

Since the Company was listed on the stock exchanges on March 25, 2021, it did no impart familiarisation programme to independent directors as it was not applicable to the Company during the financial year under review.

Review of Legal Compliance Reports:

During the year under review, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared by the Management.

Board Meeting and Agenda:

The Board has the complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review among other things, quarterly performance of the Company and financial results. The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Whenever it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the presentations are made in respect thereof. The information as specified in regulation 17(7) of the Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) is regularly made available to the Board, whenever applicable, for discussion and consideration.

The Board has also adopted an effective post-meeting follow-up process wherein in the status of action taken reports of the previous meeting were placed in every meeting for the information of the Board members.

Meeting and attendance:

During the year under review, nine (9) meetings of the Board of Directors were held on May 13, 2020, September 30, 2020, October 30, 2020, November 25, 2020, December 15, 2020, February 23, 2021, February 28, 2021, March 4, 2021 and March 18, 2021. Details of the Directors and their attendance at the above-mentioned Board meetings and last Annual General Meeting held on November 24, 2020 are given below:

Name of the Director	Designation	Category	No. of Board Meetings attended	Attendance at last AGM
Mr. Vasudeo Goenka*	Chairman	Non-Executive	2	Yes
Mr. Ravi Goenka	Chairman & Managing Director	Executive	9	Yes
Mr. Desh Verma*	Non-Independent	Non-Executive	3	Yes
Mr. Satej Nabar	Executive Director & CEO	Executive	9	Yes
Mr. Harshvardhan Goenka#	Executive Director Business Development & Strategy	Executive	6	Yes
Mr. Rajeev Goenka	Non-Independent	Non-Executive	9	Yes
Mr. Manish Chokhani	Independent	Non-Executive	7	No
Mr. Omprakash V. Bundellu	Independent	Non-Executive	8	Yes
Ms. Sangeeta Singh	Independent	Non-Executive	8	No
Dr. Rajeev Vaidya$	Independent	Non-Executive	5	No

* Mr. Vasudeo Goenka and Mr. Desh Verma has been resigned from the Board w.e.f. November 25, 2020.

Mr. Harshvardhan Goenka was appointed as Executive Director w.e.f. November 1, 2020.

$ Dr. Rajeev Vaidya was appointed as independent director w.e.f. November 25, 2020.

Details of Directorship(s) and Committee membership(s) in Companies as on March 31, 2021:

Name of the Director	Directorship in other listed companies	Directorship in other unlisted companies	No. of committee* positions held in other listed companies		Names of other listed entities
			Chairman	Membership	
Mr. Ravi Goenka	NIL	11	NIL	NIL	NIL
Mr. Satej Nabar	NIL	NIL	NIL	NIL	NIL
Mr, Harshvardhan Goenka	NIL	6	NIL	NIL	NIL
Mr. Rajeev Goenka	NIL	18	NIL	NIL	NIL
Mr. Manish Chokhani	3	4	1	NIL	1. Shoppers Stop Limited 2. Zee Entertainment Enterprises Limited 3. Westlife Development Limited
Mr. Omprakash V. Bundellu	NIL	NIL	NIL	NIL	NIL
Ms. Sangeeta Singh	3	2	NIL	1	1. Alkem Laboratories Limited 2. SH Kelkar and Company Limited 3. Accelya Solutions India Limited
Dr. Rajeev Vaidya*	NIL	NIL	NIL	NIL	NIL

** only Audit Committee and Stakeholders Relationship Committee are considered for the purpose.*

Disclosure of relationships between Directors inter-se

None of the Directors except Mr. Ravi Goenka, Mr. Harshvardhan Goenka and Mr. Rajeev Goenka are related to each other within the meaning of "relative" under section 2(77) of the Companies Act, 2013.

Number of shares and convertible instruments held by Non- Executive Directors:

The details of equity shares of the Company held by non-executive directors as on March 31, 2021 are as under:

Name of the Director	Category	No. equity shares held
Mr. Rajeev Goenka	Non-Executive Director	481,375
Mr. Manish Chokhani	Independent Director	225,230
Mr. Omprakash V. Bundellu	Independent Director	56,310
Ms. Sangeeta Singh	Independent Director	NIL
Dr. Rajeev Vaidya	Independent Director	NIL

COMMITTEES OF BOARD OF DIRECTORS:

The following are the Committees of the Board:

AUDIT COMMITTEE:

The Audit Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under section 177 of the Act and regulation 18(1) of Listing Regulations. During the year under review the Audit Committee has been reconstituted on November 25, 2020. The Audit Committee presently comprises of three (3) Directors as under and all the members are financially literate as per the requirement of the Regulations:

Name of the Director	Category	Category
Mr. Omprakash V. Bundellu	Independent Director	Chairperson
Ms. Sangeeta Singh*	Independent Director	Member
Mr. Ravi Goenka	Chairman & Managing Director	Member

**Ms. Sangeeta Singh was inducted as the member of the Audit Committee in place of Mr. Manish Chokhani w.e.f. November 25, 2020*

The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met three (3) times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2021:

Members	Audit Committee Meetings during 2020-21		
	October 30, 2020	November 25, 2020	February 23, 2021
Mr. Omprakash V. Bundellu	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	NA
Mr. Ravi Goenka	Yes	Yes	Yes
Ms. Sangeeta Singh	NA	NA	Yes

The detailed terms of reference of the Audit Committee is available on the Company's website and can be accessed using following link: https://www.laxmi.com/investors/investor-information

NOMINATION & REMUNERATION COMMITTEE (NRC):

The NRC has been entrusted with all the required authority and powers to play an effective role as envisaged under section 178 of the Act and regulation 19(1) of Listing Regulations. During the year under review the Nomination & Remuneration Committee has been reconstituted on November 25, 2020. The NRC presently comprises of three (3) Directors as under:

Name of the Director	Category	Category
Ms. Sangeeta Singh	Independent Director	Chairperson
Mr. Manish Chokhani	Independent Director	Member
Dr. Rajeev Vaidya	Independent Director	Member

**Dr. Rajeev Vaidya was inducted as the member of the NRC in place of Mr. Vasudeo Goenka w.e.f. November 25, 2020 and Mr. Omprakash V Bundellu ceased to be a member of the NRC w.e.f. November 25, 2020.*

The Company Secretary acts as the Secretary to the NRC.

The NRC met four (4) times during the year and the following table gives the details of members and their attendance in NRC meetings held during the year ended March 31, 2021:

Members	NR Committee Meetings during 2020-21			
	May 13, 2020	October 30, 2020	November 25, 2020	January 27, 2021
Ms. Sangeeta Singh	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	LOA
Mr. Omprakash V Bundellu	Yes	Yes	Yes	NA
Dr. Rajeev Vaidya	NA	NA	NA	Yes
Mr. Vasudeo Goenka	Yes	Yes	NA	NA

The detailed terms of reference of the NRC is available on the Company's website and can be accessed using following link: https://www.laxmi.com/investors/investor-information

Remuneration of the Directors

A. Remuneration to Managing Director, Whole-time Director:

Sr. No	Particulars	Mr. Ravi Goenka, Chairman & Managing Director	Mr. Satej Nabar. ED & CEO	Mr. Harshvardhan Goenka, ED – Business Development and Strategy	Total
1	Gross Salary				
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	45.98	21.30	6.85	74.13
	b. Value of perquisites under section 17(2) of the Income Tax Act, 1961	2.91	-	-	2.91
	c. Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	30.00*	-	-	30.00
	As % of Profits	1.83%	-	-	-
	Others, Specify	-	-	-	-
5	Others, Specify (Performance Linked incentives)	-	8.91*	5.39*	14.29
	Total – (A)	**78.90**	**30.21**	**12.24**	**121.34**
	Ceiling as per Act	**₹ 164.13 million.**			

** These amounts have been provided in the accounts and have not been as on date. The same will be paid after the same has been approved by the members at the 32nd Annual General Meeting.*

B. Remuneration to Other Directors

Sr. No.	Name of Director	Category	Sitting Fees	Commission	Total
1	Mr. Vasudeo Goenka (till 25-Nov-2020)	Non- Executive Director	0.01	-	0.01
2	Mr. Desh Verma (till 25-Nov-2020)	Non- Executive Director	0.01	-	0.01
3	Mr. Rajeev Goenka	Non- Executive Director	0.03	-	0.03
4	Mr. Manish Chokhani	Independent Director	0.37	2.06	2.42
5	Mr. Omprakash V Bundellu	Independent Director	0.46	2.06	2.52
6	Ms. Sangeeta Singh	Independent Director	0.43	2.06	2.48
7	Dr. Rajeev Vaidya (From 25-Nov-2020)	Independent Director	0.28	0.71	0.99
	Total		**1.59**	**6.89**	**8.46**

The criteria for making payments to non-executive directors is available on the Company's website www.laxmi.com The Company has not granted any stock option to any of its non-executive directors.

Independent directors' meeting:

A separate meeting of the independent directors of the Company was held on March 26, 2021 without the attendance of non-independent directors and members of the Management. The independent directors reviewed (i) the performance of non-independent directors and the Board as a whole; (ii) the performance of the Chairman of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties. All independent directors attended the Meeting.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has formulated a Stakeholders' Relationship Committee ("SRC") in compliance with the regulation 20 of the Listing Regulations and section 178 of the Act on November 25, 2020. The SRC presently comprises of three (3) Directors as under:

Name of the Director	Category	Category
Mr. Manish Chokhani	Independent Director	Chairperson
Mr. Ravi Goenka	Chairman & Managing Director	Member
Mr. Harshvardhan Goenka	Executive Director - Business Development & Strategy	Member

The Company Secretary acts as the Secretary to the SRC.

Since the provisions for formulation and holding of meeting of Stakeholders' Relationship Committee was not applicable to the Company during the financial year under review, there were no meeting for the SRC.

The detailed terms of reference of the SRC is available on the Company's website and can be accessed using following link: https://www.laxmi.com/investors/investor-information

The status of complaints received from the investors during the year is as follows:

Particulars	Complaint Nos.
Complaints as on April 1, 2020	NIL
Complaints received during the FY 2020-21	NIL
Complaints disposed during the FY 2020-21	NIL
Complaints remained unsolved during as on March 31, 2021	NIL
Complaints not solved to the satisfaction of shareholder	NIL

Since the provisions regarding SRC were not applicable to the Company during previous AGM, the committee was formulated.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under section 135 of the Act. During the year under review the CSR Committee has been reconstituted on November 25, 2020.The CSR Committee presently comprises of three (3) Directors as under:

Name of the Director	Category	Category
Mr. Ravi Goenka*	Chairman & Managing Director	Chairperson
Ms. Sangeeta Singh**	Independent Director	Member
Mr. Rajeev Goenka	Non-Executive Director	Member

** Mr. Ravi Goenka was appointed as a Chairman of the CSR Committee in place of Mr. Vasudeo Goenka w.e.f. November 25, 2020.*
***Ms. Sangeeta Singh was inducted as the member of the CSR Committee w.e.f. November 25, 2020 and Mr. Omprakash V Bundellu ceased to be a member of the CSR Committee w.e.f. November 25, 2020.*

The Company Secretary acts as the Secretary to the CSR Committee. The CSR Committee met one (1) time during the year and the following table gives the details of members and their attendance in CSR meetings held during the year ended March 31, 2021:

Members	CSR Committee Meetings during 2020-21
	September 10, 2020
Mr. Ravi Goenka	Yes
Mr. Omprakash V Bundellu	Yes
Ms. Sangeeta Singh	NA
Mr. Rajeev Goenka	Yes
Mr. Vasudeo Goenka	NA

The detailed terms of reference of the CSR Committee is available on the Company's website and can be accessed using following link: https://www.laxmi.com/investors/investor-information

RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee (RMC) was constituted on November 25, 2020 in accordance with the regulation 21 of the Listing Regulations. The RMC presently comprises of three (3) Directors as under:

Name of the Director	Category	Category
Dr. Rajeev Vaidya	Independent Director	Chairperson
Mr. Satej Nabar	Executive Director & CEO	Member
Mr. Harshvardhan Goenka	Executive Director – Business Development & Strategy	Member

The Company Secretary acts as the Secretary to the RMC.

Since the provisions for formulation and holding of meeting of RMC were not applicable to the Company during the financial year under review, there were no meetings for the RMC.

The detailed terms of reference of the RMC is available on the Company's website and can be accessed using following link: https://www.laxmi.com/investors/investor-information

FINANCE COMMITTEE:

The Board has constituted the Finance Committee which looks at all matters relating to interest rate risk/FX risks/bank limits utilizations etc. This Committee is not mandatory as per the requirements of the Act. However, in order to manage the risk on financial matter and to monitor and mitigate Forex and Interest Risks, the Board has constituted this Finance Committee. The Finance Committee, as a risk mitigating, measures on FX risks and the Finance Committee monitors the hedge ratio of the FX exposure in EUR/USD from time to time and provide guidance. The Finance Committee also take note of the various economic factors and interest rate movement in the market and after deliberations gives guidance on the interest rate risk measures and the bank limits are accordingly monitored from time to time.

The Finance Committee presently comprises of three (3) Directors as under:

Name of the Director	Category	Category
Mr. Omprakash V. Bundellu	Independent Director	Chairperson
Mr. Ravi Goenka	Chairman & Managing Director	Member
Mr. Satej Nabar	Executive Director & CEO	Member
Mr. Partha Roy Chowdhury	President Corporate & CFO	Member

The Company Secretary acts as the Secretary to the Finance Committee.

The Finance Committee met three (3) times during the year and the following table gives the details of members and their attendance in NRC meetings held during the year ended March 31, 2021:

Members	Finance Committee Meetings during 2020-21		
	July 15, 2020	October 20, 2020	January 19, 2021
Mr. Omprakash V Bundellu	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes
Mr. Satej Nabar	NA	Yes	Yes
Mr. Partha Roy Chowdhury	Yes	Yes	Yes

CEO AND CFO CERTIFICATION:

The Executive Director & CEO and the CFO give an annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) read with Part B of Schedule II of the Listing Regulations. The annual certificate given by the Executive Director & CEO and the CFO in terms of regulation 17(8) is published as **Annexure II** to this Report.

COMPLIANCE CERTIFICATE OF THE PRACTICING COMPANY SECRETARY:

Certificate from M/s GMJ & Associates, Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations is attached as **Annexure III** to this Report.

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all members of the Board and Senior Management consisting of all the employees having grade 3.2 and above of the Company. The Code of Conduct is posted on the Company's website at https://www.laxmi.com/investors/policies . All the members of the Board and senior management personnel have affirmed compliance with the Code of Conduct of the Company for the period from April 1, 2020 to March 31, 2021. The declaration received from Mr. Ravi Goenka, Chairman & Managing Director in this regard is is attached as **Annexure IV** to this Report:

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected frauds, mismanagement, and violation of our Code of Conduct and Ethics. It also provides for adequate safeguard against victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee. The vigil mechanism / whistle blower policy is available on the Company's website at https://www.laxmi.com/investors/policies.

In addition to vigil mechanism, the Company has implemented a speak-up policy through which not only employees but also the business associates viz. vendors, consultants, retainers or advisors associate with the Company, are provided a tool to report any instance of fraud, abuse or misconduct, possible misconduct or malpractices at workplace. Amy one can access Speak up Committee through speak-up hotline number (1800-102-6969), speak-up hotline email (laxmi-speakup@integritymatters.in) or directly at Website (https://laxmi.integritymatters.in).

FRAMEWORK OF INSIDER TRADING:

The Company's shares are listed on the National Stock Exchange of India Limited and the BSE Limited. With a view to regulate insider trading, the Company has put in place a code of conduct to regulate, monitor and report trading of Company shares by insiders. During the year under review, the said Company's Code was amended in line with the amendments issued by SEBI from time to time. The Company Directors, key management personnel and designated employees and other insiders are informed about closure of the trading window prior to dissemination of price sensitive information. The said code of conduct is available on the Company's website at https://www.laxmi.com/investors/policies .

OTHER POLICIES MANDATED UNDER LISTING REGULATIONS:

Policy for Preservation of Document & Archival:

Pursuant to regulation 9 of Listing Regulations, The Board of Directors has adopted policy on preservation of documents. This policy envisages the procedure governing preservation of documents as required to be maintained under the various statutes viz. Companies Act, 1956, Companies Act, 2013 and rules issued there under from time to time, applicable Secretarial Standards, Listing Regulations SEBI (Prohibition of' Insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other applicable regulations under SEBI Act, 1992.

Pursuant to regulation 30(8) of Listing Regulations, every listed Company shall disclose on its website all such events or information which have been disclosed to the stock exchange(s) under regulation 30. Such disclosures shall be posted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company Accordingly, the Board of Directors has approved the 'Archival Policy'.

The policy for preservation of document & archival can be accessed from the Company's website at https://www.laxmi.com/investors/policies.

Policy for Determination of Material Events or Information:

Pursuant to regulation 30 of the Listing Regulations, the Board of Directors has adopted the policy for determination of material events or information. The objective of the policy is to ensure timely and adequate disclosure of material events or information. The policy can be accessed from the Company's website at https://www.laxmi.com/investors/policies.

Dividend Distribution Policy:

The Company's name has been included in the Top 500 list of companies for market capitalization as on March 31, 2021 by the stock exchanges where the equity shares of the Company are listed. As such, as per SEBI circular, it is mandatory for the Company to declare and follow a dividend distribution policy and the same is required to be disclosed the annual report / website of companies. Dividend distribution policy can be accessed from the website of the Company using following link: https://www.laxmi.com/investors/policies.

Policy on Related Party Transactions:

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions, in accordance with relevant provisions of the Act and Listing Regulations. The policy has been disclosed on the website of the Company at https://www.laxmi.com/investors/policies .

DISCLOSURE OF MATERIAL TRANSACTIONS:

Under regulation 26(5) of Listing Regulations, the senior management is required to make periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. During the year under review, there were no such transactions.

SHAREHOLDERS INFORMATION:

Corporate:

Our Company was incorporated as Laxmi Organic Industries Limited at Mumbai, Maharashtra as a public limited Company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989, issued by the Registrar of Companies ('RoC'). Our Company received a certificate for commencement of business on December 20, 1989, pursuant to the provisions of the Companies Act, 1956. During the year under review the Company made an initial public offering and got listed on March 25, 2021 at National Stock Exchange (India) Limited and BSE Limited. Trading opened at ₹ 155.50/- per share, compared to the IPO price of ₹ 130/- per share.

Unclaimed Dividend & Transfer to IEPF:

section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF. The Company confirms that there are no cases of unclaimed dividend with respect to past dividends and hence no such amount is required to be transferred to IEPF account.

Financial year:

The Company's financial year begins on April 1 and ends on March 31.

General Body Meetings:

Annual General Meeting:

Day and Date	Monday, July 26, 2021
Time	11.00 am
Venue	The Annual General Meeting ("AGM") would be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The venue of the meeting shall be deemed to be the Registered Office of the Company at A 22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
Participation through Video-Conferencing	Members can login from 10.45 am (IST) on the date of AGM at https://instameet.linkintime.co.in by using their remote e-voting login credentials and selecting the Event number for Company's AGM
Helpline Number for VC participation	022-49186175
Speaker Registration Before AGM	Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@laxmi.com or enotices@linkintime from July 19, 2021 (9:00 a.m. IST) to **July 23, 2021** (5:00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM
Dividend for FY21 recommended by Board	**₹ 0.50/- per share**
Dividend Record Date	**July 15, 2021**
Dividend payment date	**On or after July 31, 2021**
Cut-off date for e-voting	**July 19, 2021**
Remote E-voting start time and date	**July 23, 2021 at 9.00 am (IST)**
Remote E-voting end time and date	**July 25, 2021 at 5.00 pm (IST)**
Remote E-voting website of Link Intime	https://instavote.linkintime.co.in

In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of Listing Regulations – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the Listing Regulations, due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

The following table gives the details of the last three AGMs of the Company held:

Year	Day, Date and Time	No of Directors Present	Location
2019-20 (31st AGM)	Tuesday, November 24, 2020 at 12.00 noon	4	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2018-19 (30th AGM)	Thursday, September 5, 2019 At 12.00 Noon	5	
2017-18 (29th AGM)	Monday, September 24, 2018 At 12.00 Noon	6	

The following are the special business transacted at the AGMs held in last three years:

Meeting	Subject matter of resolution	Remarks
2019-20 (31st AGM)	1. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the period from April 1, 2020 till October 31, 2020 2. To approve the remuneration of Cost Auditors for the FY ended March 31, 2021 3. Confirm appointment of Mr. Harshvardhan Goenka as a Director of the Company 4. Approve appointment of Mr. Harshvardhan Goenka as a Whole-Time Director designated as Director – Business Development & Strategy 5. Approve revision in the remuneration paid to Mr. Ravi Goenka, Managing Director for the FY 2020-21 6. Sub-division of shares of the Company from ₹10 per share to ₹2 per share 7. Approval of increase in authorised share capital of the Company 8. Amendment of Memorandum of Association 9. Adoption of new sets of Articles of Association 10. Approve Employee Stock Option (ESOP-2020) 11. Approval of Initial Public Offering	All resolutions were passed with requisite majority
2018-19 (30th AGM)	1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2020 2. To re-appoint Mr. Omprakash V. Bundellu (DIN: 00032950) as an independent director 3. To re-appoint Mr. Manish Chokhani (DIN: 00204011) as an independent director	All resolutions were passed with requisite majority
2017-18 (29th AGM)	1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2019 2. Authorize the Board of Directors of the Company to borrow in excess of limit specified u/s 180(1)(c) of the Companies Act, 2013 3. Authorize the Board of Directors of the Company to create charge / mortgage on the movable and immovable assets of the Company both present and future u/s 180(1)(a) of the Companies Act, 2013 4. Approval for increase in authorized share capital of the Company and subsequent alteration to Memorandum of Association 5. Approval to alter Articles of Association of the Company 6. Approval to issue bonus shares 7. Approval for related Party Transactions to be undertaken by the Company during FY 2018-19	All resolutions were passed with requisite majority

Extraordinary General Meeting:

During the year under review, the Company has convened following extraordinary general meetings:

Meeting Date	Subject matter of the resolution	Remarks
June 15, 2020	1. Regularization of appointment of Mr. Satej Nabar 2. Appointment of Mr. Satej Nabar as Executive Director and CEO	All resolutions were passed with requisite majority
November 26, 2020	Regularization of appointment of Dr. Rajeev Vaidya	All resolutions were passed with requisite majority
February 24, 2021	Issue of equity shares on preferential allotment	All resolutions were passed with requisite majority
March 1, 2021	Issue of equity shares on preferential allotment	All resolutions were passed with requisite majority

During the year under review, the Company has not passed any special resolution through postal ballot.

Financial Calendar (Tentative): April 2020 To March 2021 :

Sr. No.	Particulars of Meetings	Actual/Tentative Dates
1	Audited Financial Results for the quarter and year ended March 31, 2021	Tuesday, May 25, 2021
2	Unaudited Quarterly Results for the Quarter ended June 30, 2021	Monday, August 9, 2021
3	32nd Annual General Meeting	Monday, July 26, 2021
4	Unaudited Quarterly Results for the Quarter and half year ended September 30, 2021	Within 45 days of the quarter and half year ending September 2020
5	Unaudited Quarterly Results for the Quarter and nine months ended December 31, 2021	Within 45 days of the quarter and nine months ending December 2020
6	Audited Annual Results for the quarter and year ended on March 31, 2022	Within 60 days of the quarter and year ending March 2021

Means of Communication:

Annual reports, notice of the meetings and other communications to the members are sent through email, post or courier. However, this year in view of the outbreak of COVID-19 pandemic, and considering the difficulties involved in dispatching the physical copies of the annual report and notice of the 32nd AGM, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 5, 2020 read with and General Circular No. 02/2021 dated January 13, 2021 and the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, directed the companies to send annual report and AGM notice only by email to all members of the Company. Therefore, the annual report and notice of the 32nd AGM is being sent to the members at their registered email addresses as per MCA and SEBI Circulars. Members are requested to refer to the notice of 32nd AGM containing detailed instructions to register/update email addresses.

Provisions relating to publication of quarterly results, newspaper publication were not applicable to the Company for the financial year under review. Further, the Company has not made any presentations to the institutional investors or to the analysts.

The Company's website www.laxmi.com has a separate section for investors where shareholders information is available. The Company also has a separate email id i.e. investors@laxmi.com for investor grievances.

Dematerialisation of Share:

The Company has obtained electronic connectivity of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate the members to hold their shares in demat mode. Further, the Company has 100% of its shareholding in the DEMAT form. The ISIN Number of the Company's shares is INE576O01020.

Details of the Registrar and Transfer Agent (RTA) & Share Transfer Systems:

Link Intime India Private Limited, Mumbai (SEBI Registration No. INR000004058) are acting as the Company's registrar and transfer agents to handle requests for transmission, transposition, dematerialization and rematerialization of equity shares. These activities are handled under the supervision of the Company Secretary who is also the Compliance Officer under the Listing Regulations.

ISIN Number	:	INE576O01020
Details of Share Transfer Agent	:	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083 Email: Mumbai@linkintime.co.in

Company Identification Number (CIN):

All the forms, returns, balance sheets and other documents filed with the Registrar of Companies (the 'ROC') are available for inspection at the official website of the Ministry of Corporate Affairs at www.mca.gov.in under the Corporate Identification Number (CIN): U24200MH1989PLC051736

Listing Details:

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

Name & Address of the stock exchange	Stock Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	LXCHEM
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	543277

Annual listing fees for the year 2020-21 have been paid to stock exchanges.

Market price data- high, low during each month in last financial year:

Since the Company got listed on March 25, 2021, there are no month wise market price data available. The market price for the month of March 2021 is as under:

National Stock Exchange of India Limited				BSE Limited			
Month	High Price (₹)	Low Price (₹)	Volumte (in lakhs)	Month	High Price (₹)	Low Price (₹)	Volume (in lakhs)
March – 21	194.40	143.25	1,107.33	March – 21	194.35	143.00	93.72

Source: NSE and BSE website

Performance in comparison to broad-based indices such as SENSEX and NIFTY:

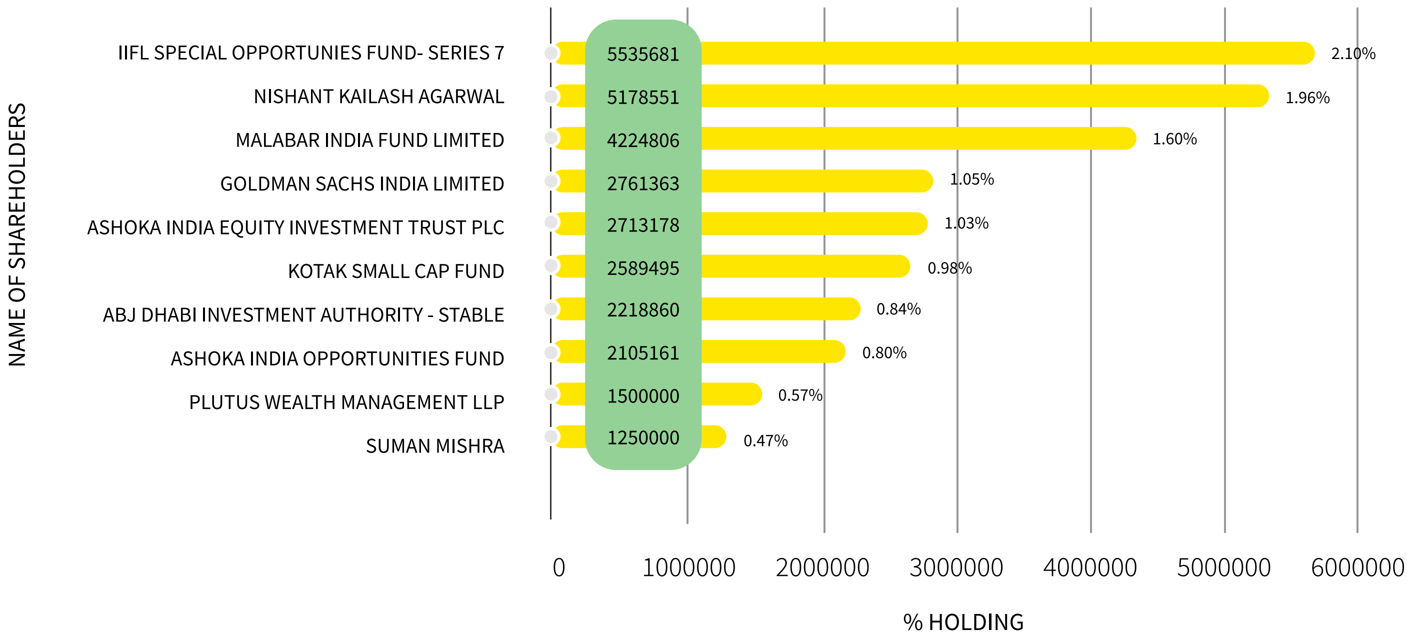
Since the Company got listed on March 25, 2021, the relevant historical data is not available for making comparison.

Shareholding:

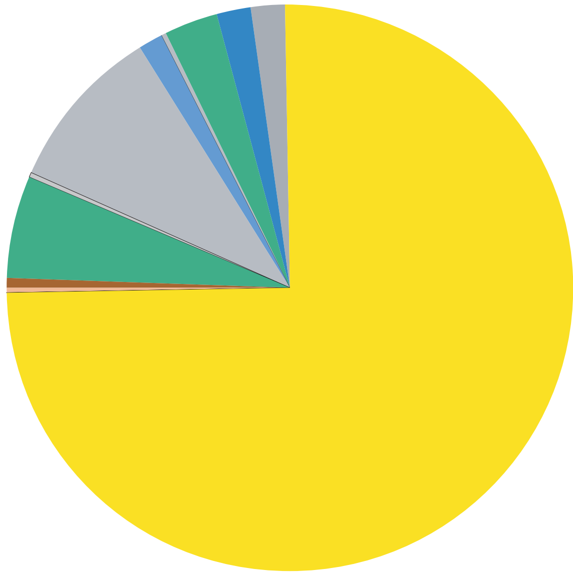
Promoter & Public Shareholding as on March 31, 2021:

Sr. No.	Category of the shareholder	Total number of shares	% of the holding
1.	Promoter and Promoter Group	19,22,62,806	72.92
2.	Public Shareholding	7,13,99,967	27.08
	Total	**263,662,773**	**100.00**

Top 10 Non-Promoter Shareholders as on March 31, 2021:



Category Summary as on March 31, 2021:



- Alternate Investment funds (2.13%)
- Cleaning Members (1.74%)
- Foreign Company (3.05%)
- Hindu Undivided Family (0.16%)
- Mutual Funds (2.70%)
- Non Resident (NOn Repartriable) (0.02%)
- Other Bodies Corporates (1.38%)
- Public (9.10%)
- Alternate Investment funds (0.45%)
- Financial Institution (0.02%)
- Foreign Portfolio Investors (Corporate) (5.54%)
- Insurance Companies (0.69%)
- Nationalised Banks (0.05%)
- Non Resident Indians (0.05%)
- Promoters (72.92%)
- Trusts (0.00%)

Distribution of shareholding as on March 31, 2021:

Sr. No.	Shareholding of Shares	No of Shareholders	% of No of Shareholders	Total Shares	% of Total Shares
1	1 to 2	4,194	4.29	5,626	0.00
2	3 to 10	8,248	8.43	59,566	0.02
3	11 to 50	18,676	19.09	583,060	0.22
4	51 to 100	11,517	11.77	935,503	0.35
5	101 to 200	49,394	50.49	5,873,596	2.23
6	201 to 500	3,387	3.46	1,149,333	0.44
7	501 to 1000	1,112	1.14	875,685	0.33
8	1001 to 5000	847	0.87	1,948,730	0.74
9	5001 to 10000	167	0.17	1,256,185	0.48
10	10001 and above	285	0.29	250,975,489	95.19
	Total	**97,827**	**100.00**	**263,662,773**	**100.00**

Commodity price risk or foreign exchange risk and hedging activities:

The Company is subject to commodity price risks due to fluctuation in prices of crude oil, chemicals, feedstocks and downstream petroleum products. Company's payables and receivables are in U.S. Dollars /Euro and due to fluctuations in foreign exchange prices, it is subject to foreign exchange risks. The Company has in place a robust forex risk management framework for identification and monitoring and mitigation of foreign exchange risks. Further the Finance Committee of the Board regularly meets in order to assess, identify, monitor, and mitigate the foreign exchange fluctuation risks. In the current year, the Risk Management Committee will design a robust risk management framework and policy to address all the kinds of risk to which the Company is exposed.

Registered office and other locations

The address of our registered office is A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra, India. The address of our corporate office is Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400021, Maharashtra, India.

Plant Locations

Factory (Unit I)	A-22/2/3, MIDC, Mahad Industrial Area, Dist- Raigad – 402 309
Factory (Unit II)	B-2/2, B-3/1/1, B-3/1/2, MIDC, Mahad Industrial Area, Dist- Raigad – 402 309
Distillery Unit (Jarandeshwar)	795/1, Village Chimangaon, Taluka Koregaon, District Satara
Distillery Unit (Panchganga)	Ganganagar, Taluka Hatkanangale, District Kolhapur

Address for correspondence:

Mr. Aniket Hirpara
Company Secretary and Compliance Officer
Laxmi Organic Industries Limited
3rd Floor, Chandermukhi Building,
Nariman Point, Mumbai - 400 021
CIN: U24200MH1989PLC051736
Tel. No.: 022 - 4910 4444
Email: investors@laxmi.com

Credit rating:

The necessary details on the Company's credit rating is disclosed in the directors report.

Other disclosures:

a) The Company's related party transactions are mainly with its subsidiaries and associate Company. All the contracts/ arrangements/ transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest.

b) The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited. There are no non-compliances during the period from listing of shares in relation to capital markets.

c) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adapting highest standards of professionalism and ethical behaviour. The Company is committed to developing a culture where it is safe for all directors/ employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Company has a whistle blower policy in place under which Director/ employee are free to raise concern. No person has been denied access to the Audit Committee.

d) The Company has complied with all mandatory requirements of regulation 34 of Listing Regulations.

e) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) Listing Regulations after its listing on exchanges on March 25, 2021.

f) During the year, recommendations made to the Board by the committees were accepted by the Board.

g) During the year under review, the statutory auditors of the Company M/s. Natvarlal Vepari & Co., Chartered Accountants were paid an aggregate remuneration of ₹7.39 million (including statutory audit fees of ₹2.75 million). Apart from the statutory auditors, its network firms have also provided other services to the Company and were paid an aggregate remuneration of ₹0.50 million.

Particulars of payments made to the statutory auditors and its network firms on consolidated basis (excluding taxes) are given below:

Particulars	Amount (₹ in million)
Audit fees including consolidation	2.75
Limited review audit	0.38
Tax audit fees	-
Certification & tax representations	0.26
Other services (audit fees relating to IPO)	4.00
Total	**7.39**

h) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Number
Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of the financial year	0

i) The Company has complied with requirement of corporate governance report of sub paras (2) to (10) of Part C of Schedule V of Listing Regulations.

j) It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and Clauses (b) to (i) of sub - regulation (2) of regulation 46 of the Listing Regulations.

k) The Company has complied with the discretionary requirements as specified in Part E of Schedule II, the details are mentioned as under :

a. **The Board**: Not Applicable since the Company has an Executive Chairperson.

b. **Shareholders rights:** Presently the Company is not sending half yearly communication.

c. **Modified opinion(s) in the audit report:** It is always the Company's endeavour to present unqualified financial statements. There are no audit modified opinions in the Company's financial statement for the year under review.

d. **Reporting of internal auditor:** The internal auditor is directly reporting to Audit Committee.

ANNEXURE I :
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations, 2015)

To,
The Board of Directors,
Laxmi Organic Industries Limited
Chandermukhi, 3rd Floor,
Nariman Point,
Mumbai – 400 021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Laxmi Organic Industries Limited (CIN : U24200MH1989PLC051736)** having registered office at A-22/2/3, MIDC, Raigad, Maharashtra-402309 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with regulation 34(3) read with Schedule V Para - C Sub-clause 10(i) of the Listing Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Ravi Vasudeo Goenka	00059267	15/05/1989
2.	Mr. Satej Nabar	06931190	01/04/2020
3.	Mr. Harshvardhan Goenka	08239696	24/11/2020
4.	Mr. Rajeev Goenka	00059346	12/08/1994
5.	Mr. Manish Chokhani	00204011	30/03/2012
6.	Mr. Omprakash V. Bundellu	00032950	21/02/2011
7.	Ms. Sangeeta Singh	06920906	29/09/2017
8.	Dr. Rajeev Vaidya	05208166	26/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**
Company Secretaries
Mahesh Soni
Partner
FCS: 3706 | **COP:** 2324
UDIN: F003706C000369632
Place: Mumbai
Date: May 25, 2021

ANNEXURE II :
CERTIFICATE OF EXECUTIVE DIRECTOR & CEO AND CFO

(As per provisions of regulation 17(8) of Listing Regulations)

To,
The Board of Directors of
Laxmi Organic Industries Limited
Mumbai

Dear Sirs / Madam,

Certificate under regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

In respect of the financial statements of the Company for the Year ended March 31, 2021, we hereby certify that:

A) We have reviewed financial statements and the Cash Flow Statement of the Company for the year ended as on March 31, 2021 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit Committee:

1. significant changes in the internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Laxmi Organic Industries Limited**

Satej Nabar
ED and CEO

Partha Roy Chowdhury
CFO

Place: Mumbai
Date: May 25, 2021

ANNEXURE III :
CERTIFICATE ON CORPORATE GOVERNANCE

Issued by practicing Company Secretary

To,
The Members of
Laxmi Organic Industries Limited
A 22/2/3, MIDC, Mahad,
Maharashtra – 402309

We have examined the compliance of conditions of Corporate Governance by **M/s. Laxmi Organic Industries Limited**, for the year ended on March 31, 2021, as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges. The equity shares of the Company were listed and admitted to dealings on National Stock Exchange of India Ltd. and BSE Ltd. on March 25, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**
Company Secretaries
Mahesh Soni
Partner
FCS: 3706 | **COP:** 2324
UDIN: F003706C000369632
Place: Mumbai
Date: May 25, 2021

ANNEXURE IV :
DECLARATION ON CODE OF CONDUCT

Declaration – Code of Conduct

Declaration under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) regulation, 2015:

All the members of the Board and the senior management personnel of the Company have for the year ended March 31, 2021, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Laxmi Organic Industries Limited**
Ravi Goenka
Chairman & Managing Director
Place: Mumbai
Date: May 25, 2021

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Laxmi Organic Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 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. We have determined that there are no key audit matters to be communicated in our report.

Other information

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises of the information included in the Board's report including the Directors Report, Management Discussions and Analysis, Summarized Financial Information, Corporate Governance and Shareholder's Information but does not include the financial statements and our Independent Auditors' Report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and designing, 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 statements 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. The Board of Directors is 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:

1. 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. 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, make 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 the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 the 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 Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The commission and performance linked incentive payable to the Chairman and Managing Director and the Executive Directors, although within the limit of section 197 of the Act, are subject to the Shareholder's approval in the ensuing Annual General Meeting (Refer Note 19(a) of the financial statements)

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:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
- There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Company.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 040441
Mumbai, Dated: May 25, 2021
UDIN : 21040444AAAABF2322

ANNEXURE A

To the independent auditors’ report on the financial statements of Laxmi Organic Industries Limited

(i) a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property Plant and Equipment.

b. Property Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the Company are physically lying with IDBI Trusteeship Services Limited, Security Trustee to the lenders towards security for charge created under the Loan Agreements. We have obtained the confirmation from IDBI trusteeship about the title deeds which are in the name of the Company are lying in their possession.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed between the book stock and the physical stocks were not material and they have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor’s Report) Order, 2016 is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) a. The Company has been generally regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. Ac cording to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as given below:

Name of the Statute	Nature of the dues	Disputed amount (₹ in millions)	Amount paid under protest	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Additions during assessments	2.29	-	AY 2013-14	Commissioner of Income Tax (Appeal)
Finance Act, 1994	Service tax demand	1.89	-	FY 2012- 2016	Yet to be filed before the Commissioner of CGST & Central Excise (Appeals)
Customs Act, 1962	Customs demand	3.39	0.13	FY 2012-2013	The Commissioner of Customs (Appeal)
Customs Act, 1962	Customs demand	26.63	1.00	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs demand	30.26	1.14	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs demand	1.00	-	Various	Dy. Commissioner of Customs (Audit)
VAT	VAT demand	2.33	-	FY 2010-11	Jt. Commissioner of Sales-tax
CST	CST demand	43.97	-	FY 2016-17	Deputy Commissioner of Sales-tax
Goods and Service Tax	GST- Trans-1	125.80	-	Various	Yet to be filed with Customs, Excise and Service Tax Appellate Tribunal

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.

(ix) During the year the company has raised money by way of public issue and the utilisation of the IPO proceeds up to March 31, 2021 is as per the purpose for which it was raised (Refer note 5(c)) and the unutilised portion is kept in bank and fixed deposits. The Company has also raised term loans during the year and the same have been applied for the purpose for which they were raised.

(x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The managerial remuneration paid and provided for the directors is within the limits specified under section 197 of the Companies Act 2013 and in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013 except for the commission and performance linked incentives payable to the Chairman and Managing Director and the executive directors as detailed in note 19(a) of the financial statements for which members approval is being sought in the ensuing annual general meeting.

(xii) The Company is not a nidhi company. Hence, clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standard.

(xiv) The company has made preferential allotment/Private Placement in the form of Pre-IPO placement of equity shares which formed part of the objects of the issue in the Initial Public Offer of the Company. On the basis of our verification and the information and explanation obtained, the Company has complied with the requirement of section 42 of the Act and the funds have been merged along with the IPO proceeds and have been utilised for the purpose listed in the Object of the issue (Refer note 5(c)) and the unutilised portion is kept in bank and fixed deposits.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 040441
Mumbai, Dated: May 25, 2021
UDIN : 21040441AAAABF2322

Annexure - B to the Auditors' Report

Report on the internal financial controls with reference to financial statements under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Laxmi Organic Industries Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statement 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 with reference to financial statements 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 designing, 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 040441
Mumbai, Dated: May 25, 2021
UDIN : 21040441AAAABF2322

Standalone Balance Sheet as at March 31,2021

(All figures are ₹ in million unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1.1	3,109.95	3,207.52
(b) Capital work-in-progress	1.3	598.80	229.26
(c) Other intangible assets	1.2	9.56	6.86
(d) Right-of-use assets	1.4	34.56	54.08
(e) Financial assets			
(i) Investments	2.1	231.49	46.49
(ii) Loans	2.3	110.38	99.48
(iii) Others	2.5	10.45	10.69
(f) Other non-current assets	3	443.23	78.90
		4,548.42	**3,733.28**
(2) Current assets			
(a) Inventories	4	1,703.13	1,443.56
(b) Financial assets			
(i) Investments	2.1	20.00	166.10
(ii) Trade receivables	2.2	3,846.87	3,166.53
(iii) Cash and cash equivalents	2.4	263.81	216.28
(iv) Other bank balance	2.4	5,078.26	122.16
(v) Loans	2.3	624.15	483.90
(vi) Others	2.5	366.53	435.11
(c) Other current assets	3	896.38	475.54
		12,799.13	6,509.18
Total assets		**17,347.55**	**10,242.46**
EQUITY & LIABILITIES			
EQUITY			
(a) Equity share capital	5	527.33	450.16
(b) Other equity	6	9,917.67	3,959.00
		10,445.00	**4,409.16**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities	7		
(i) Borrowings	7.1	98.66	901.53
(ii) Lease liability	7.2	9.78	29.96
(b) Provisions	8	35.43	28.36
(c) Deferred tax liabilities (net)	9	156.44	132.70
(d) Other non-current liabilities	10	-	-
		300.31	**1,092.55**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	113.57	81.62
(ii) Trade payables	12		
- total outstanding dues of micro and small enterprise		131.27	39.97
- total outstanding dues of other than micro and small enterprise		4,309.35	3,886.35
(iii) Lease liability	7.2	20.18	18.99
(iv) Other financial liabilities	7.3	1,768.17	528.82
(b) Provisions	8	129.52	117.68
(c) Current tax liabilities (net)	13	9.72	9.65
(d) Other current liabilities	10	120.46	57.67
		6,602.24	4,740.75
Total equity and liabilities		**17,347.55**	**10,242.46**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Standalone Statement of Profit & Loss for the year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I) INCOME:			
Revenue from operations (gross)	14	16,061.10	13,586.93
Other income	15	94.77	75.84
Total income (I)		**16,155.87**	**13,662.77**
II) EXPENSES:			
Cost of raw materials consumed	16	8,127.39	7,898.59
Purchase of traded goods	17	2,227.15	1,444.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	123.70	(34.30)
Employee benefits expense	19	868.55	625.61
Finance cost	20	153.40	128.70
Depreciation & amortisation	21	452.64	476.30
Other expenses	22	2,689.79	2,476.39
Total expenses (II)		**14,642.62**	**13,015.60**
Profit before exceptional items and tax (I-II)		**1,513.25**	**647.17**
III) Exceptional items	38	-	256.63
Profit before tax (II-III)		**1,513.25**	**903.81**
Tax expense	23	**287.74**	**117.60**
1. Current tax		264.00	158.80
2. Deferred tax liability / (asset)		23.74	(38.30)
3. Income tax (excess) / short provision of previous year		-	(2.90)
Profit for the period from continuing operations		**1,225.51**	**786.21**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit (net of tax)		(0.32)	(5.29)
Total other comprehensive income (net of tax)		**(0.32)**	**(5.29)**
Total comprehensive income for the year		**1,225.19**	**780.92**
Earnings per equity share (face value of share ₹ 2/- each)			
Basic (₹)	24	5.40	3.21
Diluted (₹)	24	5.38	3.21

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Standalone Statement of Cash flows for the year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit / (loss) before exceptional items and tax	1,513.25	647.17
Adjustments for:		
Depreciation and amortisation expense	452.64	476.30
(Profit) / loss on sale / write off of assets	6.85	0.12
Finance cost	134.52	116.18
Interest on direct tax	3.33	1.20
Interest income	(82.84)	(60.78)
Guarantee commission	(1.40)	-
Amortisation of upfront fees	5.51	2.07
Sales tax receivable written off	-	2.52
Profit on sale of investments	(4.60)	-
Provision/ (reversal) of expected credit loss	(0.15)	0.04
Sundry balances written back	(5.31)	(3.73)
Remeasurement gain on financial asset	-	(3.42)
ESOP compensation cost	46.36	-
Net unrealised exchange (gain) / loss	11.89	29.08
Total of non cash adjustments	**566.80**	**559.58**
Operating profit / (loss) before changes in working capital	**2,080.05**	**1,206.75**
Changes in working capital:		
Adjustments for (increase) / decrease i operating assets:		
Inventories	(259.57)	(175.62)
Trade receivables	(683.84)	(113.02)
Financial assets	(44.76)	(551.53)
Non financial assets	(425.94)	393.45
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	509.85	780.07
Non financial liabilities	64.19	26.75
Financial liabilities	229.25	(84.55)
Provisions	14.03	18.59
Total of changes in working capital	**(596.79)**	**294.14**
Cash generated from operations	**1,483.26**	**1,500.89**
Net income tax (paid) / refunds	(262.70)	(155.28)
Net cash flow from operating activities (A)	**1,220.56**	**1,345.61**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(714.85)	(316.12)
Proceeds from sale of property, plant and equipment	0.23	2.04
Advance paid towards purchase of equity	(200.00)	-
Capital advances	(163.32)	(16.52)
Movement in other bank balances	(4,956.21)	263.51
Capital contribution	(13.50)	
Purchase of investments	(1,705.00)	-
Sale of investments	1,689.60	-
Interest received	40.12	40.99
Net cash flow from investing activities (B)	**(6,022.93)**	**(26.10)**

C. Cash flow from financing activities		
Proceeds from issue of share capital (including securities premium)	5,000.00	-
Share issue expenses	(156.99)	-
Proceeds from long term borrowings	649.99	3,565.30
Repayment of long term borrowings	(439.14)	(3,406.33)
Net Proceeds from short term borrowings	31.95	(258.37)
Buy back of equity shares	-	(820.14)
Buy back tax	-	(80.40)
Interest paid	(135.24)	(110.70)
Lease Liabilities: Principal	(18.99)	(16.75)
Lease Liabilities: Interest	(2.91)	(4.23)
Dividends paid	(78.78)	(17.52)
Tax on dividend	-	(3.60)
Net cash flow from / (used in) financing activities (C)	**4,849.90**	**(1,152.74)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**47.53**	**166.77**
Cash and cash equivalents at the beginning of the year	216.28	49.50
Cash and cash equivalents at the end of the year	263.81	216.28
Exchange fluctuation	-	(0.01)
	47.53	**166.77**

Components of cash and cash equivalents

Cash on hand	2.57	2.66
Balances with bank	121.94	213.62
Fixed deposit	139.30	-
Total balance	**263.81**	**216.28**

Notes:

(i) Figure in brackets denote outflows

(ii) Refer note no. 7.1 (G) for reconciliation of liabilities from financing activities

Statement of significant accounting policies and explanatory notes forms an integral part of the standalone financial statements

In terms of our report attached.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Standalone Statement of changes in equity for the year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2021			As at March 31, 2020		
	Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance	45,016,395	10	450.16	50,045,405	10	500.45
Cancelled shares	(45,016,395)	10	-	-	-	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each(*)	225,081,975	2	-	-	10	-
Buy back of shares	-		-	(5,029,010)	10	(50.29)
Fresh issue of shares	38,580,798	2	77.16	-	10	-
Closing balance	**263,662,773**	**2**	**527.33**	**45,016,395**	**10**	**450.16**

*** Split of shares**

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

B. Other equity

Particulars	Retained Earnings	Capital Reserve	Security Premium	General Reserve	Capital Redemption Reserve	Share option outstanding account	Total
Balance as at April 1, 2019	**3,179.97**	**5.50**	**501.10**	**368.05**	**-**		**4,054.62**
Profit for the year	786.21	-	-	-	-	-	786.21
Dividend Paid	(17. 52)	-	-	-	-	-	(17.52)
Dividend Distribution Tax	(3.60)	-	-	-	-	-	(3.60)
Buyback tax paid	(80.40)	-	-	-	-	-	(80.40)
Re-measurement of net defined benefit plans	(5.29)	-	-	-	-	-	(5.29)
Ind-AS 116 Impact 'Leases'	(5.13)	-	-	-	-	-	(5.13)
Capital redemption reserve	-	-	-	(50.29)	50.29	-	-
Reserves utilised for buyback	-	-	(501.09)	(268.75)	-	-	(769.84)
Balance as at March 31, 2020	**3,854.24**	**5.50**	**-**	**49.01**	**50.29**	**-**	**3,959.04**
Profit for the year	1,225.51	-	-	-	-	-	1,225.51
Dividend Paid	(78.78)	-	-	-	-	-	(78.78)
Securities Premium on account of fresh issue of shares	-	-	4,922.84	-	-	-	4,922.84
Offer Expenses	-	-	(156.99)	-	-	-	(156.99)
Re-measurement of net defined benefit plans	(0.32)	-	-	-	-	-	(0.32)
ESOP Compensation Cost	-	-	-	-	-	46.36	46.36
Balance as at March 31, 2021	**5,000.65**	**5.50**	**4,765.85**	**49.01**	**50.29**	**46.36**	**9,917.66**

As per our report of even date

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors

Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Statement of significant accounting policies and other related notes to standalone financial statement

A. Corporate Information

Laxmi Organic Industries Limited (LOIL or The Company) is the Company, established in 1989 and is in the business of speciality chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products (DDP). DDP is a speciality chemical group, the technology and business of which has been acquired by LOIL from Clariant Chemicals India Limited.

During the year ended March 31, 2021, the Company has completed the Initial Public Offer ("The Offer / IPO"). The issue size was ₹ 5,000 million (including ₹ 3,000 million Pre IPO Placement. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE limited on March 25, 2021.

The standalone financial statements were authorised for issue in accordance vide resolution of the Board of Directors on May 25, 2021.

B. Basis of preparation

- The financial statement of the Company comprises the statement of assets and liabilities as at march 31, 2021, the statement of profit and loss (including other comprehensive income), the Statement of Changes in Equity, the Cash Flow Statement for the year ended March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively, the "Financial Statement"), as approved by the board of directors of the company as their meeting held on May 25, 2021.
- These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting standard) Rules 2016.
- These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the financial statements.
- The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.
- Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest million, except otherwise indicated.

C. Significant accounting judgments, estimates and assumption

- The preparation of financial statements requires management's judgments, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets or liabilities in future periods.

Estimates:

- The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

Judgments:

- The Company's management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a. Taxes:

The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

b. Defined benefit plans (gratuity benefits):

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 and mortality rates. 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.

Discount rate: The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

Mortality rate: It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

c. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d. Impairment of property, plant and equipment

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

e. Impairment of investment

For determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have estimated the future cash flow, capacity utilization, operating margins and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

f. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

g. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

D. Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;

- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- The Company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property, plant and equipment (PPE):

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.
- Long-term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- Capital work in progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.
- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind-AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised 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 income statement when the asset is derecognised.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind-AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

c) Intangible assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognised.

d) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 except in case of Property Plant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per useful life of assets mentioned in Schedule II to the Companies Act, 2013.

Lease hold land is amortized over the period of Lease.

e) Borrowing costs

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 an entity 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.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

f) Impairment of Non-financial Assets:

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset’s fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The recoverable amount is the higher between an asset’s fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

g) Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

i. Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Taxes, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method.

ii. Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii. Finished goods & semi-finished goods:

Finished Goods & semi-finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

iv. Stores and spares:

Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.

v. Traded goods:

Traded Goods are valued at lower of purchase cost and net realisable value.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Equity investment

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at fair value through profit and loss ("FVTPL"). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at fair value through other comprehensive income ("FVTOCI"), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

j) Foreign Currency Translation:

The Company's financial statements are presented in INR, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, contingent liabilities and contingent assets

A. Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the effective interest rate ("EIR") of the respective company.

B. Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

C. Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When anzz inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans ('ESOP')

Employee Share – based payment plans ('ESOP')- On the grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Share Based Payment Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

n) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o) Financial instruments

A. Financial assets:

i. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

ii. Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.
- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

  All other financial assets are measured at fair value through profit or loss.

  All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

iii. Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

a. the Company has transferred substantially all the risks and rewards of the asset, or

b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).
- The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at fair value through profit or loss

b. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied.

iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

v. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

vi. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss.

p) Revenue Recognition

A. Revenue from Operations :

The Company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 1, 2018, the company has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind-AS 115 replaces Ind-AS 18. The company has adopted Ind-AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind-AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind-AS 18. The adoption of Ind-AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

<u>Use of significant judgements in revenue recognition:</u>

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B. Other Operating Income / Other Income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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

Dividend income is recognised when the right to receive the same is established.

Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Financial guarantee income: Under Ind-AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes:

Tax expenses comprise Current Tax and Deferred Tax:

i. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases

With effective from April 1, 2019:

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development:

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share:

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade Payables & Trade Receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

- Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.
- Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

y) Segment Reporting

Segment reporting Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Notes to Standalone financial statements as at and for the period ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

1.1 Property, plant and equipment

Class of Assets	Land under lease	Factory building	Non factory building	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Windmill	Tangible Total
Cost										
As at April 1, 2019	29.37	528.72	240.63	3,264.11	51.33	16.17	11.86	53.06	22.31	4,217.56
Additions	-	58.35	0.19	324.68	1.11	1.64	5.06	14.87	-	405.91
Reclassified on account of adoption of Ind-AS 116	-	(16.53)	-	-	-	-	-	-	-	(16.53)
Disposals/ adjustments	-	-	-	-	-	-	-	7.69	-	7.69
As at March 31, 2020	**29.37**	**570.54**	**240.82**	**3,588.79**	**52.44**	**17.81**	**16.92**	**60.25**	**22.31**	**4,599.26**
Additions	-	82.29		245.17	4.56	1.49	4.66	1.32		**339.50**
Disposals/adjustments	-	-	-	14.50	-	-	-	3.00	-	**17.50**
As at March 31, 2021	**29.37**	**652.83**	**240.82**	**3,819.46**	**57.00**	**19.31**	**21.58**	**58.57**	**22.31**	**4,921.25**
Depreciation										
As at April 1, 2019	1.95	86.99	40.40	767.23	16.75	6.66	6.96	19.15	6.88	**952.96**
Reclassified on account of adoption of Ind-AS 116	-	(7.53)	-	-	-	-	-	-	-	**(7.53)**
Charge for the year	0.41	44.92	14.45	360.78	8.96	4.51	3.77	12.05	1.97	**451.82**
Disposals/adjustments	-	-	-	-	-	-	-	5.52	-	**5.52**
As at March 31, 2020	**2.36**	**124.38**	**54.85**	**1,128.01**	**25.71**	**11.17**	**10.73**	**25.68**	**8.85**	**1,391.73**
Charge for the year	0.41	45.42	11.65	346.32	6.83	2.89	4.02	10.73	1.71	**429.99**
Disposals/adjustments	-	-	-	7.65	-	-	-	2.77	-	**10.42**
As at March 31, 2021	**2.77**	**169.81**	**66.50**	**1,466.68**	**32.54**	**14.06**	**14.74**	**33.64**	**10.56**	**1,811.30**
NET BLOCK										
As at March 31, 2020	**27.01**	**446.16**	**185.97**	**2,460.79**	**26.72**	**6.65**	**6.20**	**34.57**	**13.47**	**3,207.52**
As at March 31, 2021	**26.59**	**483.02**	**174.32**	**2,352.79**	**24.46**	**5.25**	**6.84**	**24.93**	**11.75**	**3,109.95**

(All figures are ₹ in million unless otherwise stated)

1.2 Intangible asset

Class of Assets	Intangibles - Softwares	Total
Cost		
As at April 1, 2019	14.65	14.65
Additions	1.95	1.95
Reclassified on account of adoption of Ind-AS 116	-	-
Disposals/adjustments	-	-
As at March 31, 2020	16.60	16.60
Additions	5.82	5.82
Reclassified on account of adoption of Ind-AS 116		-
Disposals/adjustments	-	-
As at March 31, 2021	**22.42**	**22.42**
Depreciation		
As at April 1, 2019	5.20	5.20
Reclassified on account of adoption of Ind-AS 116	-	-
Charge for the year	4.54	4.54
Disposals/adjustments	-	-
As at March 31, 2020	**9.74**	**9.74**
Charge for the year	3.13	3.13
Disposals/adjustments	-	-
As at March 31, 2021	**12.86**	**12.86**
NET BLOCK		
As at March 31, 2020	**6.86**	**6.86**
As at March 31, 2021	**9.56**	**9.56**

1.3 Capital work-in-progress

Particulars	Opening balance	Addition during the year	Capitalized during the year	Closing balance
March 31, 2021	**229.26**	**688.66**	**319.12**	**598.80**
March 31, 2020	314.79	285.83	371.35	229.26

(All figures are ₹ in million unless otherwise stated)

1.4 Right-of-use asset

Class of Assets	Right of Use		Total
	Building	Land(*)	
Cost			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind-AS 116	-	16.53	16.53
Transition impact on account of Ind-AS 116 "Leases"	64.89	-	64.89
Additions	0.12	-	0.12
Disposals/adjustments	-	-	-
As at March 31, 2020	**65.01**	**16.53**	**81.54**
Additions	-	-	**-**
Disposals/adjustments	1.61	-	**1.61**
As at March 31, 2021	**63.40**	**16.53**	**79.93**
Depreciation			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind-AS 116	-	7.53	7.53
Charge for the year	19.51	0.42	19.93
Disposals/adjustments	-	-	-
As at March 31, 2020	**19.51**	**7.95**	**27.46**
Charge for the year	19.10	0.42	**19.52**
Disposals/adjustments	**1.61**	-	**1.61**
As at March 31, 2021	**37.00**	**8.37**	**45.37**
NET BLOCK			
As at March 31, 2020	**45.50**	**8.58**	**54.08**
As at March 31, 2021	**26.40**	**8.16**	**34.56**

Notes

A) (*)The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the Company is entitled to operate the Distillery till February 2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

B) The gross block under each of the heads of fixed assets relating to the aforesaid BOT agreement is as follows:-

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	**16.53**	16.53
Plant and equipment	**128.23**	128.23
Furniture & fixture	**0.23**	0.23
Office equipment	**0.01**	0.01
Computers	**0.07**	0.07
Technical know-how	**0.07**	0.07
Total	**145.13**	**145.13**

1.5 Details of additions made during the year w.r.t research and development

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	**4.03**	1.14
Plant and equipment	**32.63**	10.03
Computers	**0.78**	0.11
Furniture and fixtures	**4.37**	-
Total	**41.81**	**11.28**

(All figures are ₹ in million unless otherwise stated)

2) Financial Assets

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
2.1 (A) Investments in Subsidiaries, Joint Ventures and Associates (Unquoted at cost)	Non-current		Current	
i) Equity instrument of subsidiaries				
Laxmi Organic Industries (Europe) B.V. of Euro 100 each (180 shares (March 31, 2020: 18 0 shares))	1.26	1.26	-	-
Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2020: 34 shares))	1.10	1.10	-	-
Laxmi Speciality Chemicals (Shanghai) Co. Limited of RMB 3,00,000* (1 share (March 31, 2020: 1 share))	2.98	2.98	-	-
Cellbion Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2020: 10,000 shares))	39.95	39.95	-	-
Laxmi Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2020: 10,000 shares))	0.10	0.10	-	-
Viva Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2020: 10,000 shares))	0.10	0.10	-	-
Yellowstone Fine Chemicals Private Limited of ₹ 10 each (1,00,000 shares (March 31, 2020: 1,00,000))*	1.00	1.00	-	-
Yellowstone Speciality Chemicals Private Limited of ₹ 10 each (1,00,000 shares (March 31, 2020: Nil shares))*	1.00	-	-	-
ii) Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	-	-	-
(B) Investments in preference shares (Unquoted at amortised cost)				
4% Cumulative redeemable preference shares **Laxmi Organic Industries (Europe) B.V** of Euro 20,00,000 each (1 share (March 31, 2020: 1 share))	171.50	-	-	166.10
(C) Investments in mutual funds (Quoted) Investments at fair value through P&L (fully paid) SBI overnight Fund - Direct Growth	-	-	20.00	-
Total	**231.49**	**46.49**	**20.00**	**166.10**

a. Laxmi Organic Industries (Europe) B.V. has issued one cumulative preference share to Laxmi Organic Industries Limited @20,00,000 Euro redeemable on August 28, 2020. The term of the said preference share is further extended for two years vide agreement dated August 28, 2020 till August 28, 2022. The above preference share carry dividend coupon rate of 4%.

b. In the financial year 2019-20, the Company subscribed to the memorandum of association of two of its subsidiaries. This was recognised as investments as at March 31, 2020 with the creation of a corresponding liability.
Laxmi Speciality Chemicals (Shanghai) Co. Limited
The subsidiary was incorporated on September 5, 2019 and the payment for the aforesaid equity capital subscription is made on July 17, 2020.
Yellowstone Fine Chemicals Private Limited
The subsidiary was incorporated on March 3, 2020 and the payment for the aforesaid equity share subscription is made on May 27, 2020.

c. **During the current year the Company has made following investments:**
Yellowstone Speciality Chemicals Private Limited
The subsidiary is incorporated on April 24, 2020 and the payment for the aforesaid equity share subscription is made on same day.
Cleanwin Energy One LLP
On January 25, 2021, the Company has been inducted as a partner in Cleanwin Energy One LLP (“Cleanwin”) pursuant to an acquisition of 26% stake in Cleanwin.

(All figures are ₹ in million unless otherwise stated)

(d) Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2021 of the loans given, investments made, guarantees given and security provided by the Company:

Sr. No.	Name of Party	Purpose of Loan	2020-21	2019-20
1	Viva Lifesciences Private Limited	Loan for project	375.85	483.90
2	Laxmi Speciality Chemicals (Shanghai) Co. Limited	Investment	-	2.98
3	Yellowstone Fine Chemicals Private Limited	Investment	-	1.00
4	Yellowstone Fine Chemicals Private Limited	Loan for project	174.90	-
5	Yellowstone Speciality Chemicals Private Limited	Investment	1.00	-
6	Laxmi Lifesciences Private Limited	Loan for corporate purposes	-	0.03
7	Cleanwin Energy One LLP	Investment	12.50	-
8	Viva Lifesciences Private Limitedt	Corporate guarantee for borrowings	1,700.00	-
9	Laxmi Petrochem Middle East FZE	Standby letter of credit for borrowings	164.50	327.93

(e) Market value disclosure of investments:

Particulars	As At March 31, 2021	As At March 31, 2020
Aggregate of quoted investments		
Book value	20.00	-
Market value	20.00	-
Aggregate of unquoted investments	231.49	212.59

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
2.2 Trade receivables (Unsecured, at amortised cost)	**Non-currentt**		**Current**	
Considered good	-	-	3,849.69	3,169.51
Less:- Allowance for expected credit loss	-	-	(2.82)	(2.98)
Total	**-**	**-**	**3,846.87**	**3,166.53**

(All figures are ₹ in million unless otherwise stated)

Expected credit loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss. However, the life time credit loss is provided on case to case basis.

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

(a) Movement in allowance for credit loss

Particulars	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the period	2.98	2.94
Addition during the year	-	0.04
Reversal during the year	(0.16)	-
Provision at the end of the period	**2.82**	**2.98**

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
2.3 Loans (at amortised cost)	**Non-current**		**Current**	
(Unsecured, considered good)				
Security deposit	43.72	40.32	30.00	-
Loans to related party	66.66	59.16	594.15	483.90
Total	**110.38**	**99.48**	**624.15**	**483.90**
Details of related party:				
Cellbion Lifesciences Private Limited	66.64	59.14	-	-
Viva Lifesciences Private Limited	-	-	419.25	483.90
Yellowstone Fine Chemicals Private Limited	-	-	174.90	-
Laxmi Lifesciences Private Limited	0.03	0.03	-	-
Total	**66.66**	**59.16**	**594.15**	**483.90**

(All figures are ₹ in million unless otherwise stated)

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
2.4 Cash and bank balances	**Non-current**		**Current**	
A) Cash and cash equivalents				
Balances with banks	-	-	121.94	213.62
Cash on hand	-	-	2.57	2.66
Fixed deposit (original maturity within 3 months)	-	-	139.30	-
Total (A)	**-**	**-**	**263.81**	**216.28**
B) Other bank balances				
With monitoring agency (for IPO proceeds)	-	-	0.47	-
Escrow account for IPO expenses	-	-	243.42	-
Fixed deposit (from IPO proceeds)	-	-	4,756.00	-
Fixed deposit against margin money	-	-	78.37	122.16
Total (B)	**-**	**-**	**5,078.26**	**122.16**
Total (A + B)	**-**	**-**	**5,342.07**	**338.44**

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
2.5. Other financial assets	**Non-current**		**Current**	
(Unsecured considered good unless otherwise stated)				
Advance to staff	0.59	0.94	2.19	1.84
Interest accrued receivable				
From related parties	-	-	56.82	21.34
From banks	-	-	10.59	1.68
From others	-	-	1.24	2.91
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	9.86	9.75	-	-
Insurance claim receivable (Refer Note (a) below)	-	-	38.47	41.51
Amount receivable on hedging transactions	-	-	-	47.55
Other receivables (Refer Note (b) below)	-	-	238.26	302.38
Other receivable from related party	-	-	18.96	10.77
Unbilled revenue	-	-	-	5.13
Total	**10.45**	**10.69**	**366.53**	**435.11**
Details of related party:				
Laxmi Petrochem Middle East FZE	-	-	15.09	13.59
Yellowstone Fine Chemicals Private Limited	-	-	9.49	0.35
Viva Lifesciences Private Limited	-	-	51.20	18.18
Laxmi Lifesciences Private Limited	-	-	0.03	0.00
Total	**-**	**-**	**75.80**	**32.11**

(a) Insurance claim receivable

In the previous year 2019-20, the Company's Unit 2 situated at Mahad was affected by floods. The floods resulted in loss of Inventory and major necessary repairs to plant and machinery were carried out and the expenses were claimed from the insurer. The Surveyor, pursuant to the survey of the claim and the loss, had approved and recommended the loss of ₹ 38.47 million towards inventory and repairs cost which is accounted as receivable from insurance company. The relevant credits are given to the inventory consumption and expenditure incurred on repairs.

(b) Other receivables

The amount includes amount in respect of the electricity duty refund and VAT/CST refunds as detailed in note no. 38.

(All figures are ₹ in million unless otherwise stated)

3. Other assets

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Capital advance	179.84	16.52	-	-
Prepaid expenses	1.22	0.96	23.19	13.83
Prepaid upfront fees	-	16.30	10.79	-
Prepaid taxes (net of provision)	3.88	3.88	-	-
Balance with government authorities	58.29	41.23	213.42	105.21
Advances to supplier				
Considered good	-	-	573.11	314.89
Considered doubtful	-	-	27.72	27.72
			600.83	**342.61**
Less : Impairment of doubtful advances	-	-	27.72	27.72
			573.11	**314.89**
Export incentive receivable (Refer note (a) below)	-	-	50.28	9.27
Export licenses on hand	-	-	0.27	18.90
Other receivables			25.32	13.44
Advance against shares (Refer note (b) below)	200.00	-	-	-
Total	**443.23**	**78.90**	**896.38**	**475.54**

a) Export incentive receivable

The Company has accrued an export incentive amounting to ₹ 46.67 million on the basis of the extant EXIN policy of the Government of India upto December 31, 2020 as the scheme has been discontinued since then. Out of the aforesaid amount of ₹ 46.67 million, the Company has logged the claim amounting to ₹ 18.26 million to the department and the balance application is pending to be lodged as there are some system issues on the portal for making the claim.

(b) Advance against shares

The Company has entered into a Share Purchase Agreement (SPA) dated December 9, 2020 with Ravi Goenka, Harshvardhan Goenka, Yellowstone Chemical Private Limited and Acetyl Holding Private Limited (Related parties) for the purpose of acquisition of Yellowstone Chemical Private Limited. In accordance with the said SPA, the Company have on December 9, 2020 made an aggregate payment of ₹ 200.00 million to Ravi Goenka and Harshvardhan Goenka towards the purchase consideration. The balance consideration payable has been disclosed as capital commitments in the financial statements (Refer note 26).

4) Inventories (at lower of cost and net realisable value)

Particulars	As At March 31, 2021	As At March 31, 2020
Raw material	1,208.70	849.45
Work-in-progress	25.91	47.95
Finished goods (Goods in transit of ₹ 73.35 million (March 31, 2020: ₹ 3.35 million))	297.63	399.29
Consumable stores and spares	129.39	129.28
Fuels and consumables	31.85	10.21
Packing material	9.65	7.38
Total	**1,703.13**	**1,443.56**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind-AS 2 is as follows:

Particulars	2020-21	2019-20
Amount of inventories recognised as an expense during the period.	11,337.99	10,159.47
Amount of write - down of inventories recognised as an expense during the period.	2.66	17.56
	11,340.65	**10,177.03**

(All figures are ₹ in million unless otherwise stated)

5) Equity share capital

Particulars	As At March 31, 2021	As At March 31, 2020
i) Authorised shares: 305,000,000 equity shares of face value of ₹ 2/- each (March 31, 2020: 51,000,000 equity share of face value of ₹ 10/- each))	610.00	510.00
	610.00	**510.00**
ii) Issued, subscribed and paid-up shares: 263,662,773 equity shares of face value of ₹ 2/- each (March 31, 2020: 45,016,395 equity shares of face value of ₹ 10/- each)	527.33	450.16
	527.33	**450.16**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Particulars	As At March 31, 2021		As At March 31, 2020	
	Number	Amount	Number	Amount
Opening balance (face value of ₹ 10/- each)	45,016,395	450.16	50,045,405	500.45
Cancelled shares (face value of ₹ 10/- each)	(45,016,395)	-	-	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	225,081,975	-	-	-
Buy back (face value of ₹ 10/- each)	-	-	(5,029,010)	(50.29)
Fresh issue (face value of ₹ 2/- each	38,580,798	77.16	-	-
Closing balance (March 31, 2021: face value of ₹ 2/- each and March 31, 2020: face value of ₹ 10/- each	**263,662,773**	**527.33**	**45,016,395**	**450.16**

(*) Split of shares
Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

(b) Initial Public Offer

During the year the Company completed the Initial public offer ("The Offer / IPO") of 46,153,846 equity shares of face value of ₹ 2/- each at a price of ₹ 130/- per share (including a premium of ₹ 128/- per share) aggregating to ₹ 6,000.00 million.

The Offer comprised of a fresh issue of 23,076,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 23,076,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 15,503,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million ("Pre-IPO Placement").

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company's share of IPO related expenses of ₹ 156.99 million resulting in net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE on March 25, 2021.

(All figures are ₹ in million unless otherwise stated)

(c) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows:

Particulars	Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited	1,793.14	42.97	1,750.17
Funding working capital requirements of the Company	351.78	-	351.78
Funding capital expenditure requirements for expansion of the Speciality Intermediates (“SI”) Manufacturing Facility	910.63	-	910.63
Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65
General corporate purposes (net of issue expenses)	637.29	-	637.29
Investment in Yellowstone Fine Chemical Private Limited (“YFCPL”) for part-financing its capital expenditure requirements in relation to the setting up of the proposed facility	604.04	-	604.04
Investment in YFCPL for funding its working capital requirements	377.41	-	377.41
Total	**4,799.94**	**42.97**	**4,756.97**

(*) Balance of IPO proceeds as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under Other bank balances (Refer note 2.4).

d) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

e) Details of shareholders holding more than 5% shares in the Company

Particulars	As At March 31, 2021		As At March 31, 2020	
	Number of shares	%	Number of shares	%
Ravi Goenka as a Trustee of Yellow Stone Trust	176,861,359	67.08%	40,186,120	89.27%

f) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

g) On January 30, 2019 the Company has issued Bonus shares - (40,036,324 shares) to all its existing shareholders in the ratio of 4:1 shares at face value of ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

h) On January 01, 2020 the Company completed buy back of 5,029,010 equity shares (of face value of ₹ 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of ₹ 820.14 million. The buy back was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 5,029,010 equity shares of face value of ₹ 10/- each and has created Capital Redemption Reserve amounting to ₹ 50.29 million by debiting the balance in General Reserve.

i) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

j) Shares reserved for issue under stock option plan to employees are detailed in note no 33.

(All figures are ₹ in million unless otherwise stated)

6) Other equity

Particulars	As At March 31, 2021	As At March 31, 2020
i) Retained Earnings	5,000.65	3,854.24
ii) General Reserve	49.01	49.01
iii) Securities Premium	4,765.85	-
iv) Capital Reserve	5.50	5.50
v) Capital Redemption Reserve (Refer note 5(h) above)	50.29	50.29
vi) Share Option Outstanding Account (Refer note 33)	46.36	-
Total	**9,917.67**	**3,959.05**

7) Financial liabilities (at amortised cost)

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
7.1 Long term borrowings				
(a) Term loans :				
Rupee term loan from bank	386.11	641.67	255.56	180.56
Rupee term loan from NBFC	472.71	83.33	171.90	16.67
Foreign currency loan from bank	92.10	165.77	73.68	73.68
Foreign currency loan from Multi Lateral Agency (IFC)	-	-	-	75.39
(b) Vehicle loans :				
Vehicle Loans - other than bank	0.08	1.04	0.95	0.87
(c) Government grant	6.48	9.72	3.24	3.24
	957.47	**901.53**	**505.33**	**350.41**
Less: Disclosed in Other current financial liabilities (Refer Note 7.1 F)	(858.81)	-	(505.33)	(350.41)
Total	**98.66**	**901.53**	**-**	**-**
The break-up of above:				
Secured	950.99	891.81	502.09	347.17
Unsecured	6.48	9.72	3.24	3.24
	957.47	**901.53**	**505.33**	**350.41**

Notes:

A) Term loan includes :

i) Rupee term loan from banks (HDFC Bank Ltd):

Tenure of loan: max 60 months

Repayment: 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement

Interest :
Linked with HDFC Bank 1 year MCLR + 25 bps for ₹ 500 million
Linked with HDFC Bank 1 year MCLR + 70 bps for ₹ 200 million and,
Linked with HDFC Bank 1 year MCLR + 65 bps for ₹ 400 million which the Company has availed in the month of Nov 2019

ii) Rupee term loans from NBFC (Axis Finance Ltd):

Tenure of loan: max 60 months
Repayment: 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from September 30, 2020
Interest : Linked with 1 year MCLR + 115 bps for sanctioned term loan of ₹ 750 million

(All figures are ₹ in million unless otherwise stated)

iii) Foreign currency term loans from bank (Citi Bank NA, Jersey) :

15 equal quarterly installments in foreign currency starting from October 2019.

Interest is payable @ 3 months USD Libor plus 175 bps p.a.

The Company converted this ECB into INR loan under CCY SWAP on April 2, 2019 at fixed interest rate of 7.90% p.a.

iv) Foreign currency loan from Multi Lateral Agency (IFC):

10 half yearly installments from December 2015 .

Interest rate is six months Libor plus 400 bps.
During the year the loan is fully repaid.

B) Security of term loans :

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist Raigad Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad

c) First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (Note: This is not applicable to loan taken from I.F.C.)

d) Second pari passu charge on entire current assets of the Company.

C) Vehicle loan:
Vehicle loan is secured against the same vehicle for which loan is taken. The charge on the vehicle taken is yet to be registered.

D) Government grant:
There are multiple interest free sales tax loans which are repayable in five installments from their due date . The Company has outstanding of ₹ 9.72 million as at March 31, 2021 (March 31, 2020: ₹ 12.96 million). The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity profile of long term borrowings:

Particulars	As At March 31, 2021*	As At March 31, 2020
Instalment payable within one year	505.33	350.40
Instalment payable between 1 to 2 years	448.90	355.65
Instalment payable between 2 to 5 years	508.60	545.89
Instalment payable beyond 5 years	-	-
Total	**1,462.82**	**1,251.95**

*** Before reclassification of long term borrowings in to Current liabilities (Refer note 7.1 F)**

F) Borrowing classified as current liabilities
One of the objects of the IPO of the Company is repayment of the relevant long term loans of the Company. Accordingly, to the extent that loans are being repaid out of the IPO proceeds, the same are re-classified as current liabilities.

(All figures are ₹ in million unless otherwise stated)

G) As per the Amendment to Ind-AS 7 " Statement of Cash Flow "

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Balance as at March 31, 2019	**746.06**	**339.99**	**340.69**	**1,426.73**
Changes from financing cash flows	499.66	(294.62)	(340.69)	**(135.64)**
Effect of changes in foreign exchange rates	6.21	-	-	**6.21**
Proceeds from bill discounting	-	36.25	-	**36.25**
Other changes (transfer within categories)	(350.41)	-	350.41	**-**
Balance as at March 31, 2020	**901.53**	**81.62**	**350.41**	**1,333.56**
Changes from financing cash flows	561.26	-	(350.41)	**210.85**
Effect of changes in foreign exchange rates	-	-	-	**-**
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 7.1 F)	(858.82)	-	-	**(858.82)**
Proceeds from bill discounting	-	31.95	-	**31.95**
Other changes (transfer within categories)	(505.33)	-	505.33	**-**
Balance as at March 31, 2021	**98.64**	**113.57**	**505.33**	**717.54**

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
7.2) Lease liability	**Non-current**		**Current**	
Lease liability (Refer note 32)	9.78	29.96	20.18	18.99
Total	**9.78**	**29.96**	**20.18**	**18.99**

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
7.3) Other financial liabilities (at amortised cost)	**Non-current**		**Current**	
Current maturity of long term borrowings	-	-	505.32	350.41
Borrowings payable out of IPO proceeds (Refer Note 7.1 F above)	-	-	858.82	-
Payable for capital goods	-	-	211.01	109.85
Interest accrued on financial liabilities	-	-	10.68	14.31
Deposit received	-	-	10.80	10.40
Staff salary and other payable	-	-	151.59	39.87
Amount payable on hedging transactions	-	-	4.77	-
Amount payable for investments in subsidiary	-	-	-	3.98
Amount payable to related party	-	-	15.18	-
Total			**1,768.17**	**528.82**
Details of related party:				
Viva Lifesciences Private Limited	-	-	15.18	-
Total	**-**	**-**	**15.18**	**-**

(All figures are ₹ in million unless otherwise stated)

8) Provisions

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2020	As At March 31, 2020
	Non-current		Current	
Provision for employee benefits:				
Leave encashment	35.43	28.36	13.70	10.90
Gratuity	-	-	15.49	14.58
Provision for sales return			14.43	10.86
Provision for tax (net of advances)	-	-	85.90	81.34
Total	**35.43**	**28.36**	**129.52**	**117.68**

(a) Disclosure under Ind-AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Provision for sales return

As at	Opening Balance	Addition during the period	Utilised during the year	Closing Balance
March 31, 2021	10.86	44.99	41.42	14.43
March 31, 2020	5.66	29.04	23.84	10.86

(b) Disclosures as required by Indian Accounting Standard (Ind-AS) 19 Employee Benefits

The Company has carried out the actuarial valuation of gratuity and leave encashment liability under actuarial principle, in accordance with Ind-AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2020 : ₹ 2.00 million). The Company's gratuity liability is entirely funded and leave encashment is non-funded.

(All figures are ₹ in million unless otherwise stated)

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as under:

Particulars	As At March 31, 2021	As At March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	48.04	33.93
Current service cost	7.96	6.21
Interest cost	2.95	2.52
Actuarial (gain) /loss - Other comprehensive income	0.49	5.85
Past service cost	-	0.00
Benefits paid	(2.43)	(0.47)
Defined benefit obligation at the year end	**57.02**	**48.04**
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	33.46	31.06
Investment income	2.22	2.87
Employer contribution	8.27	-
Benefits paid	(2.43)	(0.47)
Fair value of plan assets at the year end	**41.52**	**33.46**
(c) Reconciliation of fair value of assets and obligations		
Present value of defined benefit obligation	57.02	48.04
Fair value of plan assets	41.52	33.46
Net asset / (liability)	(15.49)	(14.58)
(d) Expenses recognized during the year (Under the head "Employees benefit expenses")		
In Income Statementt	8.86	6.43
In Other Comprehensive Income	0.32	5.29
Total expenses recognized during the period	**9.18**	**11.71**
(e) Actuarial (gain)/loss- Other comprehensive income	**0.32**	**5.29**
(f) Net liabilities recognised in the balance sheet		
Long-term provisions	-	-
Short-term provisions	15.49	14.58
	15.49	**14.58**

ii) Actuarial assumptions

Particulars	As At March 31, 2021	As At March 31, 2020
Discount rate (per annum)	6.25%	6.15%
Salary growth rate (per annum)	5%	5%
Attrition rate	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(All figures are ₹ in million unless otherwise stated)

iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary growth rate	Attrition rate	Mortality rate
Changes in assumption				
March 31, 2021 (%)	1%	1%	50%	10%
March 31, 2020 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2021	53.53	60.65	57.40	57.03
March 31, 2020	45.04	51.25	48.23	48.05
Decrease in assumption				
March 31, 2021	60.96	53.69	56.21	57.00
March 31, 2020	51.44	45.12	47.53	48.03

(c) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

i. Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability

ii. Liquidity risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

iii. Salary escalation risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

iv. Demographic risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

v. Regulatory risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 million).

vi. Asset liability mismatching or market risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

vii. Investment risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(All figures are ₹ in million unless otherwise stated)

9) Deferred tax liability

Particulars	As At March 31, 2021	As At March 31, 2020
a) Deferred tax liability on account of :		
Property plant & equipment	207.06	223.41
Right-of-use assets (Net)	1.61	1.80
	208.67	**225.21**
b) Deferred tax asset on account of :		
Minimum alternate tax	24.39	68.06
Provision for doubtful advances and debts	10.67	10.73
Tax disallowances	17.17	13.72
	52.23	**92.51**
Deferred tax liability, net	**156.44**	**132.70**

10) Other liabilities

Particulars	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Duties and taxes payable	-	-	32.29	20.59
Advance from customers	-	-	61.53	37.08
Other liabilities	-	-	26.64	-
Total	**-**	**-**	**120.46**	**57.67**

11) Short term borrowings (at amortised cost)

Particulars	As At March 31, 2021	As At March 31, 2020
From Banks:		
Bill discounting	107.07	75.12
From director	6.50	6.50
Total	**113.57**	**81.62**
Secured	-	-
Unsecured	113.57	81.62

12) Trade payables (at amortised cost)

Particulars	As At March 31, 2021	As At March 31, 2020
Dues of micro and small enterprise	131.27	39.97
Other than micro and small enterprise	4,309.35	3,886.35
Total	**4,440.62**	**3,926.32**

(All figures are ₹ in million unless otherwise stated)

a) Amounts due to micro, small and medium enterprises

The information given below regarding micro, small and medium enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	As At March 31, 2021	As At March 31, 2020
Principal amount due	131.27	39.97
Interest due on above	0.07	0.32
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	110.11	85.73
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	0.34	1.14
Amount of interest accrued and remaining unpaid as at year end	2.84	2.44
Amount of further interest remaining due and payable in the succeeding year	-	-

13) Current tax liabilities (net)

Particulars	As At March 31, 2021	As At March 31, 2020
Current tax liabilities (net of taxes paid)	9.72	9.65
Total	**9.72**	**9.65**

14) Revenue from operations

Particulars	2020-21	2019-20
i) Sales/ Rendering :		
Products	15,885.02	13,462.84
Services	91.24	52.29
	15,976.26	**13,515.13**
ii) Other operating revenue:		
Sale of scrap	9.67	3.43
Export incentives	53.61	66.05
Income from DEPB purchase at discount	0.02	2.21
VAT incentives	21.35	
Insurance claim	0.19	0.11
	84.84	**71.80**
Total	**16,061.10**	**13,586.93**

Disclosure in accordance with Ind-AS - 115 “Revenue recognition disclosures”, of the Companies (Indian Accounting Standards) Rules, 2015

1) Revenue disaggregation based on :

(a) Category of good and services	2020-21	2019-20
Chemicals	15,783.79	13,392.39
Coal	10.13	59.51
Others	91.10	10.94
Jobwork and other services	91.24	52.29
Total	**15,976.26**	**13,515.13**
(b) Geographical region	**2020-21**	**2019-20**
India	12,427.76	10,222.22
International	3,548.50	3,292.91
Total	**15,976.26**	**13,515.13**

(All figures are ₹ in million unless otherwise stated)

2) Movement in contract balances

(i) Advance from customers:	2020-21	2019-20
Contract liabilities	61.53	37.08

ii) Unbilled revenue:	2020-21	2019-20
Opening balance	-	5.13
Less : Invoices raised during the year	-	(5.13)
Add : Accrued during the year	-	-
Closing balance	-	-

15) Other income

Particulars	2020-21	2019-20
Interest income on financial asset		
From bank on deposits	24.74	26.69
From other	58.10	34.09
Guarantee commission	1.40	-
Sundry balances written back	5.31	3.73
Miscellaneous income	0.47	7.91
Remeasurement gain on financial assets	-	3.42
Reversal of expected credit loss	0.15	-
Profit on sale of investments	4.60	-
Total	**94.77**	**75.84**

16) Cost of raw materials consumed

Particulars	2020-21	2019-20
Opening stock of raw material	849.45	726.74
Add : purchases	8,486.64	8,021.30
	9,336.09	8,748.04
Less : closing stock of raw material	(1,208.70)	(849.45)
Total	**8,127.39**	**7,898.59**

17) Purchase of stock-in-trade

Particulars	2020-21	2019-20
i) Chemicals and other purchases	2,217.48	1,384.01
ii) Coal	9.67	60.30
Total	**2,227.15**	**1,444.31**

18) Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade

Particulars	2020-21	2019-20
Inventory of Work-in-progress at the beginning of the year	47.95	88.04
Less: Inventory of Work-in-progress at the end of the year	25.91	47.95
	22.04	**40.09**
Inventory of Finished goods at the beginning of the year	399.29	333.57
Less: Inventory of Finished goods at the end of the year	297.63	399.29
Less: Insurance claim	-	8.67
	101.66	(74.39)
Total	**123.70**	**(34.30)**

(All figures are ₹ in million unless otherwise stated)

19) Employee benefit expenses

Particulars	2020-21	2019-20
i) Salaries, wages and bonus	631.78	518.53
ii) Director's remuneration (Refer Note (a) below)	118.42	41.45
iii) Contribution to employees gratuity, leave encashment and other funds	55.37	43.53
iv) ESOP compensation cost (Refer note 33)	46.36	-
v) Staff welfare expenses	16.62	22.10
Total	**868.55**	**625.61**

(a) The Nomination and remuneration committee had on May 17, 2021 recommended a commission of ₹ 30.00 million payable to Chairman and Managing Director and an additional performance linked incentive (based on the appraisal) of ₹ 5.96 million to Executive Directors. The same has been approved by the Board of Directors in the meeting held on May 18, 2021. Accordingly, the Director's remuneration includes provision amounting to ₹ 35.96 million towards the aforesaid commission and additional performance linked incentive which is subject to shareholders approval in the ensuing Annual General Meeting. The remuneration paid/provided to all directors including the Chairman and Managing Director, as aforesaid, are within the permissible limit of section 197 of The Companies Act, 2013.

20) Finance Cost:

Particulars	2020-21	2019-20
Interest on financial liabilities at amortised cost	131.61	111.95
Unwinding of lease liability	2.91	4.23
Interest on direct taxes	3.33	1.20
Interest on indirect taxes	1.03	-
Other borrowing costs	9.01	9.25
Amortisation of upfront fees	5.51	2.07
Total	**153.40**	**128.70**

21) Depreciation & amortization

Particulars	2020-21	2019-20
Depreciation	429.99	451.82
Deprecation on right-of-use assets	19.52	19.93
Amortisation	3.13	4.54
Total	**452.64**	**476.30**

(All figures are ₹ in million unless otherwise stated)

22) Other expenses

Particulars	2020-21	2019-20
Power & fuels	958.65	981.20
Consumption of consumables stores and spares	137.86	152.61
Consumption of packing materials	153.17	119.87
Water charges	41.10	34.04
Labour charges	83.79	80.86
Inward freight charges	31.03	33.78
Outward export freight charges	252.65	214.92
Clearing and forwarding expenses	10.03	9.76
Repairs and maintenance		
Buildings	22.92	10.32
Machineries	48.27	31.58
Others	33.70	42.66
Transportation charges	376.70	309.84
Commission on sales	50.75	11.75
Advertisement	7.06	1.44
Director's sitting fees	2.00	1.26
Books and periodicals	0.03	0.05
Business promotion expenses	5.78	8.46
Commission to non-executive director	6.88	5.73
Computer maintenance	11.22	9.36
Conveyance expenses	3.15	2.73
Donation	0.16	0.31
CSR expenditure	41.88	0.40
General expenses	3.88	15.60
Inspection charges	3.93	4.49
Insurance charges	57.12	50.14
Membership & subscription	11.64	8.88
Postage & telegram	1.40	2.07
Professional & legal expenses	135.76	94.99
Printing & stationery	13.11	3.86
Rent	1.21	2.64
Rates & taxes	11.39	9.19
Security service charges	16.93	15.82
Travelling expenses	13.20	41.06
Telephone expenses	5.17	5.13
Vehicle expenses	29.72	23.88
Auditors' remuneration	3.39	2.74
Bank charges	22.02	24.42
Expected credit loss	-	0.04
Exchange loss	56.74	51.95
Other expenses	17.55	52.52
Loss on sale of assets	6.85	0.12
Indirect taxes paid/written off	-	3.92
Total	**2,689.79**	**2,476.39**

(All figures are ₹ in million unless otherwise stated)

Particulars	2020-21	2019-20
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors:		
For audit including consolidation	2.75	2.25
For limited review	0.38	0.38
For certification and other services	0.27	0.12
Total	**3.39**	**2.74**

Note: Auditors' fees amounting to ₹ 4.00 million related to initial public offer is debited to securities premium in statement of changes in equity.

23) Tax expense

Particulars	2020-21	2019-20
a) Income tax expense in the statement of profit and loss consists of:		
Current tax	264.00	158.80
Deferred tax	23.74	(38.30)
Income tax (excess) / short provision of previous year	-	(2.90)
Income tax recognised in statement of profit or loss	**287.74**	**117.60**

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

	2020-21	2019-20
A) Current Tax		
Profit before tax	1,513.25	903.81
Enacted tax rates in India (%)	34.94%	34.94%
Computed expected tax expenses	528.79	315.83
Effect of non- deductible expenses	178.49	191.42
Effects of deductible Expenses	(151.01)	(207.25)
Tax incentives	(248.58)	(186.96)
	307.68	**113.04**
Less MAT credit utilised	(43.68)	-
Income tax expenses - Net A	**264.00**	**113.04**
B) Tax liability as per Minimum alternate tax on book profits		
Minimum alternate tax rate	17.47%	17.47%
Computed tax liability on book profits	264.40	157.91
Tax effect on adjustments:		
1/5 portion of opening Ind-AS reserve as on March 31, 2017	(0.73)	(0.73)
Effect of non deductible expense	0.55	0.21
Others	(0.22)	1.41
Minimum alternate tax on book profits B	**264.00**	**158.80**
Higher of A or B	**264.00**	**158.80**

(All figures are ₹ in million unless otherwise stated)

B) Deferred tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in profit and loss (Asset)/ liability	Closing
Property plant & equipment	(217.59)	5.82	(223.41)
Right-of-use assets (net)	-	1.80	(1.80)
Minimum alternate tax	24.59	(43.47)	68.06
Provision for doubtful advances and debts	10.71	(0.01)	10.73
Tax disallowances	11.29	(2.43)	13.72
As at March, 31, 2020	**(170.99)**	**(38.30)**	**(132.70)**
Property plant & equipment	(223.41)	(16.35)	(207.06)
Right-of-use assets (net)	(1.80)	(0.19)	(1.61)
Minimum alternate tax	68.06	43.67	24.39
Provision for doubtful advances and debts	10.73	0.05	10.67
Tax disallowances	13.72	(3.45)	17.17
As at March, 31, 2021	**(132.70)**	**23.74**	**(156.44)**

24) Disclosure as required by Accounting Standard – Ind-AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2020-21	2019-20
Net profit / (loss) as per Statement of Profit and Loss	1,225.51	786.21
Outstanding equity shares at period end (March 31, 2021: Face value of ₹ 2/-; March 31, 2020: Face value of ₹ 10/-)	26,36,62,773	4,50,16,395
Outstanding equity shares at period end (face value of ₹ 2/-)	26,36,62,773	22,50,81,975
Weighted average no. of Shares outstanding during the period – Basic	22,70,86,206	24,47,12,429
Weighted average no. of Shares outstanding during the period - Diluted	22,78,07,905	24,47,12,429
Weighted average no. of shares as per para 26 of Ind-AS 33 "EPS"	22,78,07,905	24,47,12,429
Earnings per Share - Basic (₹)	5.40	3.21
Earnings per Share - Diluted (₹)	5.38	3.21

Reconciliation of weighted number of outstanding during the period:

Particulars	2020-21	2019-20
Nominal value of equity shares (₹ per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	22,50,81,975	25,02,27,025
Add : Issue of equity shares	3,85,80,798	-
Less : Buy back of equity shares	-	(2,51,45,050)
Total number of equity shares outstanding at the end of the period	**26,36,62,773**	**22,50,81,975**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	22,70,86,206	24,47,12,429
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	22,78,07,905	24,47,12,429

Note

1. Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.
2. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

(All figures are ₹ in million unless otherwise stated)

25) Details of research and development expenditure

Particulars	2020-21	2019-20
A) Revenue expenses		
Employee benefits expense	35.68	29.27
Legal & professional fees	4.03	3.90
Other expenses	4.43	3.87
Utility expenses	6.73	3.14
Travelling expenses	4.03	3.30
Contract labour and Security service charge	3.48	3.11
Subscription	2.89	2.61
Repairs & maintenance	12.70	9.18
Depreciation	11.88	16.49
B) Capital Expenses		
Capital expenditure (Refer Note 1.5)	41.81	11.28
Total	**127.67**	**86.16**

26) Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contingent liabilities		
(a) Liabilities Disputed - Appeals filed with respect to :		
Disputed indirect taxes matters (Net of Amount paid under protest of ₹ 0.20 million)	236.72	11.81
Disputed direct taxes matters on account of disallowances / additions and default of TDS	4.74	4.71
Other dispute with MSEDCL (Net of amount paid under protest of ₹ 2.30 million)	4.53	-
(b) Guarantees		
Given on behalf of wholly owned subsidiaries to their Lenders	1,700.00	-
Furnished by banks on behalf of the Company	75.14	38.02
(c) Other money for which the Company is contingently liable		
Standby letter of credit given on behalf of wholly owned subsidiaries	164.50	327.93
(ii) Commitments (Net of advances)		
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account	566.38	26.45
(b) Other Commitments		
Contractual commitment towards purchase of equity shares (Refer note 3(b))	200.10	-
(c) Export obligation		
under advance license scheme on duty free import of specific raw materials remaining outstanding	271.21	240.70
(iii) Letters of Credit	1,199.52	755.98

(iv) Other tax proceedings

The Senior Intelligence Officer, Directorate of Revenue Intelligence ("DRI") of the Bangalore Zonal Unit ("SIO") conducted a search at the Acetyl Intermediates ("AI") Manufacturing Facility on February 11, 2021 (the "Search") on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("Notification") and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods" as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded.

(All figures are ₹ in million unless otherwise stated)

27) Disclosure in accordance with Ind-AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in 'chemicals business' and 'power generation' and it is the primary segment. During the year ended March 31, 2021 and March 31, 2020, the power generation business does not meet the quantitative criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind-AS 108) and hence the same is not separately disclosed.

28) Disclosure on Corporate Social Responsibility (CSR) Activity

(a) Gross amount required to be spent by the Company during the year: ₹ 20.18 million (March 31, 2020: ₹ 22.29 million).

(b) Amount spent by the Company during the year and charged to CSR expenses (Including previous years unspent) is as follows:

Particulars	2020-21	2019-20
COVID relief measures	2.22	0.40
Fund to setup COVID relief hospital	0.50	-
Administrative overhead	0.03	-
Corpus donation towards CSR activities	39.13	-
Total	**41.88**	**0.40**

(c) Disclosure as per section 135(5) - excess amount spent

Particulars	2020-21
Opening unspent amount	21.67
Gross amount to be spent by the Company for current year	20.18
	41.85
Gross amount spent by the Company of previous years	21.70
Gross amount spent by the Company for current year	22.21
	43.91
Excess amount paid during the year carried forward as prepaid (*)	**2.03**

(*) During the year the Company has spent excess amount of ₹ 2.03 million which in terms of the Boards decision is to be adjusted against future years CSR liability and hence the same is shown as Current Prepaid Expenditure.

(d) Amount unspent by the Company for the financial year 2020-21 is Nil (March 31, 2020 : ₹ 21.67 million)

29) Disclosure in accordance with Ind-AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

30) Derivative Instruments and Unhedged / Hedge / Swap Foreign Currency (FC) Exposure

Particulars	As at March 31, 2021		As at March 31, 2020	
Details on unhedged foreign currency exposures	**FC**	**INR**	**FC**	**INR**
Trade receivable (USD)	1,12,962	8.26	15,33,468	115.60
Trade receivable (EURO)	1,10,362	9.46	1,03,726	8.61
Interest receivable (USD)	42,027	0.84	42,027	0.87
Advances to suppliers (USD)	28,05,613	205.12	6,37,118	48.03
Loans and advances given (AED)	6,03,629	12.02	5,22,688	10.77
Advance from customers (USD)	6,61,734	-	2,38,901	18.75
Advance from customer (EURO)	-	-	72,421	6.02
Interest payable (USD)	-	-	18,642	1.41
Trade payable (USD)	7,25,524	53.04	46,60,256	351.32
Trade payable (EURO)	-	-	288	0.02
Investment in preference shares (EURO)	20,00,000	171.50	20,00,000	166.10

(All figures are ₹ in million unless otherwise stated)

Particulars	As at March 31, 2021		As at March 31, 2020	
Details on unhedged foreign currency exposures	**FC**	**INR**	**FC**	**INR**
Forwards - USD - Sales	47,63,383	348.25	37,15,496	280.10
Forwards - EURO - Sales	32,77,191	281.02	6,33,373	52.60
Forwards - USD Purchase	3,29,48,149	2,408.84	2,98,06,535	2,246.99
Options - USD - Buy	-	-	43,00,000	324.16

Particulars	As at March 31, 2021		As at March 31, 2020	
Details on interest rate swap on borrowings	**FC**	**INR**	**FC**	**INR**
Interest rate swap - USD	5,00,000	35.68	7,22,222	53.28

31) Value of imports calculated on CIF basis

Particulars	2020-21	2019-20
Traded goods	1,051.44	472.78
Raw material	6,549.85	6,890.96
Capital goods	25.16	3.71
Spare parts	0.82	9.74

32) Ind-AS 116 “Leases”

(a) Transition

Effective April 1, 2019, the Company adopted Ind-AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Accordingly, the Company has recognised ‘Right-of-use’ asset of ₹ 64.89 million (excluding reclassification of ₹ 16.52 million) and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of ₹ 65.70 million as at April 1, 2019. On application of Ind-AS 116 the unamortised balance of prepaid security deposit is also transferred to Right-of-use asset which is depreciated over the balance life of lease.

In this approach, there is no requirement to restate comparative information rather the effects is given in retained earning. On account of adoption of Ind-AS 116 as at April 1, 2019 the retained earning of the Company has reduced by ₹ 5.13 million.

Ind-AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(b) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Movement in Right-of-use assets - Refer Note 1.4

(d) Movement in lease liabilities :

Particulars	2020-21	2019-20
Balance at the beginning	48.94	-
Transition impact on account of Ind-AS 116 "Leases"	-	65.70
Addition	-	-
Finance cost incurred during the year	2.91	4.23
Payment of lease liability	(21.90)	(20.98)
Closing balance	**29.95**	**48.94**

The weighted average incremental rate applied to lease liabilities as at April 1, 2019 is 7.5% p.a.

(All figures are ₹ in million unless otherwise stated)

(e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(f) Undiscounted contractual maturities of lease liability:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	21.59	21.90
One to two years	10.02	21.59
Two to five years	-	10.02
More than five years	-	-
Total	**31.60**	**53.50**

(g) The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	20.18	18.99
Non-current lease liability	9.77	29.96
Closing balance	**29.95**	**48.94**

33) Share Option Outstanding

A) Employee Stock Option Plan 2020 (the Plan):

Pursuant to the resolutions passed by the Board on October 30, 2020 and by the shareholders on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 (“ESOP-2020”) for issue of employee stock options (“ESOPs”) or thank you grants or restricted stock units (“RSUs”) to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

The Nomination and Remuneration Committee had on January 27, 2021 granted 5,690,467 options (comprising of 4,245,540 employee stock options; 1,143,263 RSUs and 301,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date, no Equity Shares have been issued pursuant to the ESOP-2020. This plan is administered by the Nomination and Remuneration Committee of the Board.

The eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (three) years from the date of Grant.

i) Summary of options granted under plan:

Particulars	Option Plan		
	ESOP	RSU	Thank You Grant
Number of options granted	4,245,540	1,143,263	301,664
Grant date			January 27, 2021
Exercise price	100	2	2
Fair value on the date of grant of option (₹ per share)	73.12	121.48	121.48
Methods of valuation			Black-Scholes
Method of settlement			Equity
Method of accounting			Fair value
Vesting period	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2021: 40%	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2021: 40%	April 1, 2022: 100%;
Exercise period			7 years

No options are exercised during the year ended March 31, 2021.

(All figures are ₹ in million unless otherwise stated)

ii) Reconciliation of options granted under plan:

Particulars	Number of shares
Outstanding at the beginning of the year	-
Granted during the year	5,690,467
Exercised during the year	-
Forfeited during the year	-
Outstanding at the end of the year	5,690,467
Options exercisable at the end of the year	

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Expiry date	Exercise price (in ₹)	Share options March 31, 2021
ESOP	Not Applicable*	100	4,245,540
RSU		2	1,143,263
Thank You Grant		2	301,664
Total			**5,690,467**

*Not Applicable since the options are yet to be vested.

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
ESOP	73.12
RSU	121.48
Thank You Grant	121.48

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	ESOP	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%
Years to expiration	7	7	7
Risk free rates	6.12%	6.12%	6.12%
Expected volatility	41%	41%	41%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

B) Expense arising from share-based payment transactions

Particulars	As at March 31, 2021	As at March 31, 2020
ESOP compensation cost	46.36	-
Total expenses	46.36	-

(All figures are ₹ in million unless otherwise stated)

34) Financial instruments

i) The carrying value and fair value of financial instruments by categories is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Carrying value		Fair value	
a) Financial assets				
Amortised cost				
Loans	734.53	583.38	734.53	583.38
Investments	20.00	166.10	20.00	166.10
Others	376.98	445.80	376.98	445.80
Trade receivables	3,846.87	3,166.53	3,846.87	3,166.53
Cash and cash equivalents	263.81	216.28	263.81	216.28
Other bank balances	5,078.26	122.16	5,078.26	122.16
Total financial assets	**10,320.45**	**4,700.25**	**10,320.45**	**4,700.25**
b) Financial liabilities				
Amortised cost				
Borrowings	717.55	1,333.56	717.55	1,333.56
Trade payables	4,440.62	3,926.32	4,440.62	3,926.32
Lease Liability	29.96	48.95	29.96	48.95
Others	1,262.85	178.41	1,262.85	178.41
Total financial liabilities	**6,450.98**	**5,487.24**	**6,450.98**	**5,487.24**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020.

Particulars	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities/(assets) measured at fair value:				
Forward contracts	31-Mar-21			4.77
Forward contracts	31-Mar-20			(47.55)
Mutual funds	31-Mar-21	(20.00)	-	-
Mutual funds	31-Mar-20	-	-	-

(All figures are ₹ in million unless otherwise stated)

36) Financial risk management

The Company is exposed to various financial risks arising from its underlying operations and financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a **Forex Risk Management policy under which all the forex hedging operations** are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign currency risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

Particulars	Assets		Liabilities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	29,60,602	22,12,613	13,87,257	49,17,798
EUR	21,10,362	21,03,726	-	72,709
AED	6,03,629	5,22,688	-	-

Foreign currency sensitivity analysis:

he Company is mainly exposed to USD and EURO fluctuations

Particulars	As at March 31, 2021		As at March 31, 2020	
Impact on profit /(loss) for the year	₹ Strengthens by 1%	₹ weakens by 1%	₹ Strengthens by 1%	₹ weakens by 1%
USD	(1.14)	1.14	2.14	(2.14)
EUR	(1.79)	1.79	(1.67)	1.67
AED	(0.12)	0.12	(0.11)	0.11

(All figures are ₹ in million unless otherwise stated)

Foreign exchange derivative contracts

The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial 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 & Loss.

B) Interest rate risk management

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is ₹ 176.53 million and floating interest loan is ₹ 1,393.34 million (March 31, 2020: Fixed interest loan ₹ 254.32 million and Floating interest loan ₹ 1072.72 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2020-21		2019-20	
	Rupee loans interest rate (increase) / decreases by 100 bps	USD loans interest (increase)/ decreases by 15 bps	Rupee loans interest rate (increase) / decreases by 100 bps	USD loans interest (increase)/ decreases by 15 bps
Increase in profit	**13.93**	**-**	**9.97**	**0.11**
Decrease in profit	**(13.93)**	**-**	**(9.97)**	**(0.11)**

C) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and financial institutions is managed by the Company's Corporate Treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	3,849.69	3,169.51
(Refer Note 2.2)		
Allowances for credit loss	(2.82)	(2.98)
(Refer Note 2.2 (a))		

(All figures are ₹ in million unless otherwise stated)

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due. There were no indications that there would be defaults in payment obligations.

D) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities:

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2021				
Borrowings*	618.88	448.90	508.60	-
Trade payables	4,440.62	-	-	-
Other financial liabilities	1,262.85	-	-	-
	6,322.35	**448.90**	**508.60**	**-**
As at March 31, 2020				
Borrowings	432.02	355.65	545.89	-
Trade payables	3,926.32	-	-	-
Other financial liabilities	178.41	-	-	-
	4,536.75	**355.65**	**545.89**	**-**

*including current maturities and non-current borrowing reclassified to current liabilities pursuant to the receipt of IPO proceeds (Refer Note 7.1 F) as at March 31, 2021.
Note - Maturity profile of lease liability is given in Note 32(f)

37) Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	As At March 31, 2021	As At March 31, 2020
Gross debt*	1,576.37	1,333.56
Less: Cash and cash equivalent *	263.81	216.28
Net debt (A)	**1,312.56**	**1,117.28**
Total equity (B)	**10,445.00**	**4,409.16**
Gearing ratio (A/B)	**0.13**	**0.25**

* Gross debt as at March 31, 2021 include long term debt which is being repaid out of IPO proceeds and has been classified as current liabilities (Refer note 7.1 F) and Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

38) Exceptional Items

During the financial year 2019-20, the Company has received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 VAT and CST refund.

(a) Electricity duty

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty for 15 years starting April 1, 2010. Accordingly, Maharashtra State Electricity Distribution Company Limited (MSEDCL) granted the exemption to the Company from payment of electricity duty w.e.f. October 2019. Simultaneously, the MSEDCL also confirmed the refund of the total electricity duty amounting to ₹ 152.25 million paid by the Company between April 1, 2010 and September 30, 2019. Accordingly, the same (net of expenses) has been accounted for as an income under exceptional items.

(b) Vat and CST Refund

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of VAT and CST paid by the Company between October 1, 2014 and March 31, 2017. Accordingly, the Directorate of Industries issued the Provisional Sanction of Industrial Promotion Subsidy on February 18, 2020 granting a refund of ₹ 150.14 million which has been recognised as an income (net of expenses) under exceptional items.

39) The Board of Directors at their meeting held on May 25, 2021 has recommended dividend of ₹ 0.50 per share on 26,36,62,773 equity shares of nominal value of ₹ 2/- each, aggregating to ₹ 131.83 million (March 31, 2020: ₹ 78.78 million), subject to shareholder approval at the ensuing Annual General Meeting.

40) The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there had been severe disruption of regular business operations in the first quarter of the financial year due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company, however successfully restarted operations and achieved higher turnover and production aided by improved pricing and demand. Towards the end of the current financial year, once again COVID-19 concerns came back. The Company has put in place significant safeguards for the safety of the employees based on various Government advisories. Lockdown by local authorities, from time to time, is however a possibility. The Company is confident of successfully dealing with the same including safeguarding its regular supply of raw materials and logistics services given the experience of the previous year. The Company believes that it has taken into consideration all the possible impacts of known events arising from COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes in future economic conditions.

41) Figures for the previous period have been regrouped / reclassified to conform to the figures of the current period.

42) The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2021.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Annexure -1
Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A	**Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise**	
1	Ravi Goenka Trustee of Yellow Stone Trust	Shareholder
2	Cellbion Lifesciences Private Limited	Subsidiaries
3	Laxmi Lifesciences Private Limited	Subsidiaries
4	Laxmi Organic Industries (Europe) B.V.	Subsidiaries
5	Laxmi Petrochem Middle East FZE	Subsidiaries
6	Viva Lifesciences Private Limited	Subsidiaries
7	Saideep Traders	Subsidiaries
8	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. September 05, 2019)	Subsidiaries
9	Yellowstone Fine Chemicals Private Limited (w.e.f. March 03, 2020)	Subsidiaries
10	Yellowstone Speciality Chemicals Private Limited (w.e.f. April 24, 2020)	Subsidiaries
B	**Associates and joint ventures of the reporting enterprise**	
1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Joint Venture
C	**Key Management Personnel**	
1	Vasudeo Goenka (upto November 25, 2020)	Chairman and Non-Executive Director
2	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
3	Satej Naber (w.e.f. April 1, 2020)	Chief Executive Officer & Executive director
4	Harshvardhan Goenka (w.e.f. November 1, 2020)	Executive director
5	Rajeev Goenka	Non-Executive director
6	Desh Verma (upto November 25, 2020)	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh	Independent Women Director
10	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
D	**Relatives of Key Management Personnel**	
1	Vasudeo Goenka	
2	Aditi Goenka	
3	Aryavrat Goenka	
4	Avantika Goenka	
5	Harshvardhan Goenka	
6	Manisha Goenka	
7	Niharika Goenka	
8	Vimladevi Goenka	

E	Enterprises over which any person described in (D) is able to exercise control
1	Amrutsagar Construction Private Limited
2	Brady Investments Private Limited
3	Crescent Oils Private Limited
4	Enersun Power Tech Private Limited
5	International Knowledge Park Private Limited
6	Laxmidevi Nathmal Goenka Charitable Trust
7	Maharashtra Aldehydes & Chemicals Ltd.
8	Ojas Dye-Chem (India) Private Limited
9	Pedestal Finance & Trading Private Limited
10	Rajeev Goenka HUF
11	Ravi Goenka HUF
12	Sherry Exports Private Limited
13	Zenith Distibutors
14	Wintech Systems
15	Varadvinayak Multi Impex Private Limited
16	Merton Finance & Trading Private Limited
17	Yellowstone Chemicals Private Limited
18	Acetyls Holding Private Limited
19	Laxmi Foundation

Statement 1

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission paid to non-executive directors	**2020-21**	**-**	**-**	**6.88**	**-**	**-**	**6.88**
	2019-20	**-**	**-**	**(5.73)**	**-**	**-**	**(5.73)**
Omprakash Bundellu	2020-21	-	-	2.06	-	-	**2.06**
	2019-20			(1.50)			**(1.50)**
Manish Chokhani	2020-21	-	-	2.06	-	-	**2.06**
	2019-20			(1.50)			**(1.50)**
Sangeeta Singh	2020-21	-	-	2.06	-	-	**2.06**
	2019-20			(2.13)			**(2.13)**
Rajeev Vaidya	2020-21			0.71			**0.71**
	2019-20			-			**-**
Desh Verma	2020-21	-	-	-	-	-	**-**
	2019-20			(0.60)			**(0.60)**
Guarantee commission received	2020-21	1.40	-	-	-	-	**1.40**
	2019-20	-	-	-	-	-	**-**
Viva Lifesciences Private Limited	2020-21	1.40	-	-	-	-	**1.40**
	2019-20	-	-	-	-	-	**-**
Interest received	2020-21	46.15	-	-	-	-	**46.15**
	2019-20	(28.98)	-	-	-	-	**(28.98)**
Laxmi Organic Industries (Europe) B.V.	2020-21	-					**-**
	2019-20	(0.88)	-	-	-	-	**(0.88)**
Viva Lifesciences Private Limited	2020-21	35.90					**35.90**
	2019-20	(20.19)	-	-	-	-	**(20.19)**
Cellbion Lifesciences Private Limited	2020-21	7.50					**7.50**
	2019-20	(7.91)	-	-	-	-	**(7.91)**
Others less than 10%	2020-21	2.75	-	-	-	-	**2.75**
	2019-20	(0.00)	-	-	-	-	**(0.00)**
Interest paid	2020-21	-	-	0.68	-	-	0.68
	2019-20	(0.11)	-	(0.68)	-	-	(0.79)
Laxmi Organic Industries (Europe) B.V.	2020-21	-	-	-	-	-	-
	2019-20	(0.11)	-	-	-	-	(0.11)
Desh Verma	2020-21			0.68			**0.68**
	2019-20			(0.68)			**(0.68)**
Miscellaneous income	2020-21	-	-	-	-	-	**-**
	2019-20	(3.42)	-	-	-	-	**(3.42)**
Cellbion Lifesciences Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	(3.42)	-	-	-	-	**(3.42)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Rent, commission and other expenses	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.67)	**(0.67)**
Merton Finance & Trading Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.11)	**(0.11)**
Sherry Exports Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.57)	**(0.57)**
Donation	2020-21	-	-	-	-	41.19	**41.19**
	2019-20	-	-	-	-	-	**-**
Laxmidevi Nathmal Goenka Charitable Trust	2020-21	-	-	-	-	0.50	**0.50**
	2019-20	-	-	-	-	-	**-**
Laxmi Foundation	2020-21	-	-	-	-	40.69	**40.69**
	2019-20	-	-	-	-	-	**-**
Expenses Incurred on behalf of	2020-21	1.65	-	-	-	1.28	**2.93**
	2019-20	(3.64)	-	-	-	(1.21)	**(4.84)**
Viva Lifesciences Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
Brady Investments Private Limited	2020-21	-	-	-	-	1.28	**1.28**
	2019-20	-	-	-	-	(1.21)	**(1.21)**
Laxmi Petrochem Middle East FZE	2020-21	1.65	-	-	-	-	**1.65**
	2019-20	(3.64)	-	-	-	-	**(3.64)**
Expenses incurred by on behalf of the Company	2020-21	-	0.39	-	-	-	**0.39**
	2019-20	-	-	-	-	-	**-**
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	**0.39**
	2019-20	-	-	-	-	-	**-**
Professional fees	2020-21	-	-	0.43	0.33	-	**0.76**
	2019-20	-	-	-	-	-	**-**
Vasudeo Goenka	2020-21	-	-	0	0.33	-	**0.33**
	2019-20	-	-	-	-	-	**-**
Desh Verma	2020-21	-	-	0.43	-	-	**0.43**
	2019-20	-	-	-	-	-	**-**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Expenses recovered	**2020-21**	**7.94**	**-**	**-**	**-**	**36.51**	**44.45**
	2019-20	**(0.15)**	**-**	**-**	**-**	**(7.86)**	**(8.01)**
Viva Lifesciences Private Limited	2020-21	1.00	-	-	-	-	**1.00**
	2019-20	(0.15)	-	-	-	-	**(0.15)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	1.20	**1.20**
	2019-20	-	-	-	-	(1.09)	**(1.09)**
Yellowstone Fine Chemicals Private Limited	2020-21	6.94	-	-	-	-	**6.94**
	2019-20	-	-	-	-	-	**-**
Yellowstone Chemicals Private Limited	2020-21	-	-	-	-	35.31	**35.31**
	2019-20	-	-	-	-	(6.77)	**(6.77)**
Sales	**2020-21**	**1,055.37**	**-**	**-**	**-**	**1,468.58**	**2,523.95**
	2019-20	**(794.68)**	**-**	**-**	**-**	**(458.79)**	**(1,253.47)**
Laxmi Organic Industries (Europe) BV	2020-21	1,046.03	-	-	-	-	**1,046.03**
	2019-20	(794.68)	-	-	-	-	**(794.68)**
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	2020-21	9.34	-	-	-	-	**9.34**
	2019-20	-	-	-	-	-	**-**
Yellowstone Chemicals Private Limited	2020-21	-	-	-	-	1,342.44	**1,342.44**
	2019-20	-	-	-	-	(405.38)	**(405.38)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	126.14	**126.14**
	2019-20	-	-	-	-	(53.41)	**(53.41)**
Purchases	**2020-21**	**80.75**	**-**	**-**	**-**	**392.96**	**473.71**
	2019-20	**(163.14)**	**-**	**-**	**-**	**(117.38)**	**(280.51)**
Yellowstone Chemicals Private Limited	2020-21	-	-	-	-	392.96	**392.96**
	2019-20	-	-	-	-	(117.38)	**(117.38)**
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2020-21	0.14	-	-	-		**0.14**
	2019-20	-	-	-	-	-	**-**
Saideep Traders	2020-21	80.61	-	-	-	-	**80.61**
	2019-20	(163.14)	-	-	-	-	**(163.14)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Sitting fees (including conveyance)	**2020-21**	**-**	**-**	**2.05**	**-**	**-**	**2.05**
	2019-20	**-**	**-**	**(1.27)**	**-**	**-**	**(1.27)**
Vasudeo Goenka	2020-21	-	-	0.12	-	-	**0.12**
	2019-20	-	-	(0.18)	-	-	**(0.18)**
Rajeev Goenka	2020-21			0.33			**0.33**
	2019-20	-	-	(0.12)	-	-	**(0.12)**
Desh Verma	2020-21	-	-	0.06	-	-	**0.06**
	2019-20	-	-	(0.15)	-	-	**(0.15)**
Omprakash Bundellu	2020-21	-	-	0.46	-	-	**0.46**
	2019-20	-	-	(0.34)	-	-	**(0.34)**
Manish Chokhani	2020-21	-	-	0.37	-	-	**0.37**
	2019-20	-	-	(0.32)	-	-	**(0.32)**
Rajeev Vaidya	2020-21			0.28			**0.28**
	2019-20			-			**-**
Sangeeta Singh	2020-21	-	-	0.43	-	-	**0.43**
	2019-20	-	-	(0.17)	-	-	**(0.17)**
Salary	**2020-21**	**-**	**-**	**-**	**4.74**	**-**	**4.74**
	2019-20	**-**	**-**	**-**	**(6.66)**	**-**	**(6.66)**
Harshvardhan Goenka	2020-21	-	-	-	4.74	-	**4.74**
	2019-20	-	-	-	(6.66)	-	**(6.66)**
Directors remuneration	**2020-21**	**-**	**-**	**134.92**	**-**	**-**	**134.92**
	2019-20	**-**	**-**	**(41.45)**	**-**	**-**	**(41.45)**
Ravi Goenka	2020-21	-	-	78.90	-	-	**78.90**
	2019-20	-	-	(41.45)	-	-	**(41.45)**
Harshvardhan Goenka	2020-21	-	-	12.24	-	-	**12.24**
	2019-20	-	-	-	-	-	**-**
Satej Nabar (including ESOP Compensation Cost- ₹ 13.57 million)	2020-21	**-**	**-**	**43.78**	**-**	**-**	**43.78**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Advance given for purchase of investments	**2020-21**	**-**	**-**	**200.00**	**-**	**-**	**200.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Ravi Goenka	2020-21	-	-	100.00	-	-	**100.00**
	2019-20	-	-	-	-	-	**-**
Harshvardhan Goenka	2020-21	-	-	100.00	-	-	**100.00**
	2019-20	-	-	-	-	-	**-**

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Equity investment	**2020-21**	**1.00**	**-**	**-**	**-**	**-**	**1.00**
	2019-20	**(3.98)**	**-**	**-**	**-**	**-**	**(3.98)**
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	2020-21	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**(2.98)**	**-**	**-**	**-**	**-**	**(2.98)**
Yellowstone Speciality Chemicals Private Limited	2020-21	1.00	-	-	-	-	**1.00**
	2019-20	-	-	-	-	-	**-**
Yellowstone Fine Chemicals Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	(1.00)	-	-	-	-	**(1.00)**
Capital contribution	**2020-21**	**-**	**12.50**	**-**	**-**	**-**	**12.50**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Cleanwin Energy One LLP	2020-21	-	12.50	-	-	-	**12.50**
	2019-20	-	-	-	-	-	**-**
Purchase of fixed assets	**2020-21**	**17.58**	**-**	**-**	**-**	**-**	**17.58**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifesciences Private Limited	2020-21	17.58	-	-	-	-	**17.58**
	2019-20	-	-	-	-	-	**-**
Loan / advance given	2020-21	550.75	-	-	-	-	**550.75**
	2019-20	(483.93)	-	-	-	-	**(483.93)**
Viva Lifesciences Private Limited	2020-21	375.85	-	-	-	-	**375.85**
	2019-20	(483.90)	-	-	-	-	**(483.90)**
Yellowstone Fine Chemicals Private Limited	2020-21	174.90					**174.90**
	2019-20						**-**
Laxmi Lifesciences Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	(0.03)	-	-	-	-	**(0.03)**
Repayment of loan / advance given	2020-21	440.50	-	-	-	-	**440.50**
	2019-20	(22.20)	-	-	-	-	**(22.20)**
Viva Lifesciences Private Limited	2020-21	440.50	-	-	-	-	**440.50**
	2019-20	-	-	-	-	-	**-**
Cellbion Lifesciences Private Limited	2020-21	-	-	-	-	-	**-**
	2019-20	(22.00)	-	-	-	-	**(22.00)**
Dividend paid	2020-21	70.33	-	0.22	0.33	5.37	**76.25**
	2019-20	(14.07)	-	(0.04)	(0.07)	(1.07)	**(15.25)**
Vasudeo Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Ravi Goenka	2020-21	-	-	0.05	-	-	0.05
	2019-20	-	-	(0.01)	-	-	(0.01)
Rajeev Goenka	2020-21	-	-	0.17	-	-	0.17
	2019-20	-	-	(0.03)	-	-	(0.03)

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Aryavrat Goenka	2020-21	-	-	-	0.33	-	0.33
	2019-20	-	-	-	(0.07)	-	(0.07)
Ravi Goenka Trustee of Yellow Stone Trust	2020-21	70.33	-	-	-	-	70.33
	2019-20	(14.07)	-	-	-		(14.07)
Ravi Goenka HUF	2020-21	-	-	-	-	3.72	3.72
	2019-20	-	-	-	-	(0.74)	(0.74)
Brady Investments Private Limited	2020-21	-	-	-	-	1.65	1.65
	2019-20	-	-	-	-	(0.33)	(0.33)
Share of promoter IPO expenses	2020-21	94.20	-	-	-	-	94.20
	2019-20	-	-	-	-	-	-
Ravi Goenka Trustee of Yellow Stone Trust	2020-21	94.20	-		-	-	94.20
	2019-20	-	-	-	-	-	-
Balance payable	2020-21	41.82	0.39	6.50	-	0.12	48.83
	2019-20	(15.82)	-	(6.50)	-	(106.13)	(128.45)
Saideep Traders	2020-21	-	-	-	-	-	-
	2019-20	(15.82)	-	-	-	-	(15.82)
Viva Lifesciences Private Limited	2020-21	15.18	-	-	-	-	15.18
	2019-20		-	-	-	-	-
Yellowstone Chemicals Private Limited	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(105.79)	(105.79)
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	0.39
	2019-20	-	-	-	-	-	-
Desh Verma	2020-21	-	-	6.50	-	-	6.50
	2019-20	-	-	(6.50)	-	-	(6.50)
Ravi Goenka Trustee of Yellow Stone Trust	2020-21	26.64	-	-	-	-	26.64
	2019-20	-	-	-	-	-	-
Brady Investments Private Limited	2020-21	-	-	-	-	0.12	0.12
	2019-20	-	-	-	-	(0.23)	(0.23)
Merton Finance & Trading Private Limited	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(0.11)	(0.11)

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Balance receivable	**2020-21**	**1,128.18**	**-**	**-**	**-**	**251.42**	**1,379.60**
	2019-20	**(576.70)**	**-**	**-**	**-**	**(412.08)**	**(988.78)**
Yellowstone Chemicals Private Limited	2020-21	-	-	-	-	248.36	**248.36**
	2019-20	-	-	-	-	(409.19)	**(409.19)**
Viva Lifesciences Private Limited	2020-21	470.45	-	-	-	-	**470.45**
	2019-20	(502.08)	-	-	-	-	**(502.08)**
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	2020-21	4.81	-	-	-	-	**4.81**
	2019-20	-	-	-	-	-	**-**
Laxmi Organic Industries (Europe) BV	2020-21	289.44	-	-	-	-	**289.44**
	2019-20	(1.53)	-	-	-	-	**(1.53)**
Cellbion Lifesciences Private Limited	2020-21	66.64	-	-	-	-	**66.64**
	2019-20	(59.14)	-	-	-	-	**(59.14)**
Saideep Traders	2020-21	97.33	-	-	-	-	**97.33**
	2019-20	-	-	-	-	-	**-**
Laxmi Petrochem Middle East FZE	2020-21	15.09	-	-	-	-	**15.09**
	2019-20	(13.94)	-	-	-	-	**(13.94)**
Laxmi Lifesciences Private Limited	2020-21	0.03	-	-	-	-	**0.03**
	2019-20	(0.03)	-	-	-	-	**(0.03)**
Yellowstone Fine Chemicals Private Limited	2020-21	184.39					**184.39**
	2019-20	-					
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	0.86	**0.86**
	2019-20	-	-	-	-	(0.69)	**(0.69)**
Pedestal Finance & Trading Private Limited	2020-21	-	-	-	-	2.20	**2.20**
	2019-20	-	-	-	-	(2.20)	**(2.20)**
Corporate guarantee (As on last day of the period)	**2020-21**	**1,700.00**	**-**	**-**	**-**	**-**	**1,700.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifesciences Private Limited	2020-21	1,700.00	-	-	-	-	1,700.00
	2019-20	-	-	-	-	-	-
Standby letters of credit issued by the Company's banker to the bankers of wholly owned subsidiary:	**2020-21**	**164.50**	**-**	**-**	**-**	**-**	**164.50**
	2019-20	**(327.93)**	**-**	**-**	**-**	**-**	**(327.93)**
Laxmi Petrochem Middle East FZE	2020-21	164.50	-	-	-	-	**164.50**
	2019-20	(327.93)	-	-	-	-	**(327.93)**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the audit of the Consolidated financial statements

Opinion

We have audited the accompanying Consolidated financial statements of Laxmi Organic Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 and consolidated profit and Other Comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Consolidated financial statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the financial statements and our Independent Auditors' Report.

Our opinion on the Consolidated financial statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially MISSTATED.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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.

Responsibilities of Management and those Charged with Governance for the Consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the Consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim condensed Consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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.

Other Matters

a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 1,247.11 million as at March 31, 2021, total revenue of ₹ 14.88 million and net cash inflow amounting to ₹ 18.15 million for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We did not audit the financial statements of four subsidiaries whose financial statements reflects total assets of ₹ 1,339.18 million, total revenue of ₹ 2,773.50 million and net cash inflow of ₹ 8.82 million for the year ended on that date. These financial statements, which have been audited by other auditors, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the management for consolidation purpose and these Ind AS adjustment entries were verified by us and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and Ind-AS adjustments verified by us.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.

d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The commission and performance linked incentive payable to the Chairman and Managing Director and the Executive Directors, although within the limit of section 197 of the Act, is subject to Shareholder’s approval in the ensuing Annual General Meeting as detailed in Note No. 21(a) of the consolidated financial statements.

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 Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates– Refer Note 28 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.

iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 040441
Mumbai, Dated: May 25, 2021

UDIN:21040441AAAABG1569

Annexure - A to the Auditors' Report

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Laxmi Organic Industries Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Interna Financial Controls

The respective Board of Directors of the companies included in the Group is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding 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 internal financial controls with reference to financial statements of the Holding Company and Subsidiaries which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to financial statements.

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

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiaries, which are companies incorporated in India, are based on the corresponding report of the auditor of such companies incorporated in India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No- 106971W

N Jayendran
Partner
M. No. – 040441
Mumbai, Dated: May 25, 2021
UDIN:

Consolidated Balance Sheet as at March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars			Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS					
(1)	**Non-current assets**				
	(a)	Property, plant and equipment	3.1	3,152.97	3,255.06
	(b)	Capital work-in-progress	3.3	1,479.28	674.89
	(c)	Other intangible assets	3.2	9.55	6.86
	(d)	Right-of-use assets	3.4	88.06	114.61
	(e)	Financial assets			
		(i) Investment	4.1	12.50	-
		(ii) Trade receivables	4.2	-	-
		(iii) Loans	4.3	86.77	82.53
		(iv) Others	4.5	50.43	94.52
	(f)	Other non-current assets	5	443.89	79.77
				5,323.45	**4,308.24**
(2)	**Current assets**				
	(a)	Inventories	6	2,033.01	1,518.89
	(b)	Financial assets			
		(i) Investment	4.1	20.00	-
		(ii) Trade receivables	4.2	4,343.74	3,593.67
		(iii) Cash and cash equivalents	4.4	305.46	241.10
		(iv) Other bank balance	4.4	5,088.39	122.16
		(v) Loans	4.3	31.99	1.96
		(vi) Others	4.5	290.85	403.11
	(c)	Other current assets	5	936.69	504.53
				13,050.13	**6,385.42**
Total assets				**18,373.58**	**10,693.66**
EQUITY & LIABILITIES					
Equity					
	(a)	Equity share capital	7	527.33	450.16
	(b)	Other Equity	8	9,818.67	3,819.00
				10,345.90	4,269.16
	(c)	Non-controlling interest		4.54	3.87
		Total Equity		**10,350.43**	**4,273.03**
Liabilities					
(1)	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	9.1	98.66	901.53
		(ii) Lease liability	9.2	57.70	83.57
	(b)	Provisions	10	35.43	28.36
	(c)	Deferred tax liabilities (net)	11	156.44	120.10
	(d)	Other non-current liabilities	12	-	-
				348.23	**1,133.56**
(2)	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	13	806.91	336.45
		(ii) Trade payables	14		
		- total outstanding dues of micro and small enterprise		131.27	39.97
		- total outstanding dues of other than micro and small enterprise		4,618.32	4,076.27
		(iii) Lease liability	9.2	25.88	23.89
		(iii) Other financial liabilities	9.3	1,776.26	621.03
	(b)	Provisions	10	131.84	117.71
	(c)	Current tax liabilities (net)	15	24.65	9.65
	(d)	Other current liabilities	12	159.78	62.10
				7,674.91	**5,287.07**
Total equity and liabilities				**18,373.58**	**10,693.66**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Consolidated Statement of Profit & Loss for year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I) INCOME:			
Revenue from operations (gross)	16	17,684.48	15,341.23
Other income	17	46.13	44.98
Total income (I)		**17,730.61**	**15,386.21**
II) EXPENSES:			
Cost of raw materials consumed	18	8,092.49	7,809.60
Purchase of traded goods	19	3,652.56	2,811.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(2.47)	285.46
Employee benefits expense	21	929.01	685.63
Finance cost	22	163.97	140.19
Depreciation & amortisation	23	465.23	488.89
Other expenses	24	2,845.71	2,613.49
Total expenses (II)		**16,146.50**	**14,834.83**
III) Profit before share of profit/(loss) of an associate/ joint venture and exceptional items			
Share of profit/(loss) of a joint venture		1,584.11	551.38
IV) Profit before exceptional items and tax		**1,584.11**	**551.38**
V) Exceptional items	**38**		256.63
Profit before tax (IV + V)		**1,584.11**	**808.01**
Tax Expense	25	313.47	105.62
1. Current tax		277.13	159.41
2. Deferred tax liability / (asset)		36.34	(50.89)
3. Income tax (excess)/short provision of previous year		-	(2.90)
Profit for the period from continuing operations		**1,270.64**	**702.39**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit (net of tax)		(3.81)	(5.29)
Total other comprehensive income, net of tax		**(3.81)**	**(5.29)**
Total comprehensive income for the year		**1,266.83**	**697.10**
Profit/(loss) attributable to:			
Owners of the Company		1,270.34	701.02
Non-controlling interest		0.30	1.37
Other comprehensive income attributable to:			
Owners of the Company		(3.81)	(5.29)
Non-controlling interest		-	-
Earnings per equity share (face value of share ₹ 2/- each)			
Basic (₹)		5.59	2.86
Diluted (₹)		5.58	2.86

The accompanying notes form an integral part of the cosolidated financial statements

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
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Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Consolidated Statement of Cash flows for the year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit / (Loss) before exceptional items and tax	1,584.11	551.38
Adjustments for:		
Depreciation and amortisation expense	465.23	488.89
(Profit) / loss on sale / write off of assets	6.85	0.12
Finance costs	145.07	123.99
Interest on direct tax	3.35	
Interest income	(36.84)	(32.60)
Amortisation of upfront fees	5.51	2.07
Sales tax receivable written off	-	2.51
Provision/ (reversal) of expected credit loss	(0.15)	11.31
Profit on sale of investments	(4.60)	-
Sundry balances written back	(4.04)	(3.77)
ESOP compensation cost	46.36	-
Net unrealised exchange (gain) / loss	(17.54)	(41.08)
Total of non cash adjustments	**609.20**	**551.45**
Operating profit / (loss) before changes in working capital	**2,193.31**	**1,102.83**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(514.12)	188.58
Trade receivables	(746.27)	(357.11)
Financial assets	79.37	(181.24)
Non financial assets	(432.98)	289.90
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	647.22	1,021.07
Financial liabilities	145.11	2.34
Non financial liabilities	101.77	26.58
Provisions	12.46	17.38
Total of changes in working capital	**(707.44)**	**1,007.50**
Cash generated from operations	**1,485.87**	**2,110.33**
Net income tax (paid) / refunds	(260.57)	(155.08)
Net cash flow from operating activities (A)	**1,225.30**	**1,955.24**
B. Cash flow from investing activities		
Capital expenditure on property plant and equipment	(1,151.12)	(770.81)
Proceeds from sale of property plant and equipment	0.23	2.04
Advance paid towards purchase of equity	(200.00)	-
Capital advances	(163.32)	(1.53)
Movement in other bank balances	(4,921.79)	179.68
Capital contribution	(12.50)	-
Purchase of investments	(1,705.00)	-
Sale of investments	1,689.60	-

Interest received	29.60	31.49
Net cash flow from / (used in) investing activities (B)	**(6,434.30)**	**(559.13)**

C. Cash flow from financing activities		
Non-controlling interest	0.37	(0.98)
Proceeds from issue of share capital (including securities premium)	5,000.00	-
Share issue expenses	(156.99)	-
Proceeds from long term borrowings	650.00	505.87
Repayment of long term borrowings	(439.13)	(340.69)
Net Proceeds from short term borrowings	470.46	(330.07)
Buy back of equity shares	-	(820.13)
Buy back tax	-	(80.40)
Interest paid	(141.62)	(113.99)
Lease Liabilities:		
Principal	(23.89)	(21.30)
Interest	(7.08)	(8.75)
Dividends paid	(78.78)	(17.52)
Tax on dividend	-	(3.60)
Net cash flow from / (used in) financing activities (C)	**5,273.36**	**(1,231.55)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**64.36**	**164.57**

Cash and cash equivalents at the beginning of the year	241.10	76.45
Cash and cash equivalents at the end of the year	305.46	241.10
Exchange Fluctuations	(0.00)	(0.08)
	64.36	**164.57**
Components of Cash and Cash Equivalents		
Cash on Hand	3.09	3.14
Balances with Bank	302.37	237.96
Total Balance	**305.46**	**241.10**

Notes:

(i) Figure in brackets denote outflows

(ii) Refer note no. 9.1 (G) for reconciliation of liabilities from financing activities

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

In terms of our report attached.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : May 25, 2021

Consolidated Statement of changes in equity for the year ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2021			As at March 31, 2020		
	Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance	45,016,395	10	450.16	50,045,405	10	500.45
Cancelled shares	(45,016,395)	10	-	-	-	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each(*)	225,081,975	2	-	-	10	-
Buy back of shares	-		-	(5,029,010)	10	(50.29)
Fresh issue of shares	38,580,798	2	77.16	-	10	-
Closing balance	**263,662,773**	**2**	**527.33**	**45,016,395**	**10**	**450.16**

***Split of Shares**

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

B. Other equity

Particulars	Retained Earnings	Capital Reserve	Security Premium	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Share Option Outstanding Account	Total
Balance as at April 1, 2019	**3,128.51**	**9.55**	**501.09**	**368.05**	**-**	**1.29**		**4,008.50**
Profit for the year	701.02	-	-	-	-	-	-	701.02
Dividend Paid	(17.52)	-	-	-	-	-	-	(17.52)
Dividend Distribution Tax	(3.60)	-	-	-	-	-	-	(3.60)
Buyback tax paid	(80.40)	-	-	-	-	-	-	(80.40)
Re-measurement of net defined benefit plans	(5.29)	-	-	-	-	-	-	(5.29)
Ind-AS 116 Impact Leases	(9.64)	-	-	-	-	-	-	(9.64)
Capital redemption reserve	-	-	-	(50.29)	50.29	-	-	-
Reserves utilised for buyback	-	-	(501.09)	(268.75)	-	-	-	(769.84)
Effects of Foreign Exchange	-	-	-	-	-	(4.23)	-	(4.23)
Balance as at March 31, 2020	**3,713.08**	**9.55**	**-**	**49.01**	**50.29**	**(2.94)**	**-**	**3,819.00**
Profit for the year	1,270.34	-	-	-	-	-	-	1,270.34
Dividend Paid	(78.78)	-	-	-	-	-	-	(78.78)
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Securities Premium on account of fresh issue of shares	-	-	4,922.84	-	-	-	-	4,922.84
Offer Expenses	-	-	(156.99)	-	-	-	-	(156.99)
Re-measurement of net defined benefit plans	(3.81)	-	-	-	-	-	-	(3.81)
ESOP Compensation Cost	-	-	-	-	-	-	46.36	46.36
Effects of Foreign Exchange	-	-	-	-	-	(0.39)		(0.39)
Balance as at March 31, 2021	**4,900.83**	**9.55**	**4,765.85**	**49.01**	**50.29**	**(3.33)**	**46.36**	**9,818.57**

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
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N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
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DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer
Place : Mumbai
Date : May 25, 2021

Aniket Hirpara
Company Secretary

Statement of Significant Accounting policies and Other Related Notes to the Consolidated Financial Statement

1. CORPORATE INFORMATION

Laxmi Organic Industries Limited (LOIL or The Company) is the Company, established in 1989 and is in the business of specialty chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products (DDP). DDP is a specialty chemical group, the technology and business of which has been acquired by LOIL from Clariant Chemicals India Limited.

During the year ended March 31, 2021, the Company has completed the Initial Public Offer ("The Offer / IPO"). The issue size was ₹ 5,000 million (including ₹ 3,000 million Pre IPO Placement. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE limited on March 25, 2021.

The Consolidated financial statements were authorised for issue in accordance vide resolution of the Board of Directors on May 25, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the financial statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest million, except otherwise indicated.

2.2 Principles of Consolidation:

The Consolidated financial statements relates to Laxmi Organic Industries Limited and its Subsidiaries Companies (referred to as Group), and its Associate. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement", Indian Accounting Standard - 28 "Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated financial statements have been prepared on the following basis: -

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2021.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates are entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 "Investment in Associate and Joint venture". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company's portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

"Under Ind-AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.3. The list of subsidiary companies, associates and joint ventures included in consolidation and Company's holding therein are as under:

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
1.	Laxmi Organic Industries (Europe) BV	Subsidiary	100%	Netherland
2.	Laxmi Petrochem Middle East FZE	Subsidiary	100%	U.A.E
3.	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. September 05, 2019)	Subsidiary	100%	China
4.	Cellbion Lifesciences Private. Ltd.	Subsidiary	100%	India
5.	Laxmi Lifesciences Private Ltd.	Subsidiary	100%	India
6.	Viva Lifesciences Private Ltd.	Subsidiary	100%	India
7.	Yellowstone Fine Chemicals Private. Ltd.(w.e.f. March 03, 2020)	Subsidiary	100%	India
8.	Yellowstone Speciality Chemicals Private. Ltd.(w.e.f. April 24, 2020)	Subsidiary	100%	India
9.	Saideep Traders	Stepdown Subsidiary	95%	India
10.	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate	26%	India

2.4 Business combinations and goodwill

In accordance with Ind-AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind-AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated financial statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management's judgments, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets or liabilities in future periods.

- **Estimates:**

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

- **Judgments:**

The Company's management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the Company's accounting policies:

a. Taxes:

The Company is eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

b. **Defined benefit plans (gratuity benefits):**

The cost of the defined benefit gratuity plan and the present value of the gratuity 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 and mortality rates. 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.

<u>Discount rate:</u> The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bonds in currencies which are consistent with the post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

<u>Mortality rate:</u> It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

c. Useful lives of property, plant and equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

d. Impairment of property, plant and equipment

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

e. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

f. Recognition and measurement of other Provisions

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

2.6 Summary of significant accounting policies

a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b) Property, plant and equipment (PPE):

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Long-term lease arrangements of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.
- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind-AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised 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 income statement when the asset is derecognised.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind-AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

c) Intangible assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognised.

d) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on Written Down Value over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 except in case of Property Plant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per useful life of assets mentioned in Schedule II to the Companies Act, 2013.

Lease hold land is amortized over the period of Lease.

e) Borrowing costs

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 an entity 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.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

f) Impairment of Non-financial Assets:

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there is separately identifiable cash flows (cash-generating units).

g) Inventories:

Items of inventories are valued lower of cost or estimated net realisable value as given below.

i. Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method

ii. Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii. Finished Goods & semi-finished goods:

Finished Goods & semi-finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.

iv. Stores and Spares:

Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.

v. Traded Goods:

Traded Goods are valued at lower of purchase cost and net realisable value.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

i) Equity investment

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

j) Foreign Currency Translation:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary items, which are carried at historical cost denominated in a foreign currency, are reported using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, Contingent Liabilities and Contingent Assets

A. Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the EIR of the respective company.

B. Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

C. Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans ('ESOP')

The Company accounts for the benefits of Employee share based payment plan in accordance with Ind-AS 102 "Share Based

Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in Ind-AS 101 first time adoption.

n) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o) Financial instruments

A. Financial assets:

i. Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

ii. Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.

iii. Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

  a) the Company has transferred substantially all the risks and rewards of the asset, or

  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

- The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and

- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at fair value through profit or loss

b. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied.

iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

v. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

vi. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss

p) Revenue Recognition

A. Revenue from Operations:

The Company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 1, 2018, the company has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind-AS 115 replaces Ind-AS 18. The company has adopted Ind-AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind-AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind-AS 18. The adoption of Ind-AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

Use of significant judgements in revenue recognition:

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B. Other Operating Income / Other Income

i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

iii. Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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

v. Dividend income is recognised when the right to receive the same is established.

vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

viii. Financial guarantee income: Under Ind-AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

ix. Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.

2. Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes:

Tax expenses comprise Current Tax and Deferred Tax:

i. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases

With effective from April 1, 2019:

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development:

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share:

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade Payables & Trade Receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

1. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

2. Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Notes to Consolidated financial statements as at and for the period ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

3.1 Property, plant and equipment

Particulars	Land under lease	Factory building	Non factory building	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Windmill	Tangible Total
Cost										
As at April 1, 2019	29.37	530.57	240.63	3,325.73	51.86	16.44	14.60	54.00	22.31	4,285.51
Additions	-	58.35	0.19	327.37	1.11	1.64	5.09	14.99	-	408.75
Reclassified on account of adoption of Ind AS 116	-	(16.53)	-	-	-	-	-	-	-	(16.53)
Disposals/adjustments	-	-	-	-	-	-	-	(7.69)	-	(7.69)
Exchange fluctuation	-	-	-	-	0.06	0.08	0.34	-	-	0.48
As at March 31, 2020	**29.37**	**572.39**	**240.82**	**3,653.10**	**53.03**	**18.16**	**20.04**	**61.31**	**22.31**	**4,670.53**
Addition	-	82.29	-	246.01	4.56	1.59	4.75	1.32	-	340.52
Disposals/adjustments	-	-	-	(14.50)	-	-	-	(3.00)	-	(17.50)
Exchange fluctuation	-	-	-	-	0.02	0.02	0.07	-	-	0.11
As at March 31, 2021	**29.37**	**654.68**	**240.82**	**3,884.61**	**57.61**	**19.77**	**24.86**	**59.63**	**22.31**	**4,993.66**
Depreciation										
As at April 1, 2019	1.95	87.41	40.40	781.27	17.31	7.39	8.65	19.41	6.88	970.67
Charge for the year	0.41	45.06	14.45	365.90	8.98	4.56	3.92	12.12	1.97	457.39
Reclassified on account of adoption of Ind AS 116	-	(7.53)	-	-	-	-	-	-	-	(7.53)
Disposals/adjustments	-	-	-	-	-	-	-	(5.52)	-	(5.52)
Exchange fluctuation	-	-	-	-	0.06	0.08	0.32	-	-	0.46
As at March 31, 2020	**2.36**	**124.94**	**54.85**	**1,147.17**	**26.36**	**12.03**	**12.90**	**26.01**	**8.85**	**1,415.46**
Charge for the year	0.41	45.56	11.65	351.55	6.83	2.90	4.13	10.80	1.71	435.54
Disposals/adjustments	-	-	-	(7.65)	-	-	-	(2.77)	-	(10.42)
Exchange fluctuation	-	-	-	-	0.02	0.02	0.06	-	-	0.10
As at March 31, 2021	**2.77**	**170.50**	**66.50**	**1,491.07**	**33.21**	**14.95**	**17.09**	**34.04**	**10.56**	**1,840.68**
NET BLOCK										
As at March 31, 2020	27.01	447.45	185.97	2,505.93	26.67	6.13	7.14	35.30	13.46	3,255.06
As at March 31, 2021	**26.60**	**484.18**	**174.32**	**2,393.54**	**24.40**	**4.82**	**7.77**	**25.59**	**11.75**	**3,152.97**

(All figures are ₹ in million unless otherwise stated)

3.2 Intangible asset

Particulars	Intangibles	Total
Cost		
As at April 1, 2019	26.39	26.39
Additions	1.95	1.95
Reclassified on account of adoption of Ind AS 116	(11.74)	(11.74)
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2020	**16.60**	**16.60**
Addition	5.82	5.82
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2021	**22.42**	**22.42**
Depreciation		
As at April 1, 2019	7.94	7.94
Charge for the year	4.54	4.54
Reclassified on account of adoption of Ind AS 116	(2.74)	(2.74)
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2020	**9.74**	**9.74**
Charge for the year	3.13	3.13
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2021	**12.87**	**12.87**
NET BLOCK		
As at March 31, 2020	**6.86**	**6.86**
As at March 31, 2021	**9.55**	**9.55**

3.3 Capital work in progress

Particulars	Opening Balance	Addition during the year	Capitalized during the year	Closing balance
March 31, 2021	674.89	1,123.51	319.12	1,479.28
March 31, 2020	314.79	731.45	371	674.89

3.4 Right-of-use asset

(All figures are ₹ in million unless otherwise stated)

Class of Assets	Opening Balance Addition during the year Building	Opening Balance Addition during the year Distillery Rights(*) Land	Total
Cost			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	28.27	28.27
Transition impact on account of Ind AS 116 "Leases"	64.89	58.57	123.45
Additions	0.12	-	0.12
Disposals/adjustments	-	-	-
As at March 31, 2020	**65.01**	**86.83**	**151.84**
Additions	-	-	-
Disposals/adjustments	1.61	-	1.61
As at March 31, 2021	**63.40**	**86.83**	**150.23**
Depreciation			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	10.27	10.27
Charge for the year	19.51	7.45	26.96
Disposals/adjustments	-	-	-
As at March 31, 2020	**19.51**	**17.72**	**37.23**
Charge for the year	25.21	1.34	26.55
Disposals/adjustments	1.61	-	1.61
As at March 31, 2021	**43.11**	**19.06**	**62.17**
NET BLOCK			
As at March 31, 2020	**45.50**	**69.11**	**114.61**
As at March 31, 2021	**20.29**	**67.77**	**88.06**

Notes

A. (*)The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the Company is entitled to operate the Distillery till February-2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

(All figures are ₹ in million unless otherwise stated)

B. The gross block under each of the heads of fixed assets relating to the aforesaid BOT agreement is as follows:-

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	16.53	16.53
Plant and equipment	128.23	128.23
Furniture & fixture	0.23	0.23
Office equipment	0.01	0.01
Computers	0.07	0.07
Technical know-how	0.07	0.07
Total	**145.13**	**145.13**

3.5 Details of additions made during the year w.r.t research and development

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	4.03	1.14
Plant and equipment	32.63	10.03
Computers	0.78	0.11
Furniture and fixtures	4.37	-
Total	**41.81**	**11.28**

(All figures are ₹ in million unless otherwise stated)

4.1 Investment

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	-	-	-
(Equity Method) Investments in mutual funds (Quoted) *Investments at fair value through P&L (fully Paid)*				
Investments at fair value through P&L (fully Paid) SBI overnight fund - direct growth	-	-	20.00	-
Total	**12.50**	**-**	**20.00**	**-**

***Cleanwin Energy One LLP**

The Company has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Company on January 25, 2021, acquired 26% stake in Cleanwin Energy One LLP ("Cleanwin") for supply of 5MW electricity generated through wind turbines at a concessional rate with minimum entitlement of 51% in lieu of share of profits. Therefore, there will be no profit or loss accretion on application of the equity method.

(a) Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2021 of the loans given, investments made, guarantees given and security provided by the Company:

Sr. No.	Name of Party	Purpose of Loan	2020-21	2019-20
1	Cleanwin Energy One LLP	Investment	12.50	-

b) Market value disclosure of Investments:

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate of quoted investments Investment		
Book Value	20.00	-
Market Value	20.00	-
Aggregate of unquoted investments	**12.50**	-

4.2 Trade receivables

(Unsecured, at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Considered good	-	-	4,343.74	3,593.67
Credit impaired	-	-	57.41	59.25
Less:- Allowance for expected credit loss	-	-	(57.41)	(59.25)
Total	**-**	**-**	**4,343.74**	**3,593.67**

(All figures are ₹ in million unless otherwise stated)

(a) Expected credit loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss. However, the life time credit loss is provided on case to case basis.

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

Movement in allowance for credit loss

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period	59.25	43.54
Addition during the year	-	12.116
Reversal during the year	(0.16)	-
Foreign exchange	(1.68)	3.60
Provision at the end of the period	57.41	59.25

4.3 Loans (at amortised cost)

(Unsecured, considered goods)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
(i) Security deposit	86.77	82.53	31.99	1.96
Total	**86.77**	**82.53**	**31.99**	**1.96**

4.4 Cash and bank balances

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
A. Cash and cash equivalents				
Balances with banks	-	-	163.07	237.96
Cash on hand	-	-	3.09	3.14
Fixed deposit (original maturity within 3 months)	-	-	139.30	-
Total	**-**	**-**	**305.46**	**241.10**
B. Other bank balances				
With monitoring agency (for IPO proceeds)	-	-	0.47	-
Escrow account for IPO expenses	-	-	243.42	-
Fixed deposit (from IPO proceeds)	-	-	4,756.00	-
Fixed deposit against margin money	-	-	88.50	122.16
Total	**-**	**-**	**5,088.39**	**122.16**
Total	**-**	**-**	**5,393.85**	**363.26**

(All figures are ₹ in million unless otherwise stated)

4.5 Other financial assets

(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Advance to staff	0.59	0.94	2.19	1.84
Interest accrued receivable				
From banks	-	-	10.59	1.68
From others	-	-	1.34	3.02
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	49.14	93.58	-	-
Insurance claim receivable (Refer note (a) below)	-	-	38.47	41.51
Amount receivable on hedging transactions	-	-	-	47.55
Other receivables (Refer note (b) below)	-	-	238.26	302.38
Unbilled revenue	-	-	-	5.13
Guarantee rental obligation	0.70	-	-	-
Total	**50.43**	**94.52**	**290.85**	**403.11**

(a) Insurance claim receivable

In the previous year 2019-20, the Company's Unit 2 situated at Mahad was affected by floods. The Floods resulted in loss of Inventory and necessary repairs to plant and machinery were carried out and the expenses were claimed from the insurer. The Surveyor, pursuant to the survey of the claim and the loss, had recommended the loss of ₹ 38.47 million towards inventory and repairs cost which is accounted as receivable from Insurance Company. The relevant credits are given to the Inventory consumption and expenditure incurred on repairs.

(b) Other receivables

The amount includes amount in respect of the electricity duty refund and VAT/CST refunds as detailed in note no. 38.

5 Other assets

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Capital advance	179.84	16.52	-	-
Prepaid expenses	1.22	0.96	28.23	17.04
Prepaid upfront fees	0.66	17.18	10.79	-
Prepaid taxes (net of provisions)	3.88	3.88	-	-
Balance with government authorities	58.29	41.23	277.98	133.80
Advances to supplier				
- Considered good	-	-	533.49	316.40
- Considered doubtful	-	-	27.72	27.72
	-	-	561.21	344.12
Less : Impairment of doubtful advances	-	-	27.72	27.72
	-	-	533.49	316.40
Export incentive receivable (Refer note (a) below)	-	-	50.28	9.27
Export licenses on hand	-	-	0.27	18.90
Other receivables	-	-	35.65	9.12
Advance against shares (Refer note (b) below)	200.00	-	-	-
Total	**443.89**	**79.77**	**936.69**	**504.53**

(All figures are ₹ in million unless otherwise stated)

Export incentive receivable

The Company has accrued an export incentive amounting to ₹ 46.67 million on the basis of the extant EXIM policy of the Government of India upto December 31, 2020 as the scheme has been discontinued since then. Out of the aforesaid amount of ₹ 46.67 million, the Company has logged the claim amounting to ₹ 18.26 million to the department and the balance application is pending to be lodged as there are some system issues on the portal for making the claim.

Advance against shares

The Company has entered into a Share Purchase Agreement (SPA) dated December 9, 2020 with Ravi Goenka, Harshvardhan Goenka, Yellowstone Chemical Private Limited and Acetyl Holding Private Limited (Related parties) for the purpose of acquisition of Yellowstone Chemical Private Limited. In accordance with the said SPA, the Company have on December 9, 2020 made an aggregate payment of ₹ 200.00 million to Ravi Goenka and Harshvardhan Goenka towards the purchase consideration. The balance consideration payable has been disclosed as capital commitments in the financial statements (Refer note 28).

6 Inventories

(at lower of cost and net realisable value)

Particulars	As At March 31, 2021	As At March 31, 2020
Raw material (including Goods in transit of ₹ 8.88 million (March 31, 2020: NIL))	1,341.01	856.92
Work-in-progress	25.91	47.95
Finished goods (Goods in transit of ₹ 73.35 million (March 31, 2020: ₹ 3.35 million))	297.63	399.56
Consumable stores and spares	131.03	129.55
Fuels and consumables	31.85	10.21
Packing material	9.65	7.38
Trading	195.93	67.32
Total	**2,033.01**	**1,518.89**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind-AS 2 is as follows:

Particulars	2020-21	2019-20
Amount of inventories recognised as an expense during the period.	12,602.33	11,739.94
Amount of write - down of inventories recognised as an expense during the period.	2.66	17.56
	12,604.99	**11,757.50**

7 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised shares :		
305,000,000 equity shares of face value of ₹ 2/- each (March 31, 2020: 51,000,000 equity share of face value of ₹ 10/- each))	610.00	510.00
Total	**610.00**	**510.00**
Issued, subscribed and paid-up shares :		
263,662,773 equity shares of face value of ₹ 2/- each (March 31, 2020: 45,016,395 equity shares of face value of ₹ 10/- each)	527.33	450.16
Total Issued, subscribed and paid-up share capital	**527.33**	**450.16**

(All figures are ₹ in million unless otherwise stated)

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2021		As At March 31, 2020	
	Number	Amount	Number	Amount
Opening balance (face value of ₹ 10/- each)	45,016,395	450.16	50,045,405	500.45
Cancelled shares (face value of ₹ 10/- each)	(45,016,395)	-	-	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	225,081,975	-	-	-
Buy back (face value of ₹ 10/- each)	-	-	(5,029,010)	(50.29)
Fresh issue (face value of ₹ 2/- each)	38,580,798	77.16	-	-
Closing balance (March 31, 2021: face value of ₹ 2/- each and March 31, 2020: face value of ₹ 10/- each	**263,662,773**	**527.33**	**45,016,395**	**450.16**

(*) Split of shares

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

b) Initial Public Offer

During the year the Company completed the Initial public offer (“The Offer / IPO”) of 46,153,846 equity shares of face value of ₹ 2/- each at a price of ₹ 130/- per share (including a premium of ₹ 128/- per share) aggregating to ₹ 6,000.00 million.

The Offer comprised of a fresh issue of 23,076,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 23,076,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 15,503,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million (“Pre-IPO Placement”).

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company’s share of IPO related expenses of ₹ 156.99 million resulting in net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

c) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows:

Particulars	Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Ltd.	1,793.14	42.97	1,750.17
Funding working capital requirements of the Company	351.78	-	351.78
Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.63
Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65
General corporate purposes (net of issue expenses)	637.29	-	637.29
Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the Proposed Facility	604.04	-	604.04
Investment in YFCPL for funding its working capital requirements	377.41	-	377.41
Total	**4,799.94**	**42.97**	**4,756.97**

(*) Balance of IPO proceeds as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under other bank balances (Refer note 4.4).

(All figures are ₹ in million unless otherwise stated)

d) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting.

e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As At March 31, 2020	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	17,68,61,359	67.08%	4,01,86,120	89.27%

f) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

g) On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 shares) to all its existing share holders in the ratio of 4:1 shares at face value of ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

h) On January 01, 2020 the Company completed buy back of 50,29,010 equity shares (of ₹ 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of ₹ 8.20 million. The buyback was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares of ₹ 10/- each and has created Capital Redemption Reserve of ₹ 50.29 million by debiting balance in General Reserve.

i) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the members in their meeting held on November 24, 2020 has approved the split of 1 Equity share of the face value of ₹ 10/- each into 5 equity share of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

j) Shares reserved for issue under stock option plan to employees are detailed in note no 33.

8 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	4,900.83	3,713.08
General Reserve	49.01	49.01
Security Premium	4,765.85	-
Capital Reserve	9.55	9.55
Foreign Currency Translation Reserve	(3.33)	(2.94)
Capital Redemption Reserve (refer note 5(h) above)	50.29	50.29
Share Option Outstanding Account (Refer Note no. 33)	46.36	-
Total	**9,818.57**	**3,819.00**

(All figures are ₹ in million unless otherwise stated)

9 Financial liabilities (at amortised cost)

9.1 Long term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
a) Term loans :				
Rupee term loan from bank	386.11	641.67	255.56	180.56
Rupee term loan from NBFC	472.71	83.33	171.90	16.67
Foreign currency loan from bank	92.10	165.77	73.68	73.68
Foreign currency loan from Multi Lateral Agency (I.F.C.)	-	-	-	75.39
b) Vehicle loans :				
Vehicle loans - other than bank	0.08	1.04	0.95	0.88
c) Government grant	6.48	9.72	3.24	3.24
	957.48	**901.53**	**505.33**	**350.42**
Less: Disclosed in Other current financial liabilities (Refer note 9.1 F)	(858.82)		(505.33)	(350.42)
Total	**98.66**	**901.53**	**-**	**-**
The break-up of above:				
Secured	951.00	891.81	502.09	347.18
Unsecured	6.48	9.72	3.24	3.24
	957.48	901.53	505.33	350.42

Notes:

A) Term Loan includes :

i) Rupee term loans from banks (HDFC Bank Ltd):
Tenure of loan: max 60 months
Repayment: 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement
Interest :
Linked with HDFC Bank 1 year MCLR + 25 bps for ₹ 500 million
Linked with HDFC Bank 1 year MCLR + 70 bps for ₹ 200 million and,
Linked with HDFC Bank 1 year MCLR + 65 bps for ₹ 400 million which the Company has availed in the month of Nov 2019

ii) Rupee term loans from NBFC (AXIS Finance Ltd):
Tenure of loan : max 60 months
Repayment : 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from September 30, 2020
Interest : Linked with 1 year MCLR + 115 bps for sanctioned term loan of ₹ 750 million

iii) Foreign Currency Term loans from banks (Citi Bank NA, Jersey) :
15 equal quarterly installments in foreign currency starting from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.
The Company converted this ECB into INR loan under CCY SWAP on April 2, 2019 at fixed interest rate of 7.90% p.a.

iv) Foreign currency loan from Multi Lateral Agency (I.F.C.):
10 half yearly installments from December 2015 . Interest rate is six months Libor plus 400 bps. During the year the loan is fully repaid.

(All figures are ₹ in million unless otherwise stated)

B) Security of term loans :

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist Raigad Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad

c) First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (Note: This is not applicable to loan taken from I.F.C.)

d) Second pari passu charge on entire current assets of the Company.

C) Vehicle loan:

Vehicle loan is secured against the same vehicle for which loan is taken.

D) Government grant:

There are multiple Interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ₹ 9.72 million as at March 31, 2021 (March 31, 2020: ₹ 12.96 million). The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity profile of long term borrowings:

Particulars	As at March 31, 2021*	As at March 31, 2020
Instalment payable within one year	505.32	350.40
Instalment payable between 1 to 2 years	448.90	355.65
Instalment payable between 2 to 5 years	508.59	545.88
Instalment payable beyond 5 years	-	-
Total	**1,462.81**	**1,251.94**

* Before reclassification of long term borrowings in to Current liabilities (refer note 9.1 F)

F) Borrowing classified as current liabilities

One of the objects of the IPO of the Company is repayment of the relevant long term loans of the Company. Accordingly, to the extent that loans are being repaid out of the IPO proceeds, the same are re-classified as current liabilities.

G) As per the Amendment to Ind-AS 7 " Statement of cash flow "

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

(All figures are ₹ in million unless otherwise stated)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Balance as at March 31, 2019	**746.06**	**666.52**	**340.69**	**1,753.27**
Changes from financing cash flows	505.87	(405.19)	(340.69)	(240.00)
Effects of changes in foreign exchange rates	-	-	-	-
Proceeds from bill discounting	-	75.12	-	75.12
Other changes (transfer within categories)	(350.40)	-	350.40	-
Balance as at March 31, 2020	901.53	336.45	350.40	1,588.39
Changes from financing cash flows	561.27	363.39	(350.41)	574.25
Effects of changes in foreign exchange rates	-	-	-	-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	(858.80)	-	-	(858.80)
Proceeds from bill discounting	-	107.07	-	107.07
Other changes (transfer within categories)	(505.34)	-	505.34	-
Balance as at March 31, 2021	98.66	806.91	505.33	1,410.91

9.2 Lease liability

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Lease liability *(Refer note 32)*	57.70	83.57	25.88	23.89
Total	**57.70**	**83.57**	**25.88**	**23.89**

9.3 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Current maturity of long term borrowings	-	-	505.33	350.40
Borrowings payable out of IPO proceeds *(Refer Note 9.1 F above)*	-	-	858.82	-
Payable for capital goods	-	-	211.01	109.85
Interest accrued on financial liabilities	-	-	10.68	14.31
Deposit received	-	-	10.80	10.40
Staff salary and other payable	-	-	152.04	42.34
Other liabilities	-	-	1.14	93.73
Amount payable on hedging transactions	-	-	26.44	-
Total	**-**	**-**	**1,776.26**	**621.03**

(All figures are ₹ in million unless otherwise stated)

10 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Provision for employee benefits :				
Leave encashment	35.43	28.36	15.63	10.90
Gratuity	-	-	15.49	14.58
Provision for sales return	-	-	14.43	10.86
Provision for tax (net of advances)	-	-	86.29	81.37
Total	**35.43**	**28.36**	**131.84**	**117.71**

a) Disclosure under Ind-AS 37 “ Provisions, Contingent Liabilities and Contingent Assets” Provision for sales return

As at	Opening Balance	Addition during the period	Utilised during the year	Closing Balance
March 31, 2021	10.86	10.86	7.29	14.43
March 31, 2020	5.66	29.04	23.84	10.86

b) Disclosures as required by Indian Accounting Standard (Ind-AS) 19 Employee Benefits

The Company has carried out the actuarial valuation of Gratuity and Leave encashment liability under actuarial principle, in accordance with Ind-AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2020 : ₹ 2.00 million). The Company’s gratuity liability is entirely funded and leave encashment is non-funded.

(All figures are ₹ in million unless otherwise stated)

The below gratuity disclosure is restricted to parent company only since there is no liability in the other components.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as follow:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	48.04	33.93
Current service cost	7.96	6.21
Interest cost	2.95	2.52
Actuarial (gain) /loss - Other comprehensive income	0.49	5.85
Past service cost	-	-
Benefits paid	(2.43)	(0.47)
Defined benefit obligation at the year end	**57.02**	**48.04**
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	33.46	31.06
Investment income	2.22	2.87
Employer contribution	8.27	-
Benefits paid	(2.43)	(0.47)
Fair value of plan assets at the year end	**41.52**	**33.46**
c) Reconciliation of fair value of assets and obligations		
Present value of defined benefit obligation	57.02	48.04
Fair value of plan assets	41.52	33.46
Net asset / (liability)	**(15.49)**	**(14.58)**
d) Expenses recognized during the year (Under the head "Employees benefit expenses")		
In Income Statement	8.86	6.43
In Other Comprehensive Income	0.32	5.29
Total expenses recognized during the period	**9.18**	**11.71**
e) Actuarial (gain)/loss- Other comprehensive income	0.32	5.29
f) Net liabilities recognised in the balance sheet	-	-
Long term provisions	15.49	14.58
Short term provisions	15.49	14.58

ii) Actuarial assumptions

Particulars	As At March 31, 2021	As At March 31, 2020
Discount rate (per annum)	6.25%	6.15%
Salary growth rate (per annum)	5%	5%
Attrition rate	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(All figures are ₹ in million unless otherwise stated)

iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption

Particulars	Discount rate	Salary growth rate	Attrition rate	Mortality rate
Changes in assumption				
March 31, 2021 (%)	1%	1%	50%	10%
March 31, 2020 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2021	53.53	60.65	57.40	57.03
March 31, 2020	45.04	51.25	48.23	48.05
Decrease in assumption				
March 31, 2021	60.96	53.69	56.21	57.00
March 31, 2020	51.44	45.12	47.53	48.03

(c) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(ii) Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 million).

(vi) Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(vii) Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(All figures are ₹ in million unless otherwise stated)

11 Deferred tax liability

Particulars	As at March 31, 2021	As at March 31, 2020
a) Deferred tax liability on account of :		
Property plant & equipment	207.06	236.01
Right-of-use assets (Net)	1.61	1.79
	208.67	**237.81**
b) Deferred tax asset on account of :		
Minimum alternate tax	24.39	68.06
Provision for doubtful advances and debts	10.67	10.73
Tax disallowances	17.17	26.32
Deferred tax of component	-	12.60
	52.23	**117.71**
Deferred tax of component	**156.44**	**120.10**

12 Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Duties and taxes payable	-	-	45.79	25.02
Advance from customers	-	-	84.20	37.08
Other liabilities	-	-	29.79	-
Total	**-**	**-**	**159.78**	**62.10**

13 Short term borrowings (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
From banks		
Cash credit	296.85	251.34
Short term loan	393.10	-
Bill discounting	107.07	75.12
From others		
From directors	9.89	9.99
Total	**806.91**	**336.45**
Secured	689.95	251.34
Unsecured	116.96	85.11

Short term loan

Charge is created on movable property, floating charge and books debts and CA, MFA and DSRA.

Primary Security -Exclusive first priority security interest / charge over fixed deposit, permitted investments and all monies lying to the credit of DSRA account pursuant DSRA dated 22 May 2020

Cash credit

1. This amount includes trust receipt loans obtained from Citi Bank UAE as per the facility letter dated January 26, 2021. These loans carry interest @2.20% per annum plus 3 months libor/eibor. These bank borrowing are secured against standby letter of credit of Citi Bank (India).

2. ING finance the outstanding debtors up to a maximum of 90% and is secured by a lien on the outstanding debtors. The interest rate is one month rate euribor + 1.85%. The agreement is for a undetermined time. A notice period of 180 days applies for cancellation.

(All figures are ₹ in million unless otherwise stated)

14 Trade payables (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues of micro and small enterprise	131.27	39.97
Other than micro and small enterprise	4,618.32	4,076.27
Total	**4,749.59**	**4,116.24**

a) Amounts due to Micro, Small and Medium Enterprises

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due	131.27	39.97
Interest due on above	0.07	0.32
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		-
- Principal amount paid beyond appointed day	110.11	85.73
- Interest paid thereon	-	0.82
Amount of interest due and payable for the period of delay	0.34	1.14
Amount of interest accrued and remaining unpaid as at year end	2.84	2.43
Amount of further interest remaining due and payable in the succeeding year	-	-

15 Current tax liabilities (net)

Particulars	As At March 31, 2021	As At March 31, 2020
Current tax liabilities (net of taxes paid)	24.65	9.65
Total	**24.65**	**9.65**

16 Revenue from operations

Particulars	2020-21	2019-20
Sales/ Rendering :		
- Products	17,508.40	15,217.14
- Services	91.24	52.29
	17,599.64	**15,269.43**
Other operating revenue:		
Sale of scrap	9.67	3.43
Export incentives	53.61	66.05
VAT Incentives	21.35	-
Income from DEPB purchase at discount	0.02	2.21
Insurance claim received	0.19	0.11
	84.84	**71.80**
Total	**17,684.48**	**15,341.23**

(All figures are ₹ in million unless otherwise stated)

Disclosure in accordance with Ind-AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

1 Revenue disaggregation based on :

Particulars	2020-21	2019-20
(a) Category of good and Services		
Chemicals	17,407.18	15,146.69
Coal	10.13	59.51
Others	91.10	10.94
Jobwork and other services	91.24	52.29
Total	**17,599.64**	**15,269.43**
(b) Geographical region		
India	**12,455.59**	**10,385.61**
International	**5,144.05**	**4,883.82**
Total	**17,599.64**	**15,269.43**

2 Movement in contract balances

Particulars	2020-21	2019-20
(i) Advance from customers:		
Contract liabilities	84.20	37.08
(ii) Unbilled revenue:		
Opening balance	-	5.13
Less : Invoices raised during the year	-	(5.13)
Add : Accrued during the year	-	-
Closing balance	-	-

17 Other income

Particulars	2020-21	2019-20
Interest income on financial asset		
From bank on deposits	24.74	-
From other	12.10	32.60
Sundry balances written back	4.04	3.77
Miscellaneous income	0.50	8.61
Reversal of expected credit loss	0.15	-
Profit on sale of investments	4.60	-
Total	**46.13**	**44.98**

18 Cost of raw materials consumed

Particulars	2020-21	2019-20
Opening stock of raw material	856.92	774.74
Add: purchases	8,576.58	7,891.79
	9,433.50	**8,666.52**
Less : closing stock of raw material	(1,341.01)	(856.92)
Total	**8,092.49**	**7,809.60**

(All figures are ₹ in million unless otherwise stated)

19 Purchase of stock-in-trade

Particulars	2020-21	2019-20
Chemicals and other purchases	3,642.89	2,751.27
Coal	9.67	60.30
Total	**3,652.56**	**2,811.57**

20 Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade

Particulars	2020-21	2019-20
Inventory of Work-in-progress at the beginning of the year	47.95	88.04
Less: Inventory of Work-in-progress at the end of the year	(25.91)	(47.95)
	22.04	40.09
Inventory of Finished goods at the beginning of the year	399.56	393.88
Less: Inventory of Finished goods at the end of the year	**(297.63)**	**(399.56)**
Less: Insurance claim	-	(8.67)
	101.93	(14.34)
Inventory of traded goods at the beginning of the year	**67.32**	**317.11**
Add: Foreign currency translation adjustments	**2.17**	**9.93**
Less: Inventory of traded goods at the end of the year	(195.93)	(67.32)
	(126.44)	**259.72**
Total	**(2.47)**	**285.46**

21 Employee benefit expenses

Particulars	2020-21	2019-20
Salaries, wages and bonus	675.45	561.39
Director's remuneration (Refer note (a) below)	127.79	50.56
Contribution to employees gratuity, leave encashment and other funds	59.62	49.90
ESOP compensation cost (Refer note 33)	46.36	-
Staff welfare expenses	19.79	23.78
Total	**929.01**	**685.63**

(a) The Nomination and remuneration committee had on May 17, 2021 recommended a commission of ₹ 30.00 million payable to Chairman and Managing Director and an additional performance linked incentive (based on the appraisal) of ₹ 5.96 million to Executive Directors. The same has been approved by the Board of Directors in the meeting held on May 18, 2021. Accordingly, the Director's remuneration includes provision amounting to ₹ 35.96 million towards the aforesaid commission and additional performance linked incentive which is subject to shareholders approval in the ensuing Annual General Meeting. The remuneration paid/provided to all directors including the Chairman and Managing Director, as aforesaid, are within the permissible limit of section 197 of The Companies Act, 2013.

22 Finance cost:

Particulars	2020-21	2019-20
Interest on financial liabilities at amortised cost	137.99	115.24
Unwinding of lease liability	7.08	8.75
Interest on direct taxes	3.35	1.21
Interest on indirect taxes	1.03	-
Other borrowing costs	9.01	12.92
Amortisation of upfront fees	5.51	2.07
Total	**163.97**	**140.19**

23 Depreciation & amortization

Particulars	2020-21	2019-20
Depreciation	435.55	457.39
Deprecation on right-of-use assets	26.55	26.96
Amortisation	3.13	4.54
Total	**465.23**	**488.89**

(All figures are ₹ in million unless otherwise stated)

24 Other expenses

Particulars	2020-21	2019-20
Power & fuels	963.00	984.67
Consumption of consumables stores and spares	137.86	152.61
Consumption of packing materials	153.17	119.87
Water charges	41.69	34.28
Labour charges	88.52	83.05
Inward freight charges	126.60	96.24
Outward export freight charges	252.65	214.92
Clearing and forwarding expenses	10.03	9.76
Repairs and maintenance		
Buildings	22.93	10.41
Machineries	48.71	34.78
Others	34.41	42.66
Transportation charges	383.39	312.04
Commission on sales	50.75	11.75
Advertisement	7.06	1.44
Director's sitting fees	2.00	1.26
Books and periodicals	0.03	0.05
Business promotion expenses	6.40	10.78
Commission to non-executive director	6.88	5.73
Computer maintenance	12.87	9.44
Conveyance expenses	4.18	2.87
Donation	0.16	0.42
CSR expenditure	41.88	0.40
General expenses	10.23	16.61
Inspection charges	3.93	4.49
Insurance charges	57.90	51.74
Membership & subscription	12.93	10.33
Postage & telegram	1.62	2.52
Professional & legal expenses	137.74	122.46
Printing & stationery	13.36	4.01
Rent	5.51	6.81
Rates & taxes	11.62	9.30
Security service charges	17.64	16.61
Travelling expenses	22.78	46.89
Telephone expenses	5.82	5.66
Vehicle expenses	29.72	27.03
Auditors' remuneration	3.39	2.74
Component auditors fees	6.66	2.09
Bank charges	26.08	30.19
Expected credit loss	-	0.04
Exchange loss	55.73	40.56
Provision for doubtful debt	-	11.31
Loss on sale of assets	6.85	0.12
Other expenses	18.12	56.44
Indirect taxes paid	2.92	6.11
Total	**2,845.71**	**2,613.49**

(All figures are ₹ in million unless otherwise stated)

Particulars	2020-21	2019-20
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors		
For audit including consolidation	2.75	2.25
For limited review	0.38	0.38
For certification and other services	0.27	0.11
Total	**3.39**	**2.74**

Note:

Auditors' fees amounting to ₹ 4.00 million related to Initial Public Offer is debited to securities premium in Statement of Changes in Equity .

25 Tax expense

a) Income tax expense in the statement of profit and loss consists of:

Particulars	2020-21	2019-20
Current Tax	277.13	159.41
Deferred tax	36.34	(50.89)
Income tax (excess)/ short provision of previous year	-	(2.90)
Income tax recognised in statement of profit or loss	**313.47**	**105.62**

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A. Current Tax

Particulars	2020-21	2019-20
Profit before tax	1,584.11	808.01
Non taxable profit/(loss)	70.89	(100.88)
taxable profit/(loss)	1,513.22	908.89
Enacted tax rates in India (%)	34.94%	34.94%
Enacted tax rates for foreign subsidiary (%)	20.54%	20.54%
Computed expected tax expenses	528.78	317.60
Effect of non- deductible expenses	178.49	191.42
Effects of deductible Expenses	(151.01)	(207.25)
Non taxable effects	(248.58)	(186.96)
Tax of foreign subsidiary	13.13	-
	320.81	**114.82**
Less MAT credit utilised	(43.68)	-
Income tax expenses - Net (A)	**277.13**	**114.82**
Tax liability as per Minimum alternate tax on book profits		
Minimum alternate tax rate	17.47%	17.47%
Computed tax liability on book profits	264.39	158.80
Tax effect on adjustments:		
1/5 portion of opening Ind-AS reserve as on March 31, 2017	(0.73)	(0.73)
Effect of non deductible expense	0.55	0.42
Others	(0.22)	0.91
Minimum alternate tax on book profits (B)	**264.00**	**159.41**
Higher of (A or B)	**277.13**	**159.41**

(All figures are ₹ in million unless otherwise stated)

B. Deferred tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in profit and loss (Asset)/ liability	Closing
Property plant & equipment	(217.87)	18.14	(236.01)
Right-of-use assets (net)	0.28	2.08	(1.79)
Minimum alternate tax	24.59	(43.47)	68.06
Provision for doubtful advances and debts	10.71	(0.01)	10.73
Tax disallowances	11.29	(15.03)	26.32
Deferred tax of component	-	(12.60)	12.60
As at March, 31, 2020	**(170.99)**	**(50.89)**	**(120.10)**
Property plant & equipment	(236.01)	(28.95)	(207.06)
Right-of-use assets (net)	(1.79)	(0.19)	(1.61)
Minimum alternate tax	68.06	43.67	24.39
Provision for doubtful advances and debts	10.73	0.05	10.67
Tax disallowances	26.32	9.15	17.17
Deferred tax of component	12.60	12.60	-
As at March, 31, 2021	**(120.10)**	**36.34**	**(156.44)**

26 Disclosure as required by Accounting Standard – Ind-AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2020-21	2019-20
Net Profit / (Loss) as per Statement of Profit and Loss	1,270.34	701.02
Outstanding equity shares at period end (March 31, 2021: Face value of ₹ 2/-; March 31, 2020: Face value of ₹ 10/-)	263,662,773	45,016,395
Outstanding equity shares at period end (face value of ₹ 2/-)	263,662,773	2,25,081,975
Weighted average Number of Shares outstanding during the period – Basic	227,086,206	244,712,429
Weighted average Number of Shares outstanding during the period - Diluted	227,807,905	244,712,429
Weighted average number of shares as per para 26 of Ind-AS 33" Earning per Share"	227,807,905	244,712,429
Earnings per Share - Basic (₹)	5.59	2.86
Earnings per Share - Diluted (₹)	5.58	2.86

Reconciliation of weighted number of outstanding during the period:		
Nominal value of equity shares (₹ per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	225,081,975	250,227,025
Add : Issue of equity shares	38,580,798	-
Less : Buy back of equity shares	-	(25,145,050)
Total number of equity shares outstanding at the end of the period	263,662,773	225,081,975
For Basic EPS :		
Weighted average number of equity shares at the end of the period	227,086,206	244,712,429
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	227,807,905	244,712,429

(All figures are ₹ in million unless otherwise stated)

Note

i. Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 45,016,395 equity shares of face value of ₹ 10/- each to 225,081,975 equity shares of face value of ₹ 2/- each.

ii. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

27 Details of research and development expenditure

Particulars	2020-21	2019-20
Revenue expenses		
Employee benefits expense	35.68	29.27
Legal & professional fees	4.03	3.90
Other expenses	4.43	3.87
Utility expenses	6.73	3.14
Travelling expenses	4.03	3.30
Contract labour and Security service charge	3.48	3.11
Subscription	2.89	2.61
Repairs & maintenance	12.70	9.18
Depreciation and amortisation expense	11.88	16.49
Capital Expenditure		
Capital expenditure (Refer note 3.5)	41.81	11.28
Total	127.66	86.16

28 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contingent liabilities		
(a) Liabilities Disputed - Appeals filed with respect to :		
(i) Disputed indirect taxes matters (Net of Amount paid under protest of ₹ 0.20 million)	236.72	11.81
(ii) Disputed Direct Taxes Matters - on account of disallowances / additions and default of TDS	4.74	4.71
(iii) Other Dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.3 million)	4.53	-
(b) Guarantees:		
(i) Given on behalf of wholly owned subsidiaries to their Vendors Lenders	1,700.00	-
(ii) Furnished by banks on behalf of the Company	75.14	38.02
(ii) Commitments		
(a) Capital Commitments - Estimated amount of contracts remaining to be executed on capital account	566.38	26.45
(b) Other Commitments - Contractual commitment towards purchase of equity shares (Refer Note 5(b))	200.10	-
(c) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	271.21	240.70
(iii) Letters of Credit	-	-
(iv) Other tax proceedings	1,199.52	755.98

(All figures are ₹ in million unless otherwise stated)

The Senior Intelligence Officer, Directorate of Revenue Intelligence ("DRI") of the Bangalore Zonal Unit ("SIO") conducted a search at the Acetyl Intermediates ("AI") Manufacturing Facility on February 11, 2021 (the "Search") on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("Notification") and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods" as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded.

29. Disclosure in accordance with Ind-AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in 'chemicals business' and 'power generation' and it is the primary segment. During the year ended March 31, 2021 and March 31, 2020, the power generation business does not meet the quantitative criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind-AS 108) and hence the same is not separately disclosed.

30. Disclosure in accordance with Ind-AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

31. Disclosure on CSR Activity

(a) Gross amount required to be spent by the Company during the year: ₹ 20.18 million (March 31, 2020: ₹ 22.29 million)

(b) Amount spent by the Company during the year and charged to CSR expenses (Including previous years unspent) is as follows:

Particulars	2020-21	2019-20
COVID Relief Measures	2.22	0.40
Fund to set up COVID Relief Hospital	0.50	-
Administrative Overheads	0.03	-
Corpus donation towards CSR activities	39.14	-
Total	**41.88**	**0.40**

(c) Disclosure as per section 135(5) - Excess amount spent

Particulars	2020-21
Opening unspent amount	21.67
Gross amount to be spent by the Company for current year	20.18
	41.85
Gross amount spent by the Company of previous years	21.70
Gross amount spent by the Company for current year	22.21
	43.91
Excess amount paid during the year carried forward as prepaid (*)	**2.03**

(*) During the year the Company has spent excess amount of ₹ 2.03 million which in terms of the Boards decision is to be adjusted against future years CSR liability and hence the same is shown as Current Prepaid Expenditure.

(d) Amount unspent by the Company for the financial year 2020-21 is Nil (March 31, 2020 : ₹ 21.67 million)

(All figures are ₹ in million unless otherwise stated)

32. Ind-AS 116 "Leases"

(a) Transition

Effective April 1, 2019, the Company adopted Ind-AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Thus the Company has recognised 'Right of Use' asset of ₹ 123.45 million (excluding reclassification of ₹ 28.27 million) and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of ₹ 128.77 million as at April 1, 2019. On application of Ind-AS 116 the unamortised balance of prepaid security deposit is also transferred to Right of Use Asset which is depreciated over the balance life of lease.

In this approach, there is no requirement to restate comparative information rather the effects is given in retained earning. On account of adoption of Ind-AS 116 as at April 1, 2019 the retained earning of the Company has reduced by ₹ 9.64 million

Ind-AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(b) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Movement in Right of Use assets - Refer Note 3.4

(d) Movement in lease liabilities :

Particulars	2020-21	2019-20
Balance at the beginning	107.47	-
Transition impact on account of Ind-AS 116 "Leases"	-	128.77
Addition	-	-
Finance cost incurred during the year	7.08	8.75
Payment of lease liability	(30.97)	(30.05)
Closing balance	**83.58**	**107.47**

(e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(f) Undiscounted contractual maturities of lease liability:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	30.66	30.97
One to two years	37.60	30.66
Two to five years	33.49	37.60
More than five years		33.49
Total	**101.75**	**132.72**

(All figures are ₹ in million unless otherwise stated)

(g) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	25.88	24.28
Non-current lease liability	57.70	83.19
Closing balance	**83.58**	**107.47**

33. Share Option Outstanding

A. Employee Stock Option Plan 2020 (the Plan):

Pursuant to the resolutions passed by the Board on October 30, 2020 and by the members on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for issue of employee stock options ("ESOPs") or thank you grants or restricted stock units ("RSUs") to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

The Nomination and Remuneration Committee had on January 27, 2021 granted 56,90,467 options (comprising of 42,45,540 employee stock options; 11,43,263 RSUs and 3,01,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date, no Equity Shares have been issued pursuant to the ESOP-2020. This plan is administered by the Nomination and Remuneration Committee of the Board.

The eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (three) years from the date of Grant.

i) Summary of options granted under plan:

Particulars	Option Plan		
	ESOP	RSU	Thank You Grant
Number of options granted	4,245,540	1,143,263	301,664
Grant date	January 27, 2021		
Exercise price	100	2	2
Fair value on the date of grant of option (₹ per share)	73.12	121.48	121.48
Methods of valuation	Black-Scholes		
Method of settlement	Equity		
Method of accounting	Fair value		
Vesting period	April 1, 2022: 30%;	April 1, 2022: 30%;	April 1, 2022: 100%;
	April 1, 2023: 30%;	April 1, 2023: 30%;	
	April 1, 2021: 40%	April 1, 2021: 40%	
Exercise period	7 years		

No options are exercised during the year ended March 31, 2021.

(All figures are ₹ in million unless otherwise stated)

ii) Reconciliation of options granted under plan:

Particulars	No of shares
Outstanding at the beginning of the year	-
Granted during the year	5,690,467
Exercised during the year	-
Forfeited during the year	-
Outstanding at the end of the year	5,690,467
Options Exercisable at the end of the year	-

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Expiry date	Exercise price (in ₹)	Share options March 31, 2021
ESOP	Not Applicable*	100	4,245,540
RSU		2	1,143,263
Thank You Grant		2	301,664
Total			**5,690,467**

*Not Applicable since the options are yet to be vested.

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
ESOP	73.12
RSU	121.48
Thank You Grant	121.48

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	ESOP	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%
Years to expiration	7	7	7
Risk free rates	6.12%	6.12%	6.12%
Expected volatility	41%	41%	41%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

B. Expense arising from share-based payment transactions

Particulars	As at March 31, 2021	As at March 31, 2020
ESOP compensation cost	46.36	-
Total Expenses	**46.36**	**-**

34. Financial instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Carrying value		Fair value	
a) Financial assets				
Amortised cost				
Loans	118.76	84.49	118.76	84.49
Investments	32.50	-	32.50	-
Others	341.28	497.63	341.28	497.63
Trade receivables	4,343.74	3,593.67	4,343.74	3,593.67
Cash and cash equivalents	305.46	241.10	305.46	241.10
Other bank balances	5,088.39	122.16	5,088.39	122.16
Total financial assets	**10,230.13**	**4,539.05**	**10,230.13**	**4,539.05**

b) Financial liabilities				
Amortised cost				
Borrowings	1,410.90	1,588.38	1,410.90	1,588.38
Trade payables	4,749.59	4,116.24	4,749.59	4,116.24
Lease liability	83.58	107.46	83.58	107.46
Others	1,270.93	270.63	1,270.93	270.63
Total financial liabilities	**7,515.00**	**6,082.71**	**7,515.00**	**6,082.71**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020.

Particulars	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities/(assets) measured at fair value:				
Forward contracts	31-Mar-21		26.44	
Forward contracts	31-Mar-20		(47.55)	
Mutual funds	31-Mar-21	(20.00)	-	-
Mutual funds	31-Mar-20	-	-	-

36. Financial risk management

The Company is exposed to various financial risks arising from its underlying operations and financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR).

Foreign currency sensitivity analysis:
The Group is mainly exposed to USD and EURO fluctuations

Foreign exchange derivative contracts
The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial 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 & Loss.

B) Interest rate risk management

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is ₹ 176.53 million and floating interest loan is ₹ 2,083.30 million (March 31, 2020: Fixed interest loan ₹ 254.32 million and Floating interest loan ₹ 1,324.08 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2020-21		2019-20	
	Rupee loans interest rate (increase) / decreases by 100 bps	**USD loans interest (increase)/ decreases by 15 bps**	**Rupee loans interest rate (increase) / decreases by 100 bps**	**USD loans interest (increase)/ decreases by 15 bps**
Increase in profit	13.93	1.03	9.97	0.49
Decrease in profit	(13.93)	(1.03)	(9.97)	(0.49)

c) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and financial institutions is managed by the Company's Corporate Treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (Refer Note 4.2)	4,343.74	3,593.67
Allowances for credit loss (Refer Note 4.2 (a))	(57.41)	(59.25)

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due. There were no indications that there would be defaults in payment obligations.

d) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities:

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2021				
Borrowings*	1,312.23	448.90	508.59	-
Trade payables	4,749.59	-	-	-
Other financial liabilities	412.11	-	-	-
	6,473.93	**448.90**	**508.59**	**-**
As at March 31, 2020				
Borrowings	686.85	355.65	545.88	-
Trade payables	4,116.24	-	-	-
Other financial liabilities	270.63	-	-	-
	5,073.72	**355.65**	**545.88**	**-**

*including current maturities and Non-current borrowing reclassified to current liabilities pursuant to the receipt of IPO proceeds (Refer note 9.1 F) as at March 31, 2021.

Note -
Maturity profile of Lease liability is given in Note 32(f)

37. Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	March 31, 2021	March 31, 2020
Gross debt*	2,269.72	1,588.38
Less:		
Cash and cash equivalent *	305.46	241.10
Net debt (A)	**1,964.26**	**1,347.28**
Total equity (B)	**10,350.44**	**4,273.03**
Gearing ratio (A/B)	**0.19**	**0.32**

*Gross debt as at March 31, 2021 include long term debt which is being repaid out of IPO proceeds and has been classified as current liabilities (Refer note 9.1 F). Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

38. Exceptional Items

During the year ended March 31, 2020 the Company received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 VAT and CST refunds.

(a) Electricity duty

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty for 15 years starting April 1, 2010. Accordingly, Maharashtra State Electricity Distribution Company Limited (MSEDCL) granted the exemption to the Company from payment of electricity duty w.e.f. October 2019. Simultaneously, the MSEDCL also confirmed the refund of the total electricity duty amounting to ₹ 152.25 million paid by the Company between April 1, 2010 and September 30, 2019. Accordingly, the same (net of expenses) has been accounted for as an income under exceptional items.

(b) Vat and CST Refund

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of VAT and CST paid by the Company between October 1, 2014 and March 31, 2017. Accordingly, the Directorate of Industries issued the Provisional Sanction of Industrial Promotion Subsidy on February 18, 2020 granting a refund of ₹ 150.14 million which has been recognised as an income (net of expenses) under exceptional items.

39. Disclosure as per Schedule III of the Companies Act 2013 of the entities consolidated in these financial statements

Name of the Enterprise	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss	
	% of Consolidated net assets	**% of Consolidated net assets**	**% of Consolidated profit / (loss)**	**% of Consolidated profit / (loss)**
Parent :				
Laxmi Organic Industries Limited				
Current year	99.77%	10,321.82	90.29%	1,143.82
Previous year	102.28%	4,366.42	116.53%	812.31
Subsidiary - Indian :				
Laxmi Lifesicences Private Limited				
Current year	0.00%	(0.15)	0.00%	(0.05)
Previous year	0.00%	(0.10)	0.00%	(0.02)
Viva Lifesicences Private Limited				
Current year	-0.04%	(3.75)	-0.26%	(3.36)
Previous year	-0.01%	(0.39)	-0.04%	(0.31)
Cellbion Lifesicences Private Limited				
Current year	-0.31%	(31.61)	-0.59%	(7.53)
Previous year	-0.28%	(11.89)	-1.63%	(11.35)
Saideep Traders				
Current year	-0.02%	(1.63)	0.37%	4.74
Previous year	-0.43%	(18.26)	-1.97%	(13.75)
Yellowstone Fine Chemical Private Limited				
Current year	-0.01%	(0.72)	-0.06%	(0.72)
Previous year	0.00%	-	0.00%	-
Yellowstone Specility Chemical Private Limited				
Current year	0.00%	(0.04)	0.00%	(0.04)
Previous year	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current year	0.02%	1.90	2.71%	34.33
Previous year	-0.77%	(32.81)	-5.58%	(38.91)
Laxmi Organic Industries (Europe) B.V.				
Current year	0.58%	60.34	7.58%	96.01
Previous year	-0.79%	(33.80)	-7.30%	(50.86)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.				
Current year	0.00%	(0.30)	-0.03%	(0.42)
Previous year	0.00%	-	0.00%	-

40. Disclosure related to interest in other entities as per Ind-AS 112 is given in Annexure -2.

41. The Board of Directors at their meeting held on May 25, 2021 has recommended dividend of ₹ 0.50 per share on 26,36,62,773 equity shares of nominal value of ₹ 2/- each, aggregating to ₹ 131.83 million (March 31, 2020: ₹ 78.78 million), subject to shareholder approval at the ensuing Annual General Meeting.

42. The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there had been severe disruption of regular business operations in the first quarter of the financial year due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company, however successfully restarted operations and achieved higher turnover and production aided by improved pricing and demand. Towards the end of the current financial year, once again COVID-19 concerns came back. The Company has put in place significant safeguards for the safety of the employees based on various Government advisories. Lockdown by local authorities, from time to time, is however a possibility. The Company is confident of successfully dealing with the same including safeguarding its regular supply of raw materials and logistics services given the experience of the previous year. The Company believes that it has taken into consideration all the possible impacts of known events arising from COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes in future economic conditions.

43. Figures of the previous period have been regrouped / reclassified to conform to the figures of the current period.

44. The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2021.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

For and on behalf of the Board of Directors
Laxmi Organic Industries Limited

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : May 25, 2021

Annexure -1
Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A	Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	
1	Ravi Goenka Trustee of Yellowstone Trust	Shareholder
2	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
4	Laxmi Organic Industries (Europe) BV	Subsidiaries
5	Laxmi Petrochem Middle East FZE	Subsidiaries
6	Viva Lifesciences Pvt Ltd.	Subsidiaries
7	Saideep Traders	Subsidiaries
8	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. September 05, 2019)	Subsidiaries
9	Yellowstone Fine Chemicals Pvt. Ltd. (w.e.f. March 03, 2020)	Subsidiaries
10	Yellowstone Speciality Chemicals Pvt. Ltd. (w.e.f. April 24, 2020)	Subsidiaries

B	Associates and joint ventures of the reporting enterprise	
1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate

C	Key Management Personnel	
1	Vasudeo Goenka (upto November 25, 2020)	Chairman and Non-Executive Director
2	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
3	Satej Naber (w.e.f. April 1, 2020)	Chief Executive Officer & Executive director
4	Harshvardhan Goenka (w.e.f. November 1, 2020)	Executive director
5	Rajeev Goenka	Non-Executive director
6	Desh Verma (upto November 25, 2020)	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh	Independent Women Director
10	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
11	Vinod Bhassin	Director

D	Relatives of Key Management Personnel
1	Vasudeo Goenka
2	Aditi Goenka
3	Aryavrat Goenka
4	Avantika Goenka
5	Harshvardhan Goenka
6	Manisha Goenka
7	Niharika Goenka
8	Vimladevi Goenka

E	Enterprises over which any person described in (D) is able to exercise control
1	Amrutsagar Construction Pvt. Ltd.
2	Brady Investments Pvt. Ltd.
3	Crescent Oils Pvt. Ltd
4	Enersun Power Tech Pvt. Ltd.
5	International Knowledge Park Pvt. Ltd.
6	Laxmidevi Nathmal Goenka Charitable Trust
7	Maharashtra Aldehydes & Chemicals Ltd.
8	Ojas Dye-Chem (India) Pvt. Ltd.
9	Pedestal Finance & Trading Pvt. Ltd.
10	Rajeev Goenka HUF
11	Ravi Goenka HUF
12	Sherry Exports Pvt. Ltd
13	Zenith Distibutors
14	Wintech Systems
15	Varadvinayak Multi Impex Pvt Ltd
16	Merton Finance & Trading Pvt. Ltd
17	Yellowstone Chemicals Pvt. Ltd.
18	Acetyls Holding Private Limited
19	Laxmi Foundation
20	Laxmi Petrochem

Statement 1

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission paid to non-executive directors	**2020-21**	**-**	**-**	**6.88**	**-**	**-**	**6.88**
	2019-20	**-**	**-**	**(5.73)**	**-**	**-**	**(5.73)**
Omprakash Bundellu	2020-21	-	-	2.06	-	-	**2.06**
	2019-20	-	-	(1.50)	-	-	**(1.50)**
Manish Chokhani	2020-21	-	-	2.06	-	-	**2.06**
	2019-20	-	-	(1.50)	-	-	**(1.50)**
Sangeeta Singh	2020-21	-	-	2.06	-	-	**2.06**
	2019-20	-	-	(2.13)	-	-	**(2.13)**
Rajeev Vaidya	2020-21	-	-	0.71	-	-	**0.71**
	2019-20	-	-	-	-	-	**-**
Desh Verma	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	(0.60)	-	-	**(0.60)**
Interest Paid	**2020-21**	**-**	**-**	**0.68**	**-**	**-**	**0.68**
	2019-20	**-**	**-**	**(0.68)**	**-**	**-**	**(0.68)**
Desh Verma	2020-21	-	-	0.68	-	-	**0.68**
	2019-20	-	-	(0.68)	-	-	**(0.68)**
Rent, Commission and Other Expenses	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**-**	**-**	**-**	**-**	**(0.67)**	**(0.67)**
Merton Finance & Trading Pvt. Ltd	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.11)	**(0.11)**
Sherry Exports Pvt. Ltd.	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.57)	**(0.57)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Donation	**2020-21**	**-**	**-**	**-**	**-**	**41.19**	**41.19**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Laxmidevi Nathmal Goenka Charitable Trust	2020-21	-	-	-	-	0.50	**0.50**
	2019-20	-	-	-	-	-	**-**
Laxmi Foundation	2020-21	-	-	-	-	40.69	**40.69**
	2019-20	-	-	-	-	-	**-**
Expenses Incurred on behalf of	**2020-21**	**-**	**-**	**-**	**-**	**1.28**	**1.28**
	2019-20	**-**	**-**	**-**	**-**	**(1.21)**	**(1.21)**
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	1.28	**1.28**
	2019-20	-	-	-	-	(1.21)	**(1.21)**
Expenses incurred by on behalf of the Company	**2020-21**	**-**	**0.39**	**-**	**-**	**-**	**0.39**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	**0.39**
	2019-20	-	-	-	-	-	**-**
Professional fees	**2020-21**	**-**	**-**	**0.43**	**0.33**	**-**	**0.76**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Vasudeo Goenka	2020-21	-	-	-	0.33	-	**0.33**
	2019-20	-	-	-	-	-	**-**
Desh Verma	2020-21	-	-	0.43	-	-	**0.43**
	2019-20	-	-	-	-	-	**-**
Expenses Recovered	**2020-21**	**-**	**-**	**-**	**-**	**36.51**	**36.51**
	2019-20	**-**	**-**	**-**	**-**	**(7.86)**	**(7.86)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	1.20	**1.20**
	2019-20	-	-	-	-	(1.09)	**(1.09)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	35.31	**35.31**
	2019-20	-	-	-	-	(6.77)	**(6.77)**
Sales	**2020-21**	**-**	**-**	**-**	**-**	**1,468.58**	**1,468.58**
	2019-20	**-**	**-**	**-**	**-**	**(458.79)**	**(458.79)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	1,342.44	**1,342.44**
	2019-20	-	-	-	-	(405.38)	**(405.38)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	126.14	**126.14**
	2019-20	-	-	-	-	(53.41)	**(53.41)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Purchases	**2020-21**	**-**	**-**	**-**	**-**	**436.41**	**436.41**
	2019-20	**-**	**-**	**-**	**-**	**(117.38)**	**(117.38)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	392.96	**392.96**
	2019-20	-	-	-	-	(117.38)	**(117.38)**
Laxmi Petrochem	2020-21	-	-	-	-	43.45	**43.45**
	2019-20	-	-	-	-	-	**-**
Sitting Fees (including conveyance)	**2020-21**	**-**	**-**	**2.05**	**-**	**-**	**2.05**
	2019-20	**-**	**-**	**(1.27)**	**-**	**-**	**(1.27)**
Vasudeo Goenka	2020-21	-	-	0.12	-	-	**0.12**
	2019-20	-	-	(0.18)	-	-	**(0.18)**
Rajeev Goenka	2020-21			0.33			**0.33**
	2019-20	-	-	(0.12)	-	-	**(0.12)**
Desh Verma	2020-21	-	-	0.06	-	-	**0.06**
	2019-20	-	-	(0.15)	-	-	**(0.15)**
Omprakash Bundellu	2020-21	-	-	0.46	-	-	**0.46**
	2019-20	-	-	(0.34)	-	-	**(0.34)**
Manish Chokhani	2020-21	-	-	0.37	-	-	**0.37**
	2019-20	-	-	(0.32)	-	-	**(0.32)**
Rajeev Vaidya	2020-21	-	-	0.28	-	-	**0.28**
	2019-20	-	-	-	-	-	**-**
Sangeeta Singh	2020-21	-	-	0.43	-	-	**0.43**
	2019-20	-	-	(0.17)	-	-	**(0.17)**
Salary	**2020-21**	**-**	**-**	**-**	**4.74**	**-**	**4.74**
	2019-20	**-**	**-**	**-**	**(6.66)**	**-**	**(6.66)**
Harshvardhan Goenka	2020-21	-	-	-	4.74	-	**4.74**
	2019-20	-	-	-	(6.66)	-	**(6.66)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Directors Remuneration	**2020-21**	**-**	**-**	**144.29**	**-**	**-**	**144.29**
	2019-20	**-**	**-**	**(50.56)**	**-**	**-**	**(50.56)**
Ravi Goenka	2020-21	-	-	78.90	-	-	**78.90**
	2019-20	-	-	(41.45)	-	-	**(41.45)**
Harshvardhan Goenka	2020-21	-	-	12.24	-	-	**12.24**
	2019-20	-	-	-	-	-	**-**
Satej Nabar (including ESOP compensation cost of ₹ 13.57 million)	2020-21	-	-	43.78	-	-	**43.78**
	2019-20	-	-	-	-	-	**-**
Vinod Bhassin	2020-21	-	-	9.37	-	-	**9.37**
	2019-20	-	-	(9.11)	-	-	**(9.11)**
Advance given for purchase of investments	**2020-21**	**-**	**-**	**200.00**	**-**	**-**	**200.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Ravi Goenka	2020-21	-	-	100.00	-	-	**100.00**
	2019-20	-	-	-	-	-	**-**
Harshvardhan Goenka	2020-21	-	-	100.00	-	-	**100.00**
	2019-20	-	-	-	-	-	**-**
Capital Contribution	**2020-21**	**-**	**12.50**	**-**	**-**	**-**	**12.50**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Cleanwin Energy One LLP	2020-21	-	12.50	-	-	-	**12.50**
	2019-20	-	-	-	-	-	**-**
Dividend Paid	**2020-21**	**70.33**	**-**	**0.22**	**0.33**	**5.37**	**76.25**
	2019-20	**(14.07)**	**-**	**(0.04)**	**(0.07)**	**(1.07)**	**(15.25)**
Vasudeo Goenka	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
Ravi Goenka	2020-21	-	-	0.05	-	-	**0.05**
	2019-20	-	-	(0.01)	-	-	**(0.01)**
Rajeev Goenka	2020-21	-	-	0.17	-	-	**0.17**
	2019-20	-	-	(0.03)	-	-	**(0.03)**
Aryavrat Goenka	2020-21	-	-	-	0.33	-	**0.33**
	2019-20	-	-	-	(0.07)	-	**(0.07)**
Manisha R. Goenka	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
Niharika Goenka	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Aditi Goenka	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
Harshvardhan Goenka	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	-	**-**
Ravi Goenka Trustee of Yellowstone Trust	2020-21	70.33	-	-	-	-	**70.33**
	2019-20	(14.07)	-	-	-	-	**(14.07)**
Ravi Goenka HUF	2020-21	-	-	-	-	3.72	**3.72**
	2019-20	-	-	-	-	(0.74)	**(0.74)**
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	1.65	**1.65**
	2019-20	-	-	-	-	(0.33)	**(0.33)**
Share of Promoters IPO expenses	**2020-21**	**94.20**	**-**	**-**	**-**	**-**	**94.20**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Ravi Goenka Trustee of Yellowstone Trust	2020-21	94.20	-	-	-	-	**94.20**
	2019-20	-	-	-	-	-	**-**
Balance Payable	**2020-21**	**26.63**	**0.39**	**6.50**	**-**	**18.19**	**51.71**
	2019-20	**-**	**-**	**(6.50)**	**-**	**(106.13)**	**(112.63)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(105.79)	**(105.79)**
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	**0.39**
	2019-20	-	-	-	-	-	**-**
Desh Verma	2020-21	-	-	6.50	-	-	**6.50**
	2019-20	-	-	(6.50)	-	-	**(6.50)**
Ravi Goenka Trustee of Yellowstone Trust	2020-21	26.63	-	-	-	-	**26.63**
	2019-20	-	-	-	-	-	**-**
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	0.12	**0.12**
	2019-20	-	-	-	-	(0.23)	**(0.23)**
Merton Finance & Trading Pvt. Ltd	2020-21	-	-	-	-	-	**-**
	2019-20	-	-	-	-	(0.11)	**(0.11)**
Laxmi Petrochem	2020-21	-	-	-	-	18.07	**18.07**
	2019-20	-	-	-	-	-	**-**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Balance Receivable	**2020-21**	**-**	**-**	**-**	**9.35**	**251.42**	**260.77**
	2019-20	**-**	**-**	**-**	**(7.75)**	**(412.08)**	**(419.83)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	248.36	**248.36**
	2019-20	-	-	-	-	(409.19)	**(409.19)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	0.86	**0.86**
	2019-20	-	-	-	-	(0.69)	**(0.69)**
Pedestal Finance & Trading Pvt. Ltd.	2020-21	-	-	-	-	2.20	**2.20**
	2019-20	-	-	-	-	(2.20)	**(2.20)**
Vinod Bhassin	2020-21	-	-	-	9.35	-	**9.35**
	2019-20	-	-	-	(7.75)	-	**(7.75)**
Corporate Guarantee (As on last day of the period)	**2020-21**	**1,700.00**	**-**	**-**	**-**	**-**	**1,700.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifescience Private Limited	2020-21	1,700.00	-	-	-	-	**1,700.00**
	2019-20	-	-	-	-	-	**-**
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2020-21**	**164.50**	**-**	**-**	**-**	**-**	**164.50**
	2019-20	**(327.93)**	**-**	**-**	**-**	**-**	**(327.93)**
Laxmi Petrochem Middle East FZE	2020-21	164.50	-	-	-	-	**164.50**
	2019-20	(327.93)	-	-	-	-	**(327.93)**

Annexure-2
Disclosure as per Ind AS 112 " Disclosure of Interest in Other Entities"(A)

Particulars	Laxmi Organic Industries BV		Laxmi Petrochem Middle East Fze	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	1.11	13.61	-	-
Current assets	730.15	384.93	352.91	188.57
Non-current liabilities	-	-	-	-
Current liabilities	497.16	264.73	350.31	220.68
Net assets	234.10	133.81	2.60	(32.11)
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	1,657.80	1,945.39	982.22	605.67
Profit for the year	96.01	(50.86)	34.33	-38.91
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	Cellbion LifeScience		Saideep Traders	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	80.47	74.82	96.90	108.53
Current assets	0.18	0.19	151.67	33.72
Non-current liabilities	66.64	59.14	47.92	53.24
Current liabilities	0.03	0.01	122.92	16.39
Net assets	13.98	15.86	77.73	72.62
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	123.77	164.12
Profit for the year	(1.89)	(235.46)	4.44	(13.75)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	Yellowstone Fine Chemical		VIVA Lifescience	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	144.76	-	83.00	592.08
Current assets	101.46	-	836.24	5.39
Non-current liabilities	-	-	-	-
Current liabilities	245.94	-	922.88	597.76
Net assets	0.28	-	(3.65)	(0.29)
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	14.88	-
Profit for the year	(0.72)	-	0.13	(0.31)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	(3.49)	-
OCI allocated to NCI	-	-	-	-

Particulars	Laxmi LifeScience		Yellowstone Speciality Chemical	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	-	-	-	-
Current assets	0.02	0.04	1.00	-
Non-current liabilities	0.03	0.03	-	-
Current liabilities	0.04	0.01	0.04	-
Net assets	(0.05)	(0.00)	0.96	-
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	-	-
Profit for the year	(0.05)	(0.02)	(0.04)	-
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	LCN Shanghai	
	March 31, 2021	March 31, 2020
Non-current assets	-	-
Current assets	6.45	-
Non-current liabilities	-	-
Current liabilities	3.54	-
Net assets	2.91	-
Net assets attributable to NCI	-	-
Contingent Liabilities	-	-
Revenue	11.13	-
Profit for the year	(0.42)	-
Profit/(Loss) allocated to NCI	-	-
Other comprehensive income	-	-
OCI allocated to NCI	-	-

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Company is scheduled to be held on **Monday, July 26, 2021 at 11.00** am through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2021, the reports of the auditors thereon and in this connection, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   a. **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b. **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2021 and the report of auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare final dividend on equity shares and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the recommendations made by the Board of Directors of the Company, a final dividend at the rate 25% (₹0.50 per equity share) be and is hereby declared on all the equity shares of ₹2 each fully paid-up in the paid-up capital of the Company and that the aforesaid dividend be distributed out of the profits of the Company for the financial year ended March 31, 2021, to whose name appears on the register of members of the Company as on July 15, 2021 ('Record Date') and in respect of shares held in electronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on July 15, 2021 or to their mandates."

3. To appoint Director in place of Mr. Ravi Goenka (DIN: 00059267) who retires by rotation and being eligible, offers himself for re-appointment and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Ravi Goenka (DIN: 00059267), Director of the Company, who retires by rotation at this meeting, being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2022, 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 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹0.17 million (excluding Taxes plus out of pocket expenses at actual), as approved by the Board of Directors and set out in the Statement annexed to the notice convening this Meeting, to be paid to M/s B. J. D. Nanabhoy & Company, Cost Auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

5. To regularize the appointment of Dr. Rajiv Banavali (DIN 09128266) as a Non-Executive independent director of the Company 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 sections 149, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with regulation 16(1)(b) and regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Rajiv Banavali (DIN: 09128266), who was appointed as an Additional Director by the Board of Directors based on the recommendation of Nomination and Remuneration Committee with effect from May 18, 2021 and who holds office up to the date of this Annual General Meeting in terms of section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under section 160 of the Act proposing his candidature to the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for the term of 5 (five) consecutive years commencing from May 18, 2021 up to May 17, 2026."

6. To approve the revision in the remuneration of Mr. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN 08239696) for the financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the approval of the member be and is hereby accorded to revise the remuneration payable to Mr. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN 08239696), during financial year 2021-22 w.e.f. April 1, 2021 from present ₹20.00 million (CTC) to ₹21.50 million (CTC) as per the remuneration structure as set out in in statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the actual amount of performance linked incentive (PLI) as specified in remuneration structure is dependent of Company policy and the Nomination & Remuneration Committee be and is hereby authorised to determine the actual PLI amount payable to Mr. Harshvardhan Goenka based on his individual performance and the Company's performance in financial year 2021-22, without obtaining a separate approval of members, even if it exceeds the PLI amount as mentioned in the remuneration structure.

RESOLVED FURTHER THAT pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in financial year 2021-22, the remuneration set out here-above shall be paid to Mr. Harshvardhan Goenka, as minimum remuneration, beyond the limit specified in section II Part II of schedule V.

RESOLVED FURTHER THAT as recommended by the Nomination & Remuneration Committee, the approval of the members be and is hereby accorded to pay the PLI of ₹5.39 million to Mr. Harshvardhan Goenka for his performance during the financial year 2020-21.

RESOLVED FURTHER THAT all the other terms of appointment of Mr. Harshvardhan Goenka, except the remuneration as revised above shall remain unchanged."

7. To consider and approve the revision in the remuneration of Mr. Satej Nabar, Executive Director & CEO (DIN 06931190) for the financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the approval of the members be and is hereby accorded to revise the remuneration payable to Mr. Satej Nabar, Executive Director & Chief Executive officer (CEO) (DIN 06931190), during financial year 2021-22 w.e.f. April 1, 2021 from present ₹23.90 million

(CTC) to ₹25.21 million (CTC) as per the remuneration structure as set out in in statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the actual amount of performance linked incentive (PLI) as specified in remuneration structure is dependent of Company policy and the Nomination & Remuneration Committee be and is hereby authorised to determine the actual PLI amount payable to Mr. Satej Nabar based on his individual performance and the Company's performance in financial year 2021-22, without obtaining a separate approval of members, even if it exceeds the PLI amount as mentioned in the remuneration structure.

RESOLVED FURTHER THAT pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in financial year 2021-22, the remuneration set out here-above shall be paid to Mr. Satej Nabar, as minimum remuneration, beyond the limit specified in section II Part II of schedule V.

RESOLVED FURTHER THAT as recommended by the Nomination & Remuneration Committee, the approval of the members be and is hereby accorded to pay the PLI of ₹8.91 million to Mr. Satej Nabar for his performance during the financial year 2020-21.

RESOLVED FURTHER THAT all the other terms of appointment of Mr. Satej Nabar, except the remuneration as revised above shall remain unchanged."

8. To consider and approve the revision in the remuneration of Mr. Ravi Goenka, Chairman and Managing Director (DIN 00059267) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 (the Act) regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the approval of the members be and is hereby accorded to revise the remuneration payable to Mr. Ravi Goenka, Chairman & Managing Director (DIN 00059267), during financial year 2021-22 w.e.f. April 1, 2021 as under:

a. The annual fixed remuneration to be paid to Mr. Ravi Goenka, during financial year 2021-22 with effect from April 1, 2021, shall be revised and increased from present ₹46.89 million (CTC) to ₹50.40 million (CTC).

b. In addition to annual fixed remuneration as specified in point (a) above, Mr. Ravi Goenka shall be eligible for the following allowances and perquisites as under:

i. Rent free accommodation (fully furnished).

ii. Leave travel allowance for expenses actually incurred for 2 trips in a block of 4 years for self and family member.

iii. Reimbursement of hospitalization charges and medical expenses actually incurred in India on the director and his family members in any hospital.

iv. Leave encashment as per the Company's policy.

v. Expenses actually incurred on gas, electricity, water, furnishings and telephone not exceeding ₹2.50 million per annum.

vi. Club fees and entertainment expenses on actual basis.

vii. Personal accident insurance and keyman insurance policy.

viii. Company's contribution to provident fund, gratuity, as per rules in force.

c. In addition to the Remuneration & Perquisites and Allowances as specified in point (a) and (b) above, Mr. Ravi Goenka may be paid a remuneration by way of commission at such percentage of the net profits of the Company in financial year 2021-22 not exceeding 5%, calculated in accordance with section 198 of the Act as may be determined by the Board of the Company at the end of each financial year. The specific amount payable to the Managing Director will be based on performance as evaluated by the Nomination & Remuneration Committee thereof duly authorized in this behalf and will be payable annually after the annual accounts have been approved by the Board.

RESOLVED FURTHER THAT pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in financial year 2020-21, the remuneration set out here-above shall be paid to Mr. Ravi Goenka, as minimum remuneration, beyond the limit specified in section II Part II of schedule V.

RESOLVED FURTHER THAT as recommended by the Nomination & Remuneration Committee, the approval of the members be and is hereby accorded to pay the commission of ₹30.00 million to Mr. Ravi Goenka for his performance during the financial year 2020-21.

RESOLVED FURTHER THAT all the other terms of appointment of Mr. Ravi Goenka, except the remuneration as revised above shall remain unchanged."

9. To approve the continuation of the payment of remuneration to Executive Directors as per regulation 17(6)(e) of SEBI (LODR) regulation 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to regulation 17(6)(e) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions the approval of the members be and is hereby accorded for the payment of aggregate annual remuneration in excess of 5% (subject to maximum cap of 10%) of the net profit of the Company calculated as per the provisions of section 198 of the Companies Act, 2013, to (i) Mr. Ravi Goenka, Chairman and Managing Director, who is promoter during his term upto August 31, 2024 and to (ii) Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy, who belongs to promoter group during his term upto October 31, 2025."

10. To approve the related party transaction to be undertaken by the Company during financial year 2021-22 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to section 188 of the Companies Act, 2013 (the 'Act') and any other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company for entering into contract or arrangement with the related parties as defined under the Act and the rules made thereunder, as per details and on terms & conditions as set out in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

11. To consider and approve the ratification of Laxmi- Employee Stock Option Plan 2020 (ESOP-2020) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 62(1)(b) of the Companies Act, 2013, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and as per the provisions of Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, the Laxmi - Employee Stock Option Plan 2020' ("ESOP-2020"), which was approved and adopted by the members at the 31st Annual General Meeting of the Company held on November 24, 2020, as amended, be and is hereby ratified for the grant of the employee stock options under the ESOP-2020, from time to time, in one or more trenches to or for the benefits of the present or future eligible Employees as defined in the ESOP-2020."

By Order of the Board of Directors
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Aniket Hirpara
Company Secretary and Compliance Officer

Date : May 25, 2021
Place : Mumbai

Notes:

1. The In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of AGM through VC or OAVM (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form, attendance slip and route map of the AGM are not annexed to this notice.

3. Institutional / corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to investors@laxmi.com with a copy marked to enotices@linkintime.co.in.

4. The Company has fixed Thursday, July 15, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.

5. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after July 31, 2021 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Thursday, July 15, 2021;

6. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form.

8. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company / Depositories.

Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report.

If your e-mail address is not registered with the Depositories (if shares held in electronic form) / Company (if shares held in physical form), you may register on or before 5:00 p.m. (IST) on Monday, July 19, 2021 to receive the Notice of the AGM along with the Annual Report 2020-21 by completing the process as under:

i) For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site HYPERLINK http://www.linkintime.co.in/ww.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e- mail to RTA at HYPERLINK ailto:rnt.helpdesk@linkintime.co.inrnt.helpdesk@linkintime.co.in

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

ii. For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of members of the Company will be entitled to vote during the AGM.

10. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, July 23, 2021 through e-mail on investors@laxmi.com . The same will be replied by the Company suitably.

11. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline.

12. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

13. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to laxmiorganicdivtax@linkintime.co.in by 11:59 p.m. IST on July 5, 2021. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

14. Non-resident shareholders [including Foreign institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to laxmiorganicdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 5, 2021.

15. **VOTING THROUGH ELECTRONIC MEANS**

i. The procedure and instructions for remote e-voting are as under:
Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Members are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account

	Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ➔Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A** **User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B** **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C** **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D** **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ➔ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ➔Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

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

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

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

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

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

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

➔ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➔ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➔ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

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

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

16. Details of Directors seeking appointment/re-appointment at the 32nd AGM to be held on July 26, 2021 (pursuant to regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

Name	Mr. Ravi Goenka
Date of Birth	February 11, 1962
Date of First Appointment	May 15, 1989
Qualification	B.E (Chemical)
Experience	Mr. Ravi Goenka has over 30 years of experience in the chemicals and paper industries, 16 years of experience in the education industry, and 21 years in the power industry. He was also the ex-trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and is presently, the president of the executive committee of the Indian Chemical Council for the period from 2020 to 2022.
Terms & Conditions of Re-Appointment	In terms of section 152(6) of the Act, Mr. Ravi Goenka who was appointed as a Chairman and Managing Director at the Annual General Meeting held on June 22, 2019 is liable to retire by rotation at the Meeting.
Remuneration last drawn (including Sitting Fees, if any)	₹78.90 million
Remuneration proposed to be paid	Upon there-appointment as Director, Mr. Ravi Goenka, in his capacity of Chairman and Managing Director, will receive remuneration as specified in Resolution No.8.
Shareholding in Company	156,375 Equity Shares
Relationship with other Directors / Key Managerial Personnel	Mr. Ravi Goenka is father of Mr. Harshvardhan Goenka and brother of Mr. Rajeev Goenka
No of Meetings of the Board Attended during financial year 2020-21	9 (Nine)
Other Directorships held as on March 31, 2021	1. Maharashtra Aldehydes & Chemicals Limited 2. Laxmi Bioenergie Limited 3. Amrutsagar Constructions Private Limited 4. Anugrah Investments Limited 5. Aqua Mischief Private Limited 6. Crescent Oils Private Limited 7. International Knowledge Park Private Limited 8. Unity Papers Private Limited 9. Sherry Securities Private Limited 10. Yellowstone Oil & Gas Private Limited 11. Indian Chemical Council
Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2021	NA
Name	Dr. Rajiv Banavali
	April 28, 1958
Date of Birth	May 18, 2021
Date of First Appointment	Master’s in chemistry from the Institute of Science, Mumbai.
Qualification	Doctorate in Organic Chemistry from the University of Missouri

Experience	Dr. Rajiv Banavali has 34 years of experience in the chemicals industry including twenty years of experience leading large, global, and highly innovative research organizations of major American public companies at the forefront of materials sciences. He is currently Senior Vice President, Science & Innovation at WestRock Corporation in the USA. In the past, he has been associated with Rohm & Haas (Dow), Honeywell, and Huntsman in varied capacities ranging from research scientist to Chief technology officer.
Remuneration last drawn (including Sitting Fees, if any)	NIL
Remuneration proposed to be paid	Sitting fees and Commission in accordance with provisions of applicable laws
Shareholding in Company	NIL
Relationship with other Directors / Key Managerial Personnel	Dr. Rajiv Banavali is not related to any Board members
No of Meetings of the Board Attended during financial year 2020-21	NA (Appointed w.e.f. May 18, 2021)
Other Directorships held as on March 31, 2021	NIL
Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2021	NA

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO.4:

Upon the recommendation of the Audit Committee, the Board has approved the appointment and remuneration of M/s B. J. D. Nanabhoy & Company, Cost Auditors to conduct the audit of the cost accounting records maintained by the Company for the products namely, Organic and Specialty Chemicals manufactured by the Company at its plant situated at Mahad and Distillery at Satara for the financial year ending March 31, 2022 on the remuneration ₹170,200/- (excluding Taxes plus out of pocket expenses at actual).

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has 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.4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.4 as the Ordinary Resolution.

ITEM NO.5

Based on the recommendation of the Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Dr. Rajiv Banavali (DIN 0009128266) as an Additional Director of the Company, in the category of independent director with effect from May 18, 2021. Pursuant to section 161(1) of the Companies Act, 2013 ('Act'), Dr. Rajiv Banavali holds office till the date of this Annual General Meeting. Appropriate notice has been received from a Member proposing appointment of Dr. Rajiv Banavali as a Director of the Company and requisite consent has been received from him pursuant to the provisions of section 152 of the Act along with confirmation that he is not disqualified from being appointed as a director in terms of section 164 of the Act.

In accordance with the provisions of section 149 read with Schedule IV to the Act, appointment of independent directors requires approval of the members.

The Company has also received declaration from Dr. Rajiv Banavali that he meets the criteria of Independence as prescribed both under section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Dr. Rajiv Banavali who is proposed to be appointed as an independent director of the Company for the period of 5 consecutive years up to May 17, 2026, fulfils the conditions specified under section 149(6) and Schedule IV of the Act and is Independent of the management.

Details of Dr. Rajiv Banavali are provided in the Notes to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on the General Meeting issued by the Institute of Company Secretaries of India.

Dr. Rajiv Banavali shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under section 197 of the Act.

Copy of the letter of appointment of Dr. Rajiv Banavali setting out the terms and conditions of appointment is available for inspection by the members on the website of the Company.

Brief Profile and other details of Mr. R Gopalan forms part of the Notes to the Notice.

The Board further considers that Dr. Rajiv Banavali's association would be of immense benefit to the Company and accordingly the Board of Directors of your Company recommends the passing of resolution as set out at Item No.5 as the Ordinary Resolution.

Except Dr. Rajiv Banavali, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

ITEM NO. 6

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Director have at their meeting held on May 18, 2021, approved an increase in the annual remuneration to be paid to Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy (DIN: 08239696) during financial year 2021-22 with effect from April 1, 2021 from present ₹20.00 million (CTC) to ₹21.50 million as per the following remuneration structure:

CTC Component	Annual Amount (in ₹)
Basic	₹6,270,833
HRA	₹3,135,417
Canteen Allowance	₹28,800
Education Allowance	₹2,400
Fuel Reimbursement	₹780,000
LTA	₹522,569
Bonus	₹36,000
Other Allowances	₹6,086,521
Gratuity	₹301,627
Provident Fund	₹752,500
Performance Linked Incentive (PLI) (PLI is dependent on Company Policy and will be determined and payable at the end of the year based on the performance of the Company as well as Individual)	₹3,583,333
Total CTC (Total Fixed Pay + PLI)	**₹21,500,000**

Further, upon the recommendation of the Nomination & Remuneration Committee, the Board has also approved the payment ₹ 5.39 million toward the Performance Linked Incentive (PLI) to Mr. Harshvardhan Goenka for his performance during financial year 2020-21. The PLI is a part of the remuneration of Mr. Harshvardhan Goenka for financial year 2020-21 and the same will paid to him after the approval of the members in this 32nd Annual General Meeting.

The other terms of appointment of Mr. Harshvardhan Goenka shall remain unchanged.

In accordance with the provisions of the Act, the revision in the remuneration of the Executive Director requires approval of the members.

The revision in the remuneration and the PLI have been finalized at organisation level after taking into consideration various factors like company performance (top-line and bottom-line approach), industry benchmarking etc. Further, in the opinion of the Board, the aforesaid revision is in line with the industry norms and is justified considering the qualification, work profile, experience and the overall contribution made by Mr. Harshvardhan Goenka to the Company. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No.6 as the Special Resolution.

Mr. Harshvardhan Goenka is interested in the said resolution, which pertains to the remuneration payable to him. Mr. Ravi Goenka, Mr. Rajeev Goenka and the other relatives of Mr. Harshvardhan Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 7

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Director have at their meeting held on May 18, 2021, approved an increase in the annual remuneration to be paid to Mr. Satej Nabar, Executive Director & Chief Executive officer (CEO) (DIN 06931190), during financial year 2021-22 w.e.f. April 1, 2021 from present ₹23.90 million (CTC) to ₹25.21 million (CTC) as per the following remuneration structure:

CTC Component	Annual Amount (in ₹)
Basic	₹8,677,375
HRA	₹4,338,688
Canteen Allowance	₹28,800
Education Allowance	₹2,400
Fuel Reimbursement	₹420,000
LTA	₹723,115
Other Allowances	₹4,285,837
Gratuity	₹417,382
Provident Fund	₹1,041,285
Performance Linked Incentive (PLI) (PLI is dependent on Company Policy and will be determined and payable at the end of the year based on the performance of the Company as well as Individual)	₹5,275,000
Total CTC (Total Fixed Pay + PLI)	**₹25,209,882**

Further, upon the recommendation of the Nomination & Remuneration Committee, the Board has also approved the payment ₹8.91 million toward the PLI to Mr. Satej Nabar for his performance during financial year 2020-21. The PLI is a part of the remuneration of Mr. Satej Nabar for financial year 2020-21 and the same will paid to him after the approval of the members in this 32nd Annual General Meeting.

The other terms of appointment of Mr. Satej Nabar shall remain unchanged.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Executive Director requires approval of the members.

The revision in the remuneration and the PLI have been finalized at organisation level after taking into consideration various factors like company performance (top-line and bottom-line approach), industry benchmarking etc. Further, in the opinion of the Board, the aforesaid revision is in line with the industry norms and is justified considering the qualification, work profile, experience and the overall contribution made by Mr. Satej Nabar to the Company. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No.7 as the Special Resolution.

Mr. Satej Nabar is interested in the said resolution, which pertains to the remuneration payable to him.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 8

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Director have at their meeting held on May 18, 2021, approved the revision in the payment of remuneration of Mr. Ravi Goenka, Chairman and Managing Director (DIN 00059267) as specified in the resolution.

Further, as per the terms of the resolution passed by the members in the 31st Annual General Meeting held on November 24, 2021, Mr. Ravi Goenka is also eligible to receive a commission not exceeding 1% of the net profit (computed under section 198 of the Companies Act, 2013). However, after considering the overall profitability and upon the recommendation of the Nomination & Remuneration Committee the Board has approved the payment of ₹30.00 million towards the Commission payable to Mr. Ravi Goenka for the financial year 2020-21 subject to the approval of the Board and the members. The Commission is a part of the remuneration of Mr. Ravi Goenka for financial year 2020-21 and the same will paid to him after the approval of the members in this 32nd Annual General Meeting.

The other terms of appointment of Mr. Ravi Goenka shall remain unchanged.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Executive Director requires approval of the members.

The revision in the remuneration and the commission amount has been finalized at organisation level after taking into consideration various factors like company performance (top-line and bottom-line approach), industry benchmarking etc. Further, in the opinion of the Board, the aforesaid revision is in line with the industry norms and is justified considering the qualification, work profile, experience and the overall contribution made by Mr. Ravi Goenka to the Company. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No.8 as the Special Resolution.

Mr. Ravi Goenka is interested in the said resolution, which pertains to the remuneration payable to him. Mr. Harshvardhan Goenka, Mr. Rajeev Goenka and the other relatives of Mr. Ravi Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO.9

In accordance with the provisions of regulation 17(6)(e) of Listing Regulations, the fees or compensation payable to executive directors who are promoters or member of the promoter group shall be subject to the approval of the members by special resolution in the general meeting if:

i. the annual remuneration payable to such executive director exceeds ₹ 50.00 million or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

ii. where there is more than one such executive director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Accordingly, the Company seek your approval for the compensation payable in excess of the above limits to following executive directors who are promoters or member of the promoter group:

Name	Designation	Validity of Term
Mr. Ravi Goenka	Chairman & Managing Director	Upto August 31, 2024
Mr. Harshvardhan Goenka	Executive Director – Business Development & Strategy	October 31, 2025

Further, the Company would like to inform you that in consideration of the continued valuable contributions of Mr. Ravi Goenka and Mr. Harshvardhan Goenka in the growth and sustainability of the Company, the proposed remuneration payable to them is fair and justified. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No. 9 as a Special Resolution.

Mr. Ravi Goenka and Mr. Harshvardhan Goenka are interested in the said resolution, which pertains to the fees or compensation payable to them. Mr. Rajeev Goenka and the other relatives of Mr. Ravi Goenka and Mr. Harshvardhan Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO.10

As per section 188 of the Companies Act, 2013, all the related party transactions which exceed the threshold limit specified under Companies (Meeting of Board and its Power) Rules, 2014 are required to be approved by the Members by way of Special Resolution.

The Audit Committee and subsequently the Board of Directors had at their meeting held on May 25, 2021 approved the following party transaction that may be undertaken by the Company during financial year 2021-22 with the related party subject to the approval of the members:

Name of Related Party	Name of Director, KMP who is related	Validity of Term	Maximum Permissible Amount Annually
Yellowstone Chemicals Private Limited	NIL*	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc. 2. Availing and providing any kind of consultancy, technical, R & D, logistical or any other kind of services, including leave and license or lease of properties. 3. Payment of Commission for sale/ purchase 4. Reimbursement/recovery of expenses	2,000
Laxmi Organic Industries (Europe) BV	Wholly Owned Subsidiary Company. None of the Director or KM{P is interested.	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc. 2. Availing and providing any kind of consultancy, technical, R & D, logistical or any other kind of services. 3. Payment of Commission for sale/ purchase 4. Reimbursement/recovery of expenses	2,000

****As per the terms of the Share Purchaser Agreement executed on December 9, 2020, the Company has agreed to acquire 100% shares of Acetyls Holdings Private Limited (AHPL) from Ravi Goenka and Harshvardhan Goenka on or before December 31, 2022, whereby YCPL will become wholly owned subsidiary of the Company in financial year 2021-22.***

Mr. Ravi Goenka and Mr. Harshvardhan Goenka are interested in the said resolution, which pertains to the fees or compensation payable to them. Mr. Rajeev Goenka and the other relatives of Mr. Ravi Goenka and Mr. Harshvardhan Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO.11

In furtherance of the objective to reward its employees including Directors, of the Company and its subsidiaries for their continuous hard work, dedication and support, which has led the Company on the growth path, the members of the Company approved the Laxmi - Employee Stock Option Plan 2020' ("ESOP-2020") at its 31st Annual General Meeting held on November 24, 2020.

In terms of regulation 12(1) of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended ("SEBI ESOP Regulations"), no company shall make any fresh grant which involves allotment or transfer of shares to its employees under any schemes formulated prior to its Initial Public Offering (IPO) and prior to the listing of its equity shares ('Pre-IPO Scheme') unless:

(i) Such Pre-IPO Scheme is in conformity with the SEBI ESOP Regulations; and
(ii) Such Pre-IPO Scheme is ratified by its members subsequent to the IPO.

Further, as per proviso to regulation 12(1) of the SEBI ESOP Regulations, the ratification under clause (ii) may be done any time prior to grant of new options or shares or Stock Appreciation Rights (SAR) under such Pre-IPO Scheme.

The Board of Directors of the Company at its meeting held on May 18, 2021 approved and recommended to the members of the Company, ratification of ESOP-2020 and grant of ESOPs under ESOP-2020 to the present or future Employees as defined in the ESOP-2020.

It is confirmed that the ESOP-2020 is in conformity with SEBI ESOP Regulations and that the Company has not made any fresh grant of options under the ESOP-2020 post IPO of the Company.

The brief particulars of the Pre-IPO ESOP-2020 in terms of the SEBI ESOP Regulations and section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 is mentioned below:

a) Brief description of the ESOP-2020:

ESOP-2020 contemplates grant of employee stock options to the eligible employees and Directors of the Company, as may be determined in due compliance of extant law and provisions of ESOP-2020. After vesting of Options, the option grantee earns a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall administer the ESOP-2020. All questions of interpretation of the ESOP-2020 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP-2020.

b) Total number of options to be granted:

A total of 6,750,000 (Sixty-Seven Lakh Fifty Thousand only) options would be available for being granted to eligible employees of the Company under ESOP-2020. Each option when exercised would be converted into one equity share of ₹2/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date.

The Board is authorized to re-grant such lapsed / cancelled options as per ESOP-2020.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares stated above shall be deemed to increase to the extent of such additional equity shares issued.

c) Identification of classes of employees entitled to participate in the ESOP-2020:

All permanent employees and Directors (hereinafter referred to as "employees") of the Company shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

i. a permanent employee of the Company who has been working in India or outside India.

ii. a director of the Company, whether a whole-time director or not but excluding an independent director,

iii. Employees as enumerated in sub clauses (i) and (ii) above, of subsidiary(ies) of the Company, whether working in India or outside India

but does not include:

a. an employee who is a promoter or a person belonging to the promoter group; or

b. a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, and an Independent Director of the Company or Subsidiaries of the Company within the meaning of the Companies Act.

d) Appraisal Process for determining the eligibility of the employees to employee stock options:

The options shall be granted to the employees as per performance appraisal system of the Company. The process for determining the eligibility of the employees will be specified by the Committee and will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

e) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of options granted shall vest in not earlier than 1 (One) year and not more than 3 (Three) years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

f) The maximum period within which the options shall be vested:

The options granted shall vest not later than 3 (Three) years from the date of grant of such options.

g) Exercise price or pricing formula:

The Exercise Price shall be determined by the Committee as on date of Grant, which shall not be higher than the market price (i.e. latest available closing price on a recognized stock exchange having highest trading volume on which the Shares of the Company are listed) of the Shares at the time of grant and not be less than face values of the Shares. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI ESOP Regulations.

h) Exercise Period and the process of exercise:

In case of continuation of employment, the exercise period in respect of a vested option shall be subject to a maximum period of 8 (Eight) years commencing after the date of vesting of such option.

In case of cessation of employment due any reason, shorter exercise periods have been respectively prescribed in the ESOP-2020.

The vested options will be exercisable by the employees by a written application to the Company as may be prescribed to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

i) Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions particularly after listing of shares of the Company as may be prescribed under applicable laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018, as amended, and code of conduct framed, if any, by the Company after listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

j) Maximum number of options to be issued per employee and in aggregate:

Number of options that may be granted to an employee under the ESOP-2020 shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed 20,00,000 (Twenty Lakh only) Options per eligible Employee under ESOP-2020 or any such ceiling number of options as may be determined by the Committee within such limit with respect to an individual employee.

k) Method of option valuation:

The Company shall adopt fair value method for valuation of options as prescribed under Ind-AS 102 or under any relevant accounting standard notified by appropriate authorities from time to time. In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee's compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report.

l) Accounting and Disclosure Policies:

The Company shall follow the relevant Indian Accounting Standards (Ind-AS) / Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein.

m) The conditions under which option vested in employees may lapse:

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

n) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

In case of termination of employment as specified above, all the vested options shall lapse and cannot be exercised. In case of resignation/ termination (other than due to misconduct), the vested options can be exercised by the employee by the last working day of the concerned employee.

o) Route of administration of ESOP-2020:

The ESOP-2020 shall be implemented and administered directly by the Company.

p) Source of acquisition of shares under the ESOP-2020:

The ESOP-2020 contemplates issue of fresh/ primary shares by the Company.

q) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present ESOP-2020.

r) Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP-2020.

s) Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing Accounting guidelines and upon listing of securities of the Company, the Company shall comply with the accounting policies and disclosure requirements as prescribed under regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

For more information regarding lock in period, method which the company shall use to value its options, conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct, specified time period within which the employees shall exercise the vested options in the event of a proposed termination of employment or resignation of employee, statement to the effect that the company shall comply with the applicable accounting standards, please refer to the ESOP-2020.

As the ESOP-2020 provides for issue of shares to be offered to persons other than existing members of the Company, consent of the members is being sought pursuant to section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), by way of a special resolution.

The Nomination and Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP-2020. In terms of the provisions of the SEBI ESOP Regulations, ESOP-2020 is required to be approved by the members by passing of special resolution.

A draft copy of the ESOP-2020 is available for inspection at the Company's Registered Office during official hours on all working days till the date of the 31st AGM.

None of the Directors, or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in these resolutions, except to the extent of the securities that may be offered to them under the ESOP-2020.

Accordingly, your Board recommends passing of the resolution as set out in the accompanying notice as special resolution.

Laxmi Organic Industries Limited
Registered Office : A-22/2/3, MIDC, Mahad, Dist Raigad – 402309

Conceptualised and Designed by **synapse.co**