LAXMI ORGANIC INDUSTRIES LTD
Chandermukhi, Third Floor, Nariman Point, Mumbai 400021, India
T +91 22 49104444 **E** info@laxmi.com **W** www.laxmi.com

July 7, 2022

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 2021-22 including notice of annual general meeting

Please see enclosed annual report of the Company for the financial year ended March 31, 2022, 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**

Aniket Bavchand Hirpara

Digitally signed by Aniket Bavchand Hirpara
DN: c=IN, o=Personal, title=3326,
pseudonym=6a26e4af943276d9d3ac1bc0c5ef920ace8063f4a379fa30f60a44d3b797803f,
2.5.4.20=8db433ce8f1c86cc382ef3b38a166730a1696fb4509336ffbffabf376256b444, postalCode=401202, st=Maharashtra,
serialNumber=578ad360ba01564218b7b5de223e94a93f822395c169b34d73d690d70b78a1fa, cn=Aniket Bavchand Hirpara
Date: 2022.07.07 16:44:22 +05'30'

Aniket Hirpara
Company Secretary and Compliance Officer

Encl.: A/a

LAXMI ORGANIC INDUSTRIES LTD

Driven by Chemistry.
Inspired by Quality.

ANNUAL REPORT **FY22**

Contents

Financial Highlights

CONSOLIDATED REVENUE FROM OPERATIONS
(In ₹ million)

30,842

74% ↑ Y-o-Y

CONSOLIDATED EBITDA
(In ₹ million)

3,826

73% ↑ Y-o-Y

CONSOLIDATED PAT
(In ₹ million)

2,565

102% ↑ Y-o-Y

The annual report is also avialable online
http://www.laxmi.com/investors/annual-report

DISCLAIMER
This document may contain certain forward-looking statements/ details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section.

Driven by Chemistry.
Inspired by Quality.

Since its inception, Laxmi Organic Industries Limited and its subsidiaries ("Laxmi" or "the Company") have prioritised and promoted excellence in chemistry and processes to provide global customers with consistent quality and reliable delivery.

Even today, the Company is motivated with the same passion and drive, and these values have enabled the Company's current growth trajectory and will further its expansion and advancement.

The Company understood and acknowledged early on that the backbone of research-driven industries like specialty chemicals lies in the excellence and dependability of its product. Therefore, one of the Company's core values is prioritising the science behind its products. Laxmi has worked on new path-breaking chemistries and processes and created a knowledge pool that enables value-based product delivery to customers, with significant focus on bringing innovation and efficiency to its chemistries and processes through a dedicated team of chemists and engineers. Delivering excellence in its products has assisted the Company in delivering consistent financial results, ensuring its long-term financial health.

Laxmi's laboratories and R&D functions are fully equipped not only to provide the necessary support and expertise to the business, but also to establish industry benchmarks. This commitment ensures that the Company provides proactive product and process improvements to its customers while keeping a keen eye on sustainability. The Company has reinvented its business in response to changing times and customer demands by establishing strong forward and backward integration channels. This is true across all of the Company's platforms. This has allowed Laxmi to establish itself as a market leader in Acetyl Intermediates and a game-changer in the Specialty Intermediates vertical. These business lines have demonstrated that true growth can only be achieved through strong know-how and planned expansion.

With decades of experience and learning, the Company is now establishing its Fluoro Specialties Intermediaries business. Technology is again at the forefront here, aiming to provide customers with products that will help them meet their business goals.

A Three Decade Legacy of Agile, Clean & Smart Business

Laxmi Organic Industries Ltd. was incorporated more than three decades ago in response to the growing demand for alcohol-based chemicals. Subsequently, the Company established itself as a leading continuous process manufacturer of Ethyl Acetate.

Having acquired strong manufacturing excellence in the Acetyl Intermediaries (AI) space and established a Research Lab, the Company forayed into Specialty Intermediaries (SI) in 2011. With a robust AI and a growing SI business, the Company has entered the Fluoro Intermediaries (FI) arena. The constant emphasis on innovation, customer service, and quick turnaround time has equipped Laxmi Organic to handle new challenges and capitalise on new opportunities across the globe.

Throughout the years, the Company has invested in sustainability from both an ESG and customer service perspective. In addition to research, manufacturing, and process excellence, the Company has invested in renewable energy since the early 2000s and developed state-of-the-art ETP and STP processes. Safety standards are ingrained in the Company's culture, and training is provided not only to employees but also to stakeholders in the vicinity of manufacturing units.

Vision

Continue to excel in our business, and become a leader in the field of specialty chemicals by partnering with our customers and providing them with innovative solutions

Mission

To become a market leader with global presence by leveraging the power of innovation, the best people and superior processes while championing the cause of our environment and communities

Values

INNOVATION
To create a culture of innovation where failure is the first step to success

CUSTOMER CENTRICITY
To improve the lives of our customers through reliability, agility, empathy and quality

INTEGRITY
To do what is right in the interest of all our stakeholders with an unwavering focus on integrity

SUSTAINABILITY
To make a positive impact in all interactions with the environment and communities

Strengths

Strengths

- Diversified and yet integrated business
- Innovation a key internal driver
- Long-standing relationships with global customers
- Sustainability a key attention area for the organization

DIVERSIFIED AND YET INTEGRATED BUSINESS

The Company operates in the AI and SI verticals, where backward and forward integration synergies have been achieved. The addition of FI provides additional diversification and a chance for further forward integration. From a customer and industry segment perspective, the business is reasonably diversified, allowing for risk mitigation during adverse cycles.

INNOVATION A KEY INTERNAL DRIVER

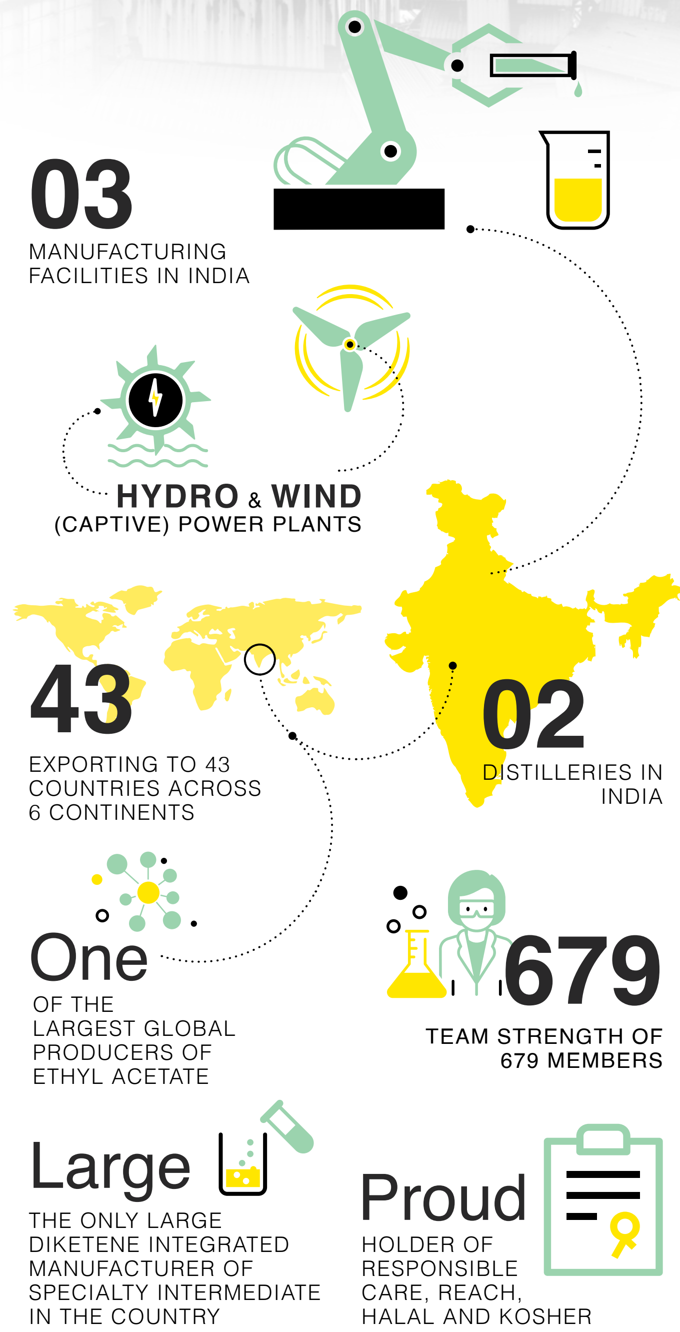
Two DSIR-certified research and development (R&D) centres are dedicated to new product development, process improvements, and advancing the Company's sustainability agenda. This has enabled the Company to quadruple its SI product portfolio over the past decade.

LONG-STANDING RELATIONSHIPS WITH GLOBAL CUSTOMERS

Laxmi is a proud partner of many well-established and well-respected global industry leaders across a wide range of industries. Customer-centricity has driven the Company's servicing of these global buyers, emphasising quality, reliability, and integrated offerings.

SUSTAINABILITY A KEY ATTENTION AREA FOR THE ORGANIZATION

Sustainability is central to everything Laxmi does, including environmental stewardship, ensuring safe and healthy working conditions for its employees, and establishing a business that can be a long-term supplier to its customers. This is evident not only in the Company's investments but also in the organisation's cultural DNA.



Execution & Sustainability Focused Growth

In Laxmi's three-decade long journey, the Company has moved from strength to strength, adding to its capabilities and enriching its business.

This journey has been a crucial stepping stone for Laxmi, as it has prepared the Company for the long haul and has also diversified its business opportunities. What began as an Acetyl Intermediates manufacturing business, today stands to be a highly specialized business with multifold operations, that include Specialty Intermediates and soon will include the much coveted Fluoro Specialty business as well. Laxmi has taken all the necessary steps to embolden its journey and create a lasting impact that will bear fruit decades ahead.

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

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

1996
Commenced production of Ethyl Acetate.

2004
- Investment in renewable energy sources for captive usage.
- ISO 9001-2000 certification for Acetyl Intermediates products.

2008
- Upstream investment in distillery at Jarandeshwar.
- Expansion of Ethyl Acetate capacity beyond 50,000 MT.

2010
- Set up DSIR approved R&D center
- Ethyl Acetate capacity expanded to 120,000 MT
- Diketene derivative capacity expanded beyond 13,000 MT.

2011
Acquired Clariant's Diketene business to enter the Specialty Intermediaries market

2012
Investment by International Finance Corporation in Equity and Debt.

2013
Set up subsidiary in the Netherlands & created stock points in Europe.

2018
Hydroelectric power at Yedgaon commissioned.

2019
Second DSIR registration received for the Innovation center at Rabale

2020
- Acquisition of Fluro Specialty assets of Miteni, Italy.
- Set-up subsidiary in China

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 Acetyl Intermediates products.
- Successful listing on stock exchanges.

2022
- Further Expansion of Ethyl Acetate Capacity
- Set-up subsidiary in USA
- Acquired 30,000 sq ft of R&D floor space near Mumbai

Customer Centricity & Innovation Led Partnerships

Laxmi's success is linked to the success of its customers. Thus, the Company has established a team that collaborates closely with customers to anticipate and comprehend their needs and accordingly provide suitable solutions.

Leveraging its R&D, in-depth process knowledge, understanding of customers and industry evolution, the Company develops cost-effective and sustainable products that effectively address diverse application requirements. This has resulted in a diversified business model with global customers across various industries and locations.

ACETYL INTERMEDIATES

This is the oldest business vertical with a substantial volume of business and is currently the highest revenue contributor. The market largely determines the input and output material prices, but the Company has some leverage due to its volume and supply chain expertise.

Products

13

13 products including Ethyl Acetate, Acetaldehyde, Fuel-grade Ethanol and other proprietary solvents

Industries catered to

Pharmaceuticals, Agrochemicals, Ink and paints, Coatings, Printing, Packaging, Adhesives

SPECIALTY INTERMEDIATES

This vertical, which is knowledge-driven, produces niche molecules that are downstream derivatives of Diketene. This vertical necessitates robust process and technical capacities for managing complex reactions due to the nature of the input material. Customer centricity in servicing and reliability & consistency of quality supplies has helped the company have long term contracts with global customers.

Products

34+

Ketene and 34+ Diketene derivatives, including Esters, Acetic Anhydride, Amides and Arylides

Industries catered to

Pharmaceuticals, Agrochemicals, Dyes and Pigments, Flavour and Fragrance, Paints and coatings

FLUORO SPECIALITY INTERMEDIATES

This is a very specialized vertical with highly complex chemistry and limited competition in the technology that Laxmi has acquired. The products being developed have diverse and growing applications across industry segments with potential to enter new customer segments.

Products

100+

Capabilities for 100+ products, with an initial basket of. 10 products in R&D and scale up stages

Industries catered to

Pharmaceuticals, Agrochemicals, Industrials, Electronics, Automotive

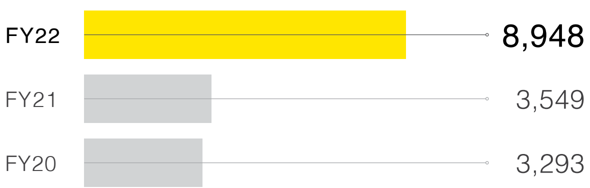
Strong Presence Across the World

Since its inception, the Company has worked with leading technology providers for all its platforms to ensure its technology is of the highest order.

In addition, the Company's emphasis on innovation, sustainability, consistent quality, and dependable supplies has enabled it to become a partner to leading global customers. Furthermore, low-cost Indian manufacturing, coupled with front offices closer to customers, has enabled Laxmi to monetise its capabilities in the global markets.

8,948

CONTRIBUTION OF EXPORTS
(In ₹ million)



~30%

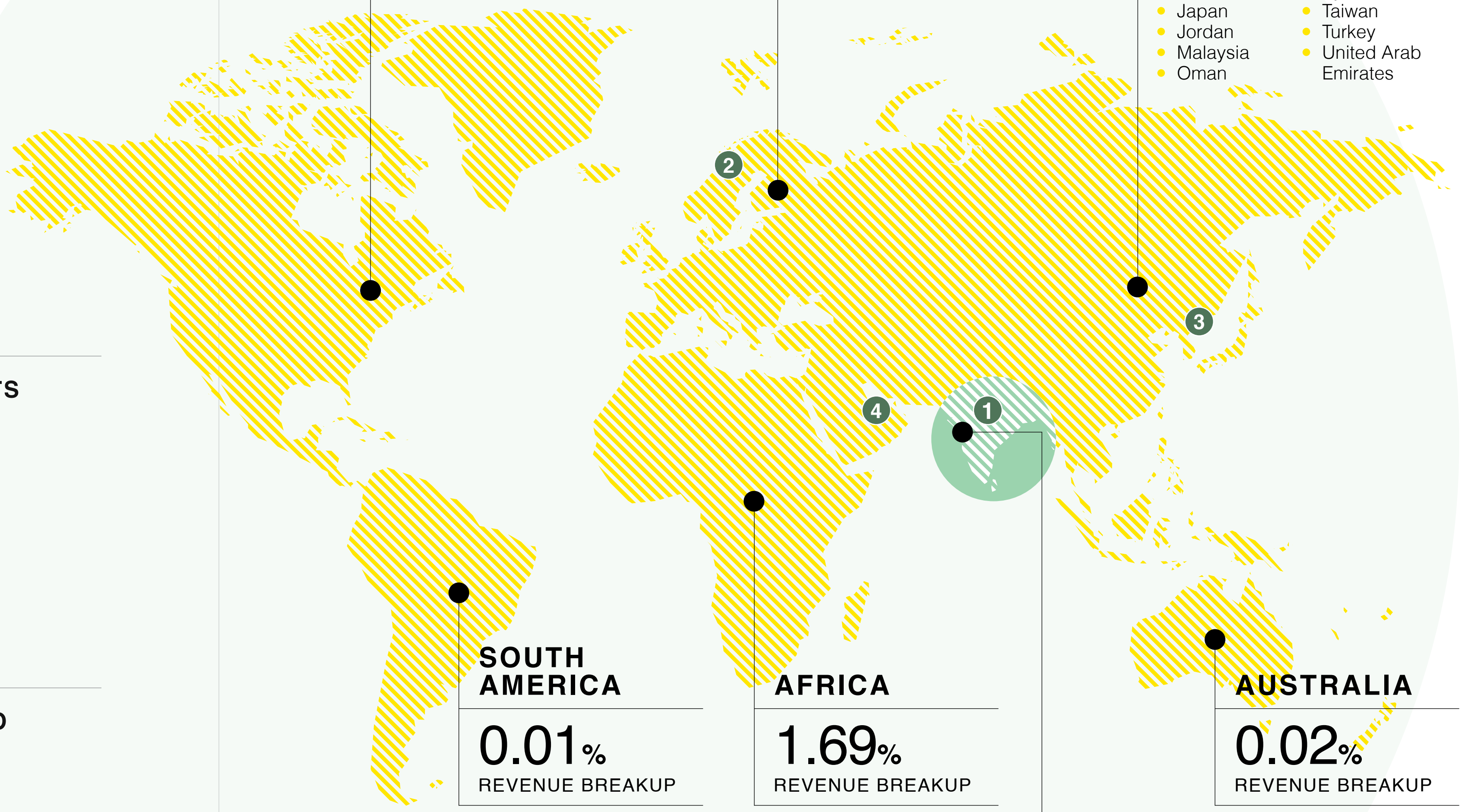
EXPORTS CONTRIBUTES TO ~30% OF SALES FOR FY22

Customers
IN 40+ COUNTRIES

Local Presence
WITH INTERNATIONAL OFFICES FACILITATES SALES AND MARKET INSIGHTS

Arrangements
FOR STORAGE OF FINISHED PRODUCTS IN KEY MARKETS, ENABLING TIMELY DELIVERY

De-risking
THROUGH ROBUST EXPORT EARNINGS AND LOW DEPENDENCE ON A SINGLE EXPORT MARKET



NORTH AMERICA
5.49%
REVENUE BREAKUP

- Canada
- USA

EUROPE
15.83%
REVENUE BREAKUP

- Belgium
- France
- Germany
- Netherlands
- Romania
- Spain
- Sweden
- Switzerland
- United Kingdom

ASIA
76.95%*
REVENUE BREAKUP
* Includes, India

- Armenia
- China
- Egypt
- Hong Kong
- Indonesia
- Israel
- Japan
- Jordan
- Malaysia
- Oman
- Russian Fed.
- Saudi Arabia
- Singapore
- South Korea
- Sri Lanka
- Syria
- Taiwan
- Turkey
- United Arab Emirates

SOUTH AMERICA
0.01%
REVENUE BREAKUP

- Argentina
- Chile

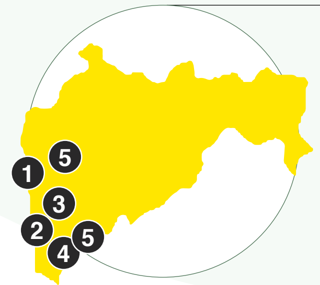
AFRICA
1.69%
REVENUE BREAKUP

- Angola
- Ghana
- Kenya
- Mauritius
- Morocco
- Nigeria
- Seychelles
- Tunisia

AUSTRALIA
0.02%
REVENUE BREAKUP

- Australia

KEY



MANUFACTURING LOCATIONS IN MAHARASHTRA, INDIA

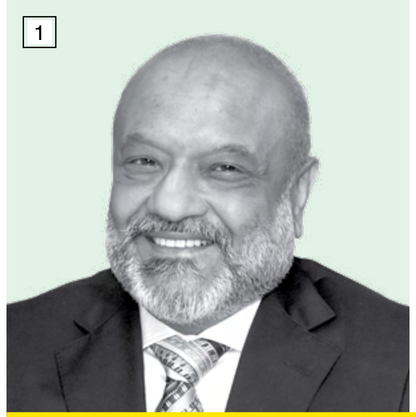
1. Mahad, Raigad district
2. Lote-Parshuram, Ratnagiri district
3. Jarandeshwar, Satara district
4. Panchganga, Kolhapur
5. Hydro Power Project, Pune district
6. Windmills, Sangli district

OFFICES AROUND THE GLOBE

1. India (Mumbai, Pune & Ahmedabad)
2. Netherlands (Leiden)
3. China (Shanghai)
4. United Arab Emirates (Sharjah)

Good Governance in Action

1



A C F

2

R F

3

S R

4

C

5

N S

6

A F

7

A N C

8

N R

9

R

Keys:

A - Audit Committee
N - Nomination & Remuneration Committee
S - Stakeholders' Relationship Committee
C - CSR Committee
R - Risk Management Committee
F - Finance Committee

Member Chairperson

1. MR. RAVI GOENKA
CHAIRMAN AND MANAGING DIRECTOR

Educational Background
Bachelors' degree in chemical engineering from Bangalore University

Appointed on Board since
Inception in 1989

Work experience
- Over 31 years of experience in the chemicals and paper industries
- 17 years of experience in the education industry
- 22 years in the power industry

2. MR. SATEJ NABAR
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Educational Background
- Bachelors' degree in mechanical engineering from the University of Bombay
- Masters' degree in plastic engineering from the University of Bombay
- Chartered engineer registered with the Institution of Engineers (India)

Appointed on Board since
April 2020

Work experience
Over 31 years of experience working with the global chemicals major and Indian companies

3. MR. HARSHVARDHAN GOENKA
EXECUTIVE DIRECTOR – STRATEGY AND BUSINESS DEVELOPMENT

Educational Background
- Bachelors' degree in science from Babson College, Boston USA

Appointed on Board since
November 2020

Work experience
Over 10 years of experience in the chemicals industry

4. MR. RAJEEV GOENKA
NON-EXECUTIVE DIRECTOR

Educational Background
Masters' degree in business administration from Lehigh University, Pennsylvania

Appointed on Board since
August 1994

Work experience
- Over 27 years of experience in the chemicals industry
- 22 years of experience in the renewable energy sector
- 18 years of experience in education sector

5. MR. MANISH CHOKHANI
INDEPENDENT DIRECTOR

Educational Background
- Masters' degree in business administration from London Business School, University of London
- Associate of the Institute of Chartered Accountants of India
- Fellow at the All India Management Association

Appointed on Board since
March 2012

Work experience
Over 16 years of experience in the securities market

6. MR. OMPRAKASH V. BUNDELLU
INDEPENDENT DIRECTOR

Educational Background
- Master's degree in mathematics and science, and a master's degree in financial management from the University of Bombay
- He has participated in the "Middle Management Course of the 3-Tier Programme for Management Development" conducted by the Indian Institute of Management, Ahmedabad, and has completed the 152nd session of the "Advanced Management Program, the "International Senior Managers Program" conducted by the Harvard University Graduate School of Business Administration, and part I of the associate examination conducted by the Indian Institute of Bankers

Appointed on Board since
February 2011

Work experience
Over 38 years of experience in the banking industry

7. MS. SANGEETA SINGH
INDEPENDENT DIRECTOR

Educational Background
- Bachelors' degree in arts from Wilson College, University of Bombay
- Successfully completed the "Strategic Human Resource Management" programme by the Harvard Business School

Appointed on Board since
September 2017

Work experience
Over 36 years of experience in the human resources, communication and operations.

8. DR. RAJEEV VAIDYA
INDEPENDENT DIRECTOR

Educational Background
- Bachelors' degree of technology in chemical engineering from Indian Institute of Technology, Mumbai
- Doctorate degree from The University of Southern Mississippi

Appointed on Board since
November 2020

Work experience
- Over 31 years of experience in the chemicals industry
- Over 6 years of experience in investment advisory services

9. DR. RAJIV BANAVALI
INDEPENDENT DIRECTOR

Educational Background
- Bachelors' and master's degrees in chemistry from the Institute of Science, Mumbai
- Doctorate degree in Organic Chemistry from The University of Missouri

Appointed on Board since
May 2021

Work experience
Over 35 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

Leading and Inspiring Change

F

Keys:

F - Finance Committee

Member

1. MR. SATEJ NABAR
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Educational Background
- Bachelors' degree in mechanical engineering from the University of Bombay
- Masters' degree in plastic engineering from the University of Bombay
- Chartered engineer registered with the Institution of Engineers (India)

Associated with Laxmi Organic Industries Limited since
April 2020

Work experience
Over 31 years of experience working with the global chemicals major and Indian companies

2. MR. HARSHVARDHAN GOENKA
EXECUTIVE DIRECTOR – STRATEGY AND BUSINESS DEVELOPMENT

Educational Background
Bachelors' degree in science from Babson College, Boston USA

Associated with Laxmi Organic Industries Limited since
September 2011

Work experience
Over 10 years of experience in the chemicals industry

3. MR. PARTHA ROY CHOWDHURY
CHIEF FINANCIAL OFFICER

Educational Background
Associate member of the Institute of Chartered Accountants of India

Associated with Laxmi Organic Industries Limited since
January 2016

Work experience
Over 32 years of experience in building and leading businesses through complex operational issues, financial restructuring, international expansion and capital market transactions

4. S. DAIPAYAN BORA
CHIEF TRANSFORMATION OFFICER

Educational Background
Masters of arts degree in personnel management & industrial relations from Tata Institute of Social Sciences

Associated with Laxmi Organic Industries Limited since
October 2018

Work experience
Over 19 years of experience in human resource management and related areas.

5. JITENDRA AGARWAL
EXECUTIVE VICE PRESIDENT – ACETYL INTERMEDIATES

Educational Background
Associate member of the Institute of Chartered Accountants of India

Associated with Laxmi Organic Industries Limited since
June 2018

Work experience
Over 28 years of experience in finance, accounts, global procurement, supply chain, sales and marketing, operations and industrial relations and BU management

6. VIRAG SHAH
EXECUTIVE VICE PRESIDENT – SPECIALITY INTERMEDIATES

Educational Background
- Master's degree of science in applied chemistry
- Master's degree of business administration from Maharaja Sayajirao University of Baroda

Associated with Laxmi Organic Industries Limited since
July 2020

Work experience
Over 19 years of experience in marketing, sales, business development of specialty chemicals, pharmaceutical intermediates and active pharmaceutical ingredients

7. DR. AJAY AUDI
SENIOR VICE PRESIDENT – RESEARCH AND DEVELOPMENT

Educational Background
Doctorate degree in science for a thesis in organic chemistry from University of Mumbai

Associated with Laxmi Organic Industries Limited since
December 2013

Work experience
Over 17 years of experience in process developments and scale ups of Agro – AIs and Pharma – Active pharmaceutical ingredients

8. B. P. PANT
SENIOR VICE PRESIDENT – BUSINESS DEVELOPMENT, PHARMA AND AGRO

Educational Background
Master's degree of science in organic chemistry from University of Pune

Associated with Laxmi Organic Industries Limited since
February 2018

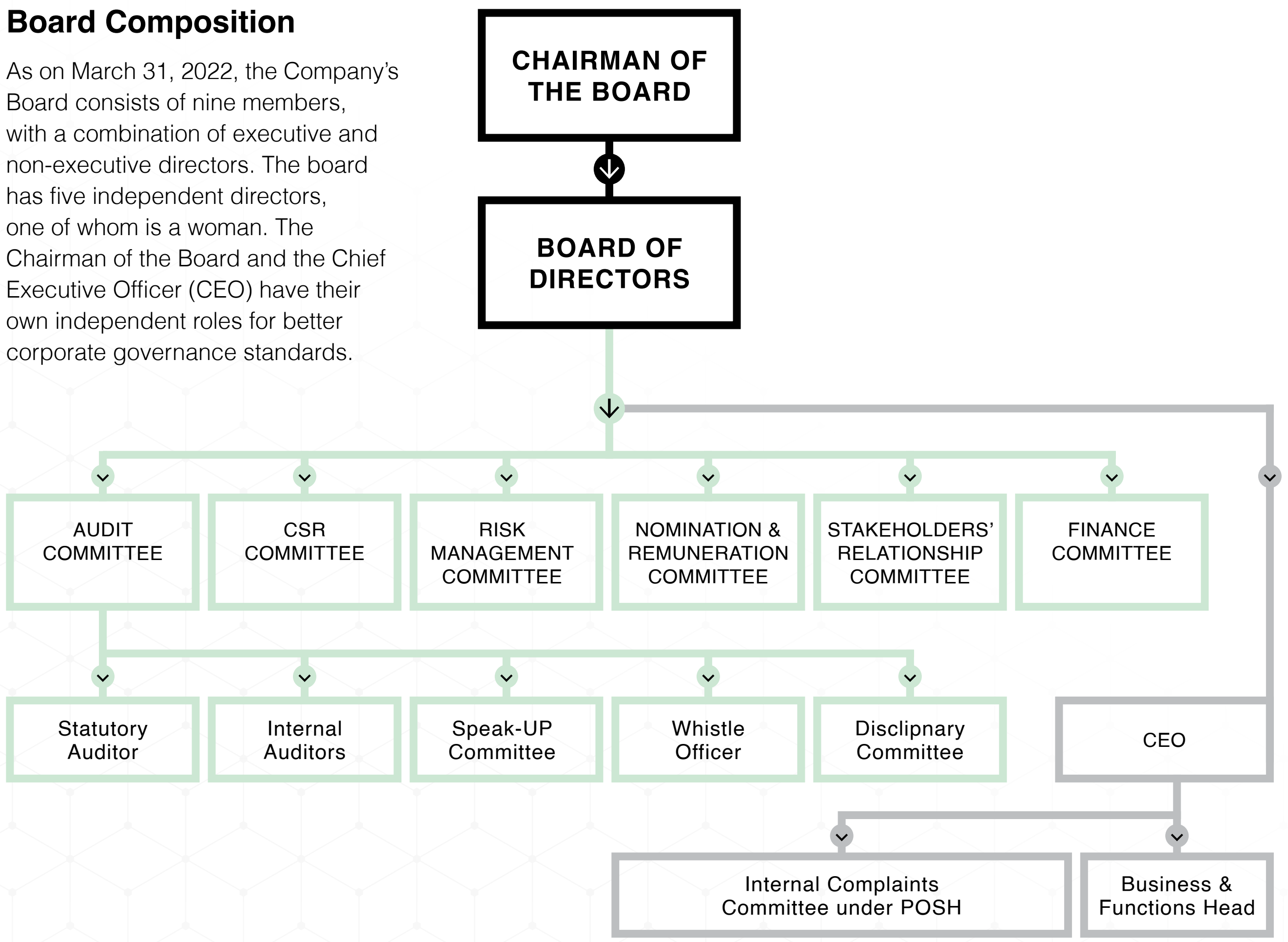
Work experience
Over 25 years of experience in process research, program management, business development, sales and marketing of agrochemical intermediates/AIs, pharmaceutical intermediates and specialty chemicals

Upholding High Standards of Corporate Governance

Laxmi conducts its business affairs with the highest standards of professionalism, integrity, and ethical behavior. It is also committed to operate and grow its business in a socially responsible manner, ensuring the creation of long-term value for all stakeholders.

Board Composition

As on March 31, 2022, the Company's Board consists of nine members, with a combination of executive and non-executive directors. The board has five independent directors, one of whom is a woman. The Chairman of the Board and the Chief Executive Officer (CEO) have their own independent roles for better corporate governance standards.



Skills and expertise of the Board

The members come from diverse backgrounds, qualifications, skills, and experiences, and are uniquely positioned to guide Laxmi's strategy and oversee its operations in a rapidly evolving business environment.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Mr. Ravi Goenka	✓	✓	✓	✓	✓	✓	✓	✓								
Mr. Harshvardhan Goenka		✓			✓				✓	✓	✓	✓				
Mr. Rajeev Goenka		✓											✓			
Mr. Satej Nabar	✓	✓	✓	✓			✓				✓		✓	✓		
Mr. Manish Chokhani		✓			✓	✓	✓	✓							✓	
Dr. Rajeev Vaidya		✓		✓			✓	✓							✓	
Ms. Sangeeta Singh		✓				✓										✓
Mr. Omprakash V. Bundellu		✓			✓	✓	✓	✓							✓	
Dr. Rajiv Banavali		✓		✓		✓	✓	✓		✓		✓				

Keys:
1. Leadership/Operational Experience
2. Strategic Planning
3. Procurement
4. Global Chemical Industry Expert
5. Finance and Accounting
6. Regulatory/Legal & Risk Management
7. Industrial & Stakeholders Relations
8. Corporate Governance
9. Business Development
10. New Product/Chemistries Initiatives
11. Sales and Marketing
12. R&D and Innovation
13. General Management
14. Manufacturing
15. Investment Banking & Capital Market
16. HR & People Management

Key functions of the Board include

- Provide oversight on corporate governance practices
- Review the business strategy and operational plans developed by the management
- Monitor and review management performance
- Review the risk management approach
- Discharge statutory or contractual responsibilities
- Supervise the process for compliance with laws and regulations
- Monitor and review the Board evaluation framework

Board Experience

02 WITH **10+** YEARS

01 WITH **25+** YEARS

04 WITH **30+** YEARS

02 WITH **35+** YEARS

Built to Innovate and Excel

WHAT WE USE TO CREATE VALUE

A robust balance sheet

- Consolidated Net worth: ₹ 13,007 million
- Capital expenditure: ₹ 1,752 million
- Long-term debt: ₹ 22 million

Focus on manufacturing and R&D

- 3 manufacturing facilities for the Acetyl Intermediates and Speciality Intermediates businesses
- 2 distilleries for manufacturing Ethanol
- Setting up a new manufacturing facility for Fluoro Speciality Intermediates business
- Setting up a new R&D facility

Skilled workforce

- Employee strength: 679
- Upskilling hours: 5,030

Contribution to the society

- ₹ 77 million capital investment in energy conservation equipment
- ₹ 21 million spend toward uplifting communities
- More than 7,000 people impacted through CSR programs

FOUNDATION FOR GROWTH

Strengths

Diversified and yet integrated business	Innovation a key internal driver
Long-standing relationships with global customers	Sustainability a key attention area for the organization

Read more Pg 03

Strategic Priorities

1 Enhancing global footprint leading to diversification of customer base

2 Continual focus on innovation leading to diversification of product base

3 Establishing the Fluoro Speciality vertical

4 Building cost competencies and enabling robust financial performance

5 Focusing on long term contracts for Speciality Intermediates

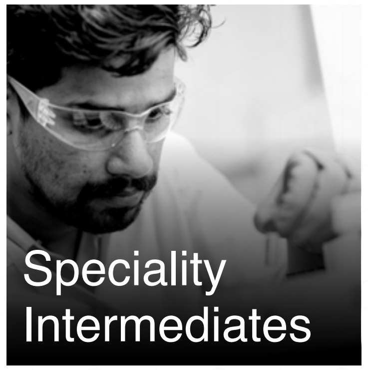
Read more Pg 30

Competitive Advantage

Strategic locations globally, deep supply chain expertise and robust supply chain infrastructure	Backward integration on RM and utility and forward integration with customers
Sustainable and green chemical business, certified as a RESPONSIBLE CARE business by Indian Chemical Council	Non-substitutable products, essential for core and allied industries

WHERE WE CREATE VALUE

Businesses verticals



Read more Pg 20

Our products are used in several end-user industries

- Pharmaceuticals Agrochemicals
- Ink and paints
- Coatings
- Printing
- Packaging
- Adhesives
- Dyes and Pigments
- Flavour and Fragrance
- Industrials
- Electronic
- Automotive

HOW DOES IT BENEFIT OUR STAKEHOLDERS

Steady finances to expand operations

- Consolidated Revenue: ₹ 30,842 million
- Consolidated EBITDA: ₹ 3,826 million
- Consolidated PAT: ₹ 2,565 million
- Consolidated EPS: ₹ 9.72

A robust product pipeline

- Meeting changing customer demands
- Process optimisation
- New product development
- Focus on complex chemistries

Upskilled employees to grow the business

- Well-defined career progression path for employees
- Upskilled, motivated and experienced workforce

Sustainable business

- Empowerment of lives
- Reduced carbon footprint

Poised for Growth

Specialty chemicals industry in the country and worldwide is witnessing a changing landscape. As the domestic GDP grows, the requirement for specialty chemicals is increasing.

In addition, the need for global customers to diversify their supply chains away from single geography has opened new avenues for quality-conscious and cost-efficient suppliers from India. While these are growth drivers, the business requirements around sustainability have also increased. This presents an opportunity for a Company like Laxmi, which has kept itself abreast of its operating context and stayed ahead of the curve in investing in sustainability while expanding its operations and product portfolio.

Demographic and Geopolitical

Given the recent emphasis of global majors on diversifying their supply chains and the continuous domestic GDP growth in India and other South Asian countries, the demand for speciality chemicals is increasing. The demographic composition of India and South Asia, coupled with a robust consumption market, is a driving force for all industry segments that Laxmi serves, allowing for the forward integration of customers across platforms. The Company's emphasis on exceeding the minimum environmental requirements places it in a commanding position. Laxmi is well-positioned for growth in domestic and international markets, given its current portfolio of products, robust in-house R&D, history of close collaboration with prestigious institutes, incorporation of green measures into its culture, and addition of new platforms.

Industry Diversification

One of the key differentiators of Laxmi has been the highly de-risked business, with the products being sold across industries for diverse applications. Today, the largest industry segment accounts for only about 30% of the total revenue. The Company supplies its products across agrochemicals, dyes & pigments, flavor & fragrance, packaging, paints & coatings, personal care, pharmaceutical and other industries. This indicates that the increasing demand in each of these industries presents the Company with a strong growth opportunity. In particular, the ETAC demand is driven by a need for green solvents, aromatics replacement, and increasing demand for flexible packaging and personal care products. Similarly, the requirement of process optimization in agrochemicals, composites in paints & coatings and higher efficient molecules in pharma are some factors that favorably impact the demand for SI product basket. Lastly, the foray into FI will enable the Company to further diversify the industry segment in the mid to long term.

Technology

From the capacities set in place to produce Acetic Acid to the most recent addition of the Fluro Specialty platform, technology has been the key driver of Laxmi's investments. In addition, the Company has ensured that the technologies used in its production facilities and throughout the Company constantly evolve to increase precision and speed. There have been investments made to the effect from an early time into ERP systems, HRMS, document management systems etc. The Company is committed to adopting automation, digitalization, machine learning, and data analytics to add value to both processes and products. The Company invests not only in R&D technologies but also in kilo labs that provide strong complementarity to the production units, thereby supporting its innovation focus.

Sustainability

Global regulators, industries, and consumers have endeavored to promote more sustainable products, processes, and research in recent years. For Laxmi, this has meant regular investment toward greener products and processes and creating systemic and long-term gains for all stakeholders. However, what is more exciting is that this well-paced journey towards sustainability may even present newer opportunities to serve the market's ever-changing needs - not only in the form of newer, more sustainable products but also by significantly widening the domain of application of the existing products.

Acetyl Intermediates

Starting with world-class technology and then developing a mega site with backward integration has enabled the Company to be the country's leading producer of Acetyl Intermediates and drive quality and cost synergies for its customers.

Because of its large manufacturing capacity, backward integration for utility and raw materials, consistent debottlenecking, experienced management, global footprint, and high-quality products, the Company is a dependable supplier of Acetyl Intermediates to a wide range of industries.

Laxmi is India's largest producer of Acetyl Intermediates, with a capacity of **2,32,000 MTPA.**

The Company manufactures a wide range of Acetyl products, including bulk solvents and aldehydes used in various industries, including adhesives, agrochemicals, coatings, dyes, and pharmaceuticals.

Laxmi is the largest exporter of Acetyl Intermediates in India.

Major products

- Ethyl Acetate
- Acetaldehyde
- Fuel-grade Ethanol

Product characteristics

- Ethyl Acetate, being environmentally friendly, poses little to no health risk, as compared to other solvents.
- Low impact input (in terms of its relative cost in final product)

Financial characteristics of Acetyl Intermediates vertical

- Large Volumes, Low Capex
- High Return on Capital
- Cash Flow positive

Laxmi's Advantage

- A well-established supply chain provides mitigation from market vagaries
- Proximity to port with ability to handle large volumes provides cost efficiencies
- Long term relationships with globally diverse customers and suppliers

PERFORMANCE REVIEW

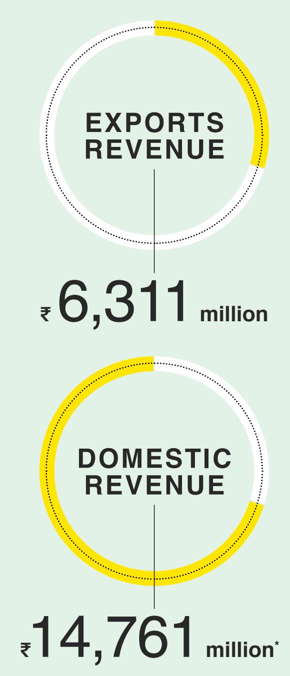
REVENUE

(In ₹ million)

18,092

Year	Revenue
FY22	18,092
FY21	9,139
FY20	8,145
FY19	8,954
FY18	6,497

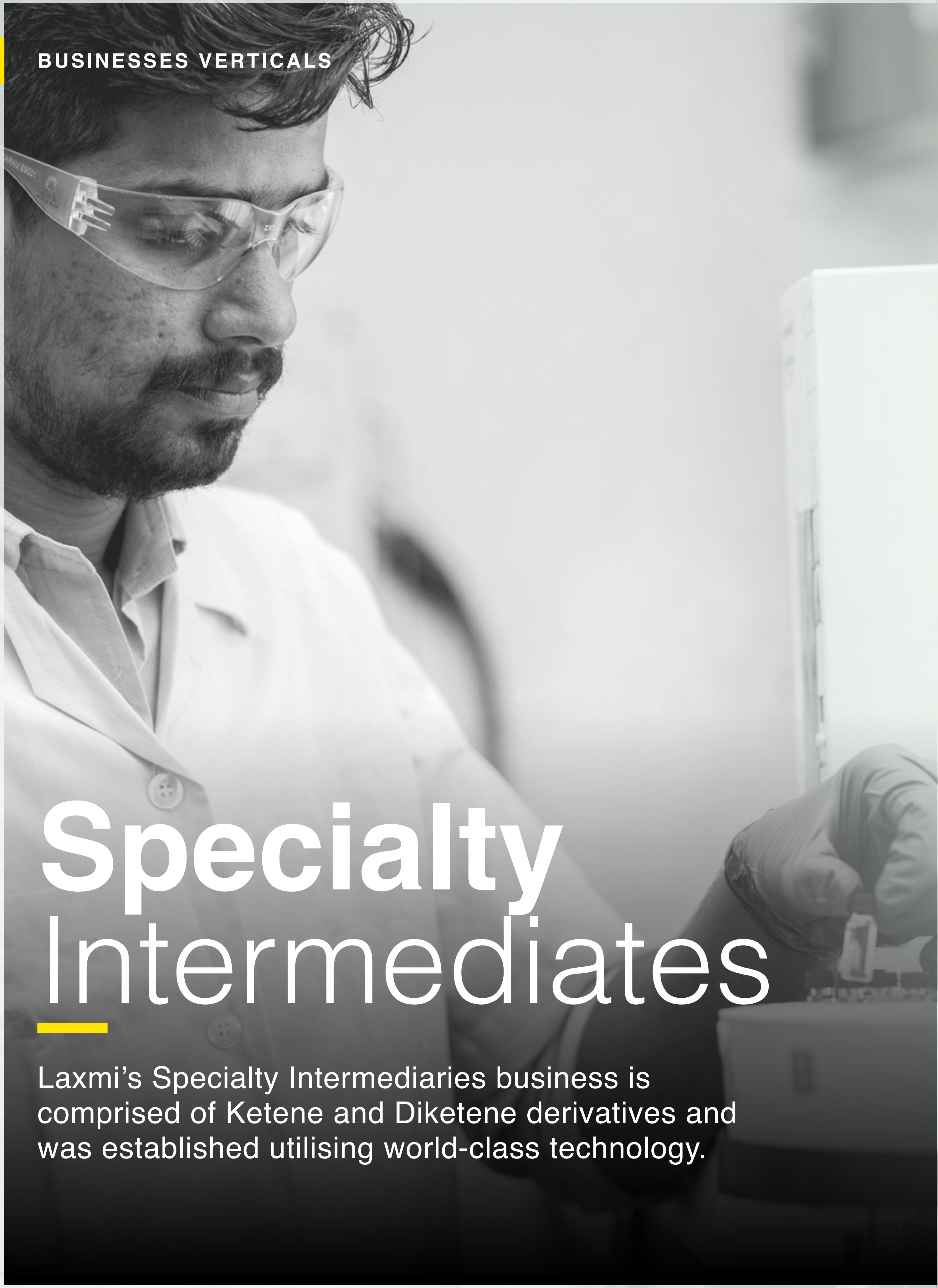
In FY22, the sales of Acetyl Intermediates increased to ₹ 18,092 million from ₹ 9,193 million in FY21. This was the result of three factors: (i) the debottlenecking of capacities to increase volumes, (ii) the acquisition of Yellowstone Chemicals Private Limited (YCPL), which not only added capacities but also other synergies, and (iii) the increase in the price of finished products. This vertical has a low capital requirement but generates cash to fund investments in other platforms.



Note* Domestic revenue includes revenue from trading activities

OUTLOOK FOR FY23

Given the Company's global reach and diverse customer base, the vertical's volumes are poised to grow in FY23. The demand is driven by the increased need for green solvents, replacement of aromatics, demand for highly durable high-performance pigments, personal care products, and the rising per capita consumption of flexible packaging.



Specialty Intermediates

Laxmi's Specialty Intermediaries business is comprised of Ketene and Diketene derivatives and was established utilising world-class technology.

The Company is the only significant integrated Diketene manufacturer, making it a preferred partner for customers. Since its commencement in 2011, the Company has quadrupled the number of products it manufactures and increased its production capacity for Diketene and derivatives. Moreover, the product offerings have been steadily ascending the value chain.

Laxmi is the only significant integrated Diketene manufacturer across the globe.

Laxmi currently holds the largest market share of the domestic SI business.

With global players deprioritizing this segment, the Company is well-positioned to harness the opportunities in Specialty Intermediates, especially given its strong backward & forward integration and inter-vertical synergies.

Major products

- Ketene
- Diketene
- Esters
- Amides
- Arylides

Product characteristics

- No drop-in product substitutes available
- Products are more knowledge based that are created from strong process competencies and skills in handling complex reactions

Financial characteristics of Acetyl Intermediates vertical

- High margin business
- Long term contracts with high customer stickiness
- Growth capital requiring vertical

Laxmi's Advantage

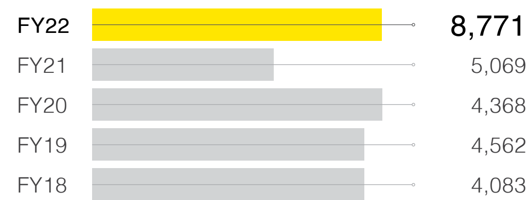
- Backward integration coupled with common raw materials for Acetyl Intermediates and Speciality Intermediates enables procurement at cheaper costs
- Captive power generation facilities, including renewable sources, provide cost efficiencies
- Strong focus on R&D results in augmented capabilities, thereby leading to in-house product development

PERFORMANCE REVIEW

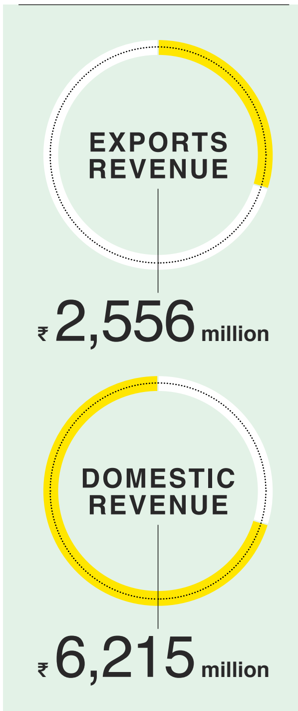
REVENUE

(In ₹ million)

8,771

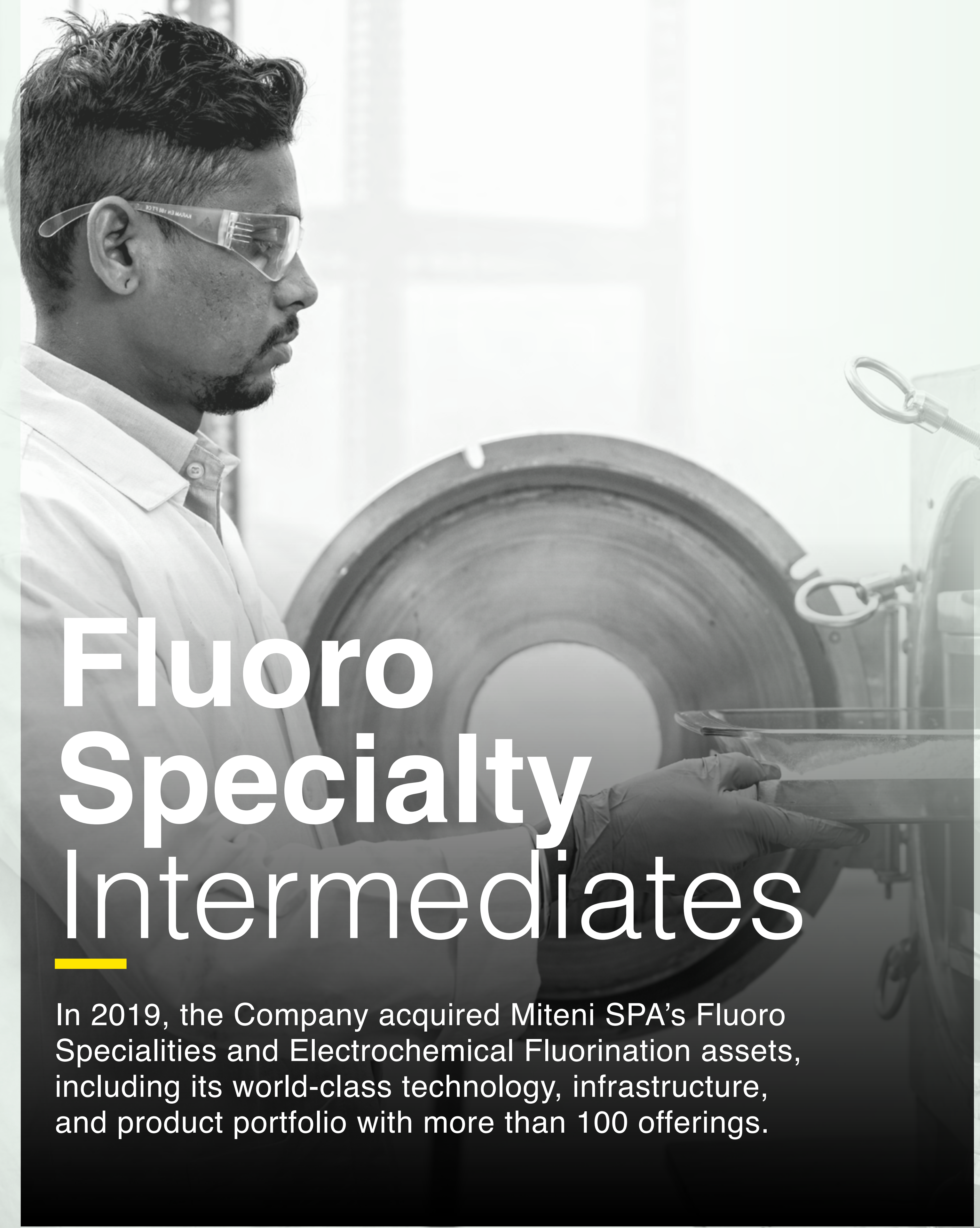


This vertical witnessed a robust growth of 73% Y-o-Y in FY22. This is despite the once-in-a-century flash floods that impacted the Raigad district and the SI Production unit in particular. As the Specialty Intermediates vertical witnessed continued buoyant demand from export markets, the team worked tirelessly to restart production following the floods, ramping up capacity and optimising the portfolio mix to manufacture higher value-added products. Preventive work was also completed on the site to reduce the likelihood of future flash floods like the one that occurred in August 2021.



OUTLOOK FOR FY23

New plants for SI vertical growth are on schedule to begin production in Q1 FY23. This unit will see additional capacity investments and a move to more longer-term contracts. Product mix optimization will continue to generate higher value for stakeholders.



Fluoro Specialty Intermediates

In 2019, the Company acquired Miteni SPA's Fluoro Specialities and Electrochemical Fluorination assets, including its world-class technology, infrastructure, and product portfolio with more than 100 offerings.

The acquisition included 14 patents and 41 REACH registrations, allowing Miteni customers to begin purchasing from Laxmi, albeit at more competitive prices due to the plant's establishment in India.

Fluoro speciality intermediates manufactured by the Company will find applications in agrochemicals, cosmetics, flavours & fragrances, dyes & pigments, and in the medium to long term in electronics and automotive. With its dedicated facility in Lote-Parshuram, Maharashtra, the Company is well-positioned to establish a strong foothold in the Fluoro Specialty Intermediates market.

To begin commercial production in FY23, the Company established a kilo lab from which customer approvals have been secured.

Contractual discussions are currently underway, and the initial launch will consist of a basket of existing Miteni products that have been proven in the kilo lab.

Opportunity

- The global Fluoro Speciality Intermediates market is projected to grow by about 30% from USD 22.5 billion in 2019 to USD 28.8 billion in 2024.
- Upto 20% of pharma molecules contain fluorine, while 50% of agrochemical molecules developed recently have fluorine
- Huge overlap of the customer base between Miteni and Laxmi represents a great opportunity size in the global market for the Company to serve
- The Indian market is highly receptive towards fluorine based organic and inorganic chemicals

GLOBAL FLUORO SPECIALITY INTERMEDIATES MARKET

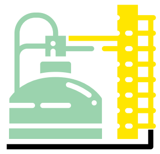
2024
USD 28.8 billion

2019
USD 22.5 billion

Strengths

- Local availability of raw materials is expected to provide a cost advantage by reducing dependence on imported raw material
- Technological expertise and experience, acquired from Miteni, would shorten the learning curve
- Ongoing development of large molecules expected to render higher volumes and profitability
- Laxmi's existing pool of customers would provide the platform for accelerated entry into this vertical, given the broad-based applications of Fluoro Specialty Intermediates products in the pharmaceutical and agrochemical sectors
- Miniature plant in India acts as a catalyst for garnering great customer interest

MOLECULES IN DEVELOPMENT



EXPECTED TO DRIVE HIGHER VOLUMES AND PROFITABILITY

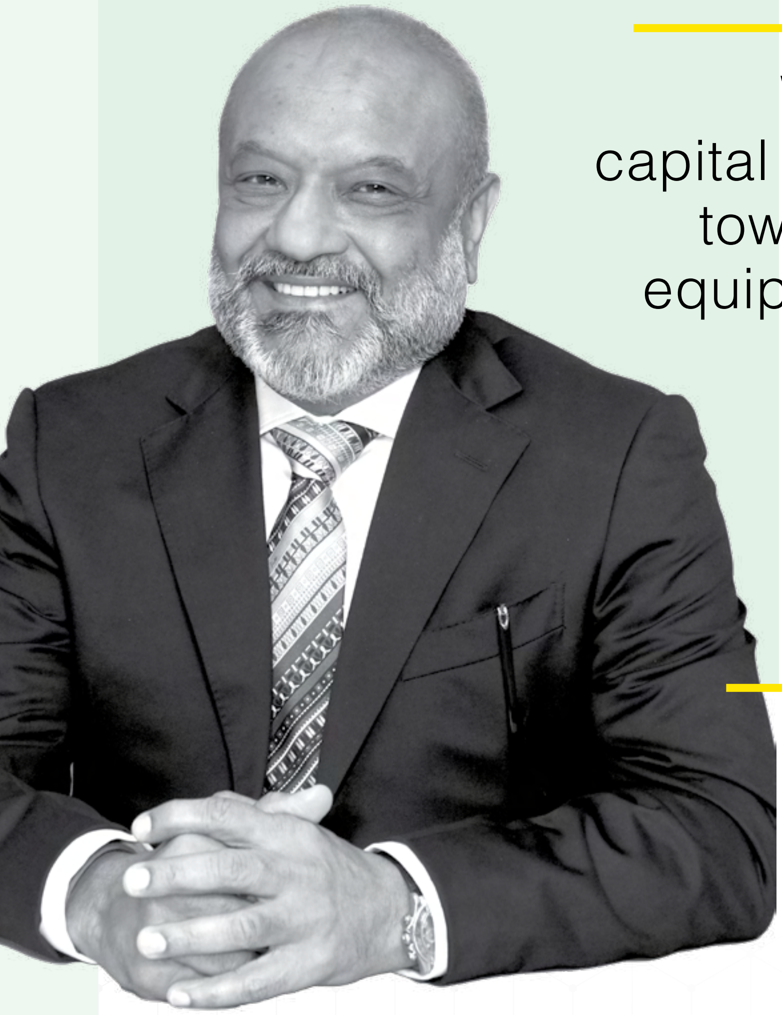
Project progress status

- Expected to commence commercial production in FY23
- Total Investment till March 31, 2022 is ₹ 2,052 million
- R&D in India – Kilo Lab operations have started and Kilo Lab samples have been approved by customers
- Civil and Infrastructure work at Lote Parshuram site in Maharashtra is 85% complete

CIVIL AND INFRASTRUCTURE WORK

85%

Braving Every Storm



We have made significant capital investment over the years towards energy conservation equipment which has rendered excellent results for us

MR. RAVI GOENKA
CHAIRMAN AND MANAGING DIRECTOR

Dear Fellow Shareholders,

At the very outset, let me thank you for being such an important and integral part of our journey over the past year. This year has thrown great challenges our way, however, with your support and that of our employees, associates, business partners and government agencies, Laxmi has kept itself healthy and has grown from strength to strength. As you are aware, the resilience and success of the Company has been well-reflected in the value that has been created and expanded. For this, we are sincerely grateful.

Remarkable Resilience

The year began under the cloud of the second wave of the Covid-19 pandemic, which compelled us to put the need and urgency of dynamic planning and implementation in our business into sharp focus. While the entire industry faced disruptions in supply chain, general operations, and manpower availability; for Laxmi, the commitment, dedication and hard work of our team shone through in these trying times. Despite the uncertainties, we posted a strong performance. However, no matter how detailed and constructive our planning was, none could foresee the calamitous floods in the Raigad and Ratnagiri districts of Maharashtra around the end of July 2021. As a result of the extensive floods and absence of power, the entire industrial area had to be shut down. While our Specialty Intermediates site sustained damage and operations and inventories were severely impacted, the Acetyl Intermediates operations were largely uninterrupted. The co-gen power plant ensured that we still had access to power and that was a key reason that we were able to operate the Acetyl Intermediaries site at nearly full capacity. Thankfully, our new greenfield site at Lote Parashuram, where the Fluoro Chemical works were being set up, remained unaffected by this natural disaster.

In spite of the temporary closure of our Specialty Intermediates works, the teams toiled day and night so that the facility reopened on September 5, 2021 but all the plants could come back to normalcy only towards the end of September 2021. This caused a near 60-day disruption of capacity utilization. Restarting such complex operations in a matter of weeks and reaching full capacity, especially when the infrastructure had been severely waterlogged, was a herculean feat made possible by the sheer grit and perseverance of the operations teams. Also, it is very heartening to note that during these massive floods there were no fatalities or untoward incident leading to irreparable harm to human life.

FY22 at Laxmi Organic Industries

As a leader in the Acetyl Intermediates industry in India, Laxmi along with its wholly owned subsidiary Yellowstone Chemicals Private Limited dominates more than a third of the domestic market. Globally, it supplies to more than 40 countries and has had a consistent and direct presence in Europe over the last several years. The Company is also amongst the largest suppliers of Fuel-grade Ethanol to oil marketing companies in India. FY22 witnessed never seen before volatility in input prices for this vertical. The team worked in a smart and agile manner to not only achieve a cost pass through but also optimize margins by using our global presence as an opportunity. This has strengthened our belief that even in the face of a severe escalation in input costs we can maintain a high level of operational excellence and generate value for stakeholders.

The Specialty Intermediates vertical has shown robust growth during the year on the back of ramped up production following the flood restoration, increased realizations, and a better product mix optimization towards higher value-added products. This performance has also been well-supported by the demand from the international market, with exports accounting for a third of our Specialty Intermediates sales.

When it comes to Fluoro Chemicals, the Company's foray into this sector remains on track. During the year, its acquisition from Miteni, SpA came to fruition with equipment from Italy arriving in India. This project is expected to bring in a library of new high margin niche products and further diversify the business keeping forward integration with customers intact.

Global supply issues during the second and third waves of the pandemic caused an increase in the costs and timelines associated with global trade bottlenecks which in turn affected the pace at which the Company would have wanted to implement this project. However, to ensure that we minimize the impact of delays, a kilo lab was set up at our existing units and trials were conducted in our existing R&D centers. This allowed us to produce samples that have passed customer approvals already. The Company is confident that this increased capacity would translate to exponential gains once commercialization is achieved in the coming year. The Fluoro Chemicals markets in India and abroad are ripe for penetration and offer great space to innovate and reinvent.

30,000 sq. ft

INVESTED IN A LARGER AND MORE UPDATED RESEARCH CENTER DURING THE YEAR

Delivering on Promises

The Company's efforts and resilience have paid off this year, it has clocked a year-on-year revenue increase of 87%. The profits have also been healthy, showing a 88% increase.

The Company's medium-term goal remains moving ahead in the value chain in the Specialty Intermediates vertical while unlocking multiplying value through identifying and removing bottlenecks and well thought out expansion in the Acetyl Intermediates vertical.

With COVID-19 receding, the Company had expected the prices of raw materials to soften and global supply chains to regain their optimal efficiencies. However, recent international conflicts have meant that both these aspects have not seen the normalization that was anticipated. The Company is confident that, notwithstanding these imponderables, its business will continue to grow, making the most of its expertise and the commitment and passion of its people.

Advancing Towards a Sustainable Future

Laxmi is committed towards sustainable development and has been conferred with multiple certifications in the past, which validate the Company's stance and directional inclination. FY22 saw continued investment by the Company in both EHS/ESG and CSR avenues. We have been commencing projects with a mandate of incorporating energy efficient technologies, both in design and implementation. In this context, I am proud to share that we have made significant capital investment over the years towards energy conservation equipment which has rendered excellent results for us - in terms of enhanced plant efficiency which has resultantly reduced our energy consumption and operational costs significantly. We also look forward to adding solar power to our suite of captive wind and hydro power, thus making us one of the few companies in the country using all three sources of renewable power.

Through the second wave we worked closely with the local authorities to provide all support and relief measures to all impacted. This translated into our deep acknowledgement of the lack of health facilities and infrastructure owing to which Laxmi has launched a free mobile health unit, along with HelpAge India, to cater to 18 remote villages around MAHAD. To ensure that the community could take benefit of the vaccines that were introduced in 2021, the Company launched a mobile unit and successfully vaccinated 1,937 individuals.

In the same light we have decided to invest in a larger and more updated research center in a 30,000 square feet area. We are looking forward to moving there at the earliest, without compromising on the ongoing innovation efforts.

A Future Full of Opportunities

The sad demise of our founder Chairman, late Shri Vasudeo Goenka, was sudden and a cause of deep anguish to us all. However, our resolve is to keep his memory alive by continuing to adhere to the highest governance standards and motivating ourselves to achieve the true potential of the business that he had started.

Before parting, I must thank all of you again for your steadfast support in making and keeping Laxmi an industry leader. We are confident that, in the coming years, we will be able to continue to keep Laxmi ahead of the curve and continue to add value to all our stakeholders. True to the spirit instilled by the founder Chairman of Laxmi, we intend to make the most of the faith that you have reposed in us and discharge our duties in the most exemplary fashion, thereby maintaining Laxmi's pre-eminence as a responsible, conscious and value creating leader in this business.

Delivering Robust Performance Year after Year

The Company's commitment to delivering quality products through consistent and ongoing innovation has ensured that the partnership with globally renowned clients results in improved financial performance.

In addition, the emphasis placed on creating value for all stakeholders has resulted in sustained profits. The Company is confident in its ability to continue its growth trajectory considering the initiatives in the pipeline and the organization's world-class talent pool.

REVENUE FROM OPERATIONS

(In ₹ million)

29,965

FY22	29,965
FY21	16,061
FY20	13,587
FY19	14,288

87% Y-o-Y | 28% 3 year CAGR

EBITDA

(In ₹ million)

3,398

FY22	3,398
FY21	2,119
FY20	1,252
FY19	1,576

60% Y-o-Y | 29% 3 year CAGR

PBT

(In ₹ million)

2,817

FY22	2,817
FY21	1,513
FY20	904
FY19	1,029

86% Y-o-Y | 40% 3 year CAGR

PAT

(In ₹ million)

2,311

FY22	2,311
FY21	1,226
FY20	786
FY19	778

88% Y-o-Y | 44% 3 year CAGR

RETURN RATIOS ROE

(In %)

18%

FY22	18%
FY21	12%
FY20	18%
FY19	17%

RETURN RATIOS ROCE

(In %)

21%

FY22	21%
FY21	15%
FY20	18%
FY19	19%

ASSET TURNOVER

(In X)

2.5

FY22	2.5
FY21	1.4
FY20	1.5
FY19	1.6

WORKING CAPITAL DAYS

(In Days)

33

FY22	33
FY21	57
FY20	19
FY19	20

Note: Standalone Financials

Resolute Steps Towards a Better Tomorrow

Laxmi Organic has been at the helm of innovation and has driven growth and profitability through the years, with its strategic outlook and foresight.

The Company's keen focus on improving efficiencies and cost of production has enabled it to become the market leader for Acetyl Intermediates and Speciality Intermediates, and it strongly believes that this will further add impetus to its new Fluoro Speciality Intermediates vertical as well. Therefore, it is imperative for Laxmi to align its goals, identify its growth engines and acknowledge its strengths, to be more efficacious and effective in its journey.

ENHANCING GLOBAL FOOTPRINT LEADING TO DIVERSIFICATION OF CUSTOMER BASE

Progress made in FY22

- Created a subsidiary in USA to have a stock point in the country
- Operationalised Chinese subsidiary to have a stock point in the country, and to support its exports to China

Outlook

- Focusing on export markets, thereby diversifying revenue streams

CONTINUAL FOCUS ON INNOVATION LEADING TO DIVERSIFICATION OF PRODUCT BASE

Progress made in FY22

- Established a dedicated R&D unit and kilo lab for Fluoro Specialty
- Acquired 30,000 sq ft of R&D floor space near Mumbai to enhance the current innovation center infrastructure

Outlook

- Commencing commercialization of new Specialty Intermediates products

CONTINUAL FOCUS ON INNOVATION LEADING TO DIVERSIFICATION OF PRODUCT BASE

Progress made in FY22

- Dismantling and relocation of assets to India started with 85% of civil and infrastructre work at Lote – Parshuram site completed

Outlook

- Customer approvals obtained for samples generated from the kilo lab
- Production to start in FY23

BUILDING COST COMPETENCIES AND ENABLING ROBUST FINANCIAL PERFORMANCE

Progress made in FY22

- Deepening supply chain expertise enabled cost leadership in procurement of raw materials achieved

Outlook

- Focus on high margin Speciality Intermediates and Fluoro Speciality Intermediates verticals

FOCUSING ON LONG TERM CONTRACTS FOR SPECIALITY INTERMEDIATES

Progress made in FY22

- Long-term contracts for Speciality Intermediates, have increased almost 3x

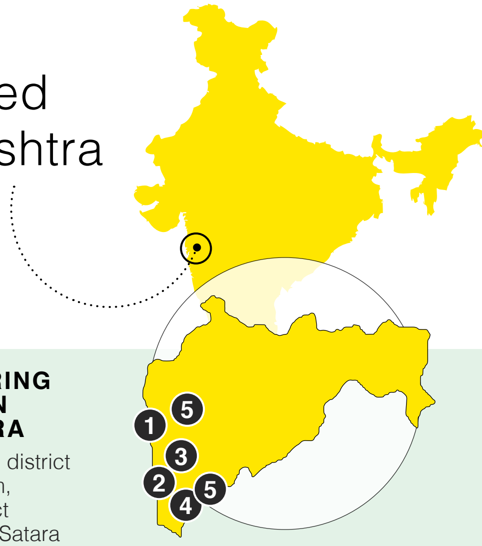
Outlook

- Increase the long term contracts in SI by another 60%

Integrated Business Model to Deliver Excellence

Laxmi has two dedicated and fully equipped manufacturing facilities in Mahad, Maharashtra for its Acetyl Intermediates and Specialty Intermediates production.

The strategic location of these facilities helps access multi-modal transport including nearby ports, air and rail heads, thereby saving on costs significantly and increasing efficiencies as well. Laxmi also has two distilleries for manufacturing Ethanol, located in Satara and Kolhapur, Maharashtra which facilitates backward integration of the Acetyl Intermediates vertical. Common raw materials for both the Acetyl Intermediates and Specialty Intermediates verticals, enables cost-efficiencies for the Company. Further, Laxmi has invested in a co-gen power plant which generates steam that is utilized by the Acetyl Intermediates vertical, and the power generated is used by the Specialty Intermediates vertical. Moreover, the Company's captive hydro and wind power sources not only help us reduce our carbon footprint but also make the Company more energy and cost efficient.



MANUFACTURING LOCATIONS IN MAHARASHTRA

1. Mahad, Raigad district
2. Lote-Parshuram, Ratnagiri district
3. Jarandeshwar, Satara district
4. Panchganga, Kolhapur
5. Hydro Power Project, Pune district
6. Windmills, Sangli district

Infrastructure facilities at manufacturing sites

02 Torr
VACUUM & AZEOTROPIC DISTILLATION

2,000 TR
REFRIGERATION CAPACITY EXCEEDS

700°C to 25°C
REACTIONS

Pressure
SWING ADSORPTION

Pipestill
REACTORS

Multiple
MOC FOR REATORS AND COLUMNS

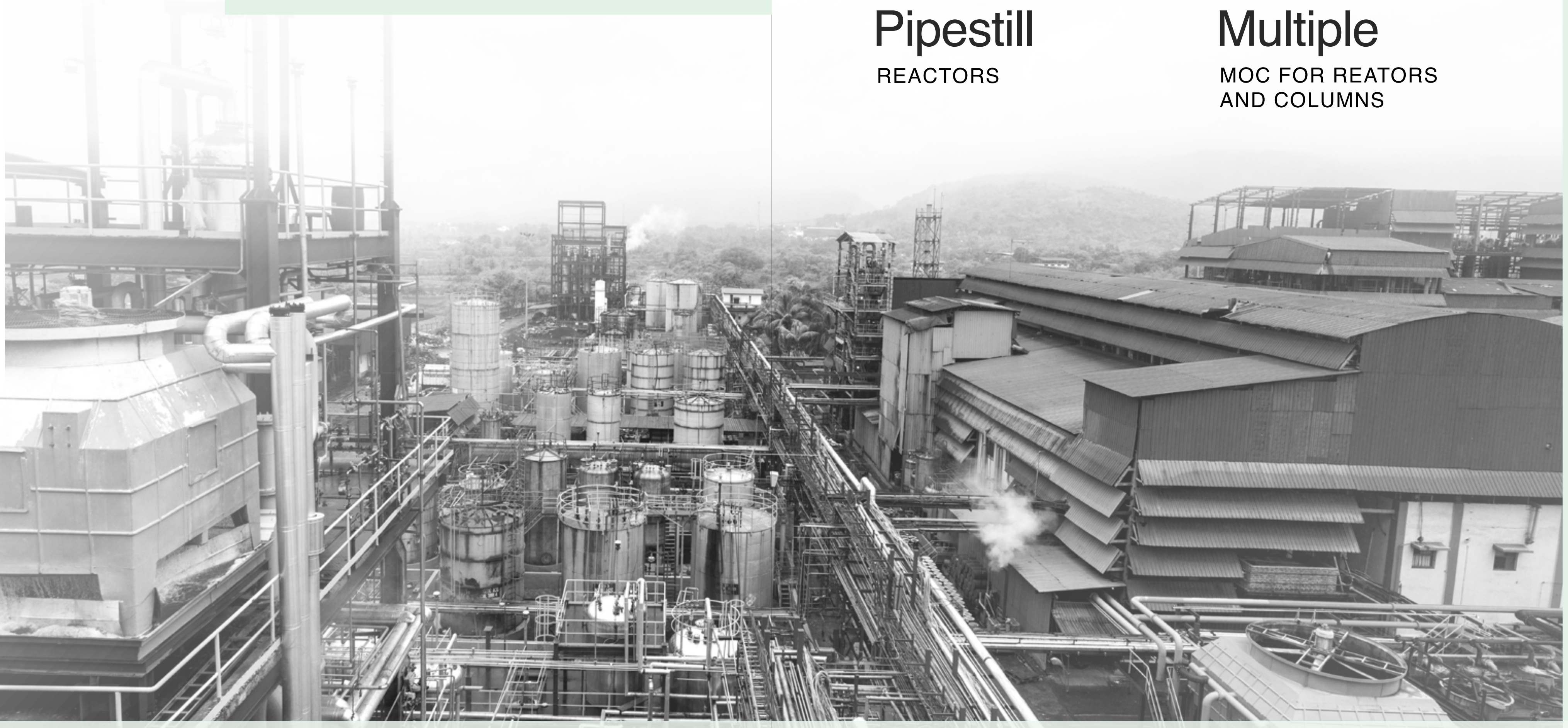
Chemical reaction undertaken at our facilities

- Ketene Synthesis
- Diketene Synthesis
- Ethoxylation
- Chlorination and Thiolation
- Diazotization
- Reactive Distillation
- Esterification
- Catalytic Oxidation
- Homogeneous Catalyst
- Air Oxidation

Accreditations & Certifications

All of Laxmi's facilities are accredited with ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. The Company has been authorized by the U.S. Department of Agriculture to use the USDA Certified Bio based Product Label for its Ethyl Acetate and has been recognised for its sustainable practices. It has also been awarded with the RESPONSIBLE CARE and REACH certification by the Indian Chemical Council.

Responsible Care® OUR COMMITMENT TO SUSTAINABILITY
REACH COMPLIANCE
HALAL
STAR-K KOSHER CERTIFICATION



Simplifying Complex Chemistries

Laxmi has been a DSIR approved R&D entity since 2010. Investment in technology and R&D is amongst the top priorities at Laxmi.

Over a five-year period, the Company has invested almost 10% of its cumulative PAT in R&D, and 10% of the staff at Laxmi are employed with the R&D team. The R&D team works on new product development/ research, analytical research and process improvement technologies. They also work closely with marquee institutions on co-sponsored projects such as National Chemical Laboratory Pune, IIT Mumbai, ICT Mumbai and IICT Hyderabad.

R&D facilities

02 DSIR

RECOGNISED STATE-OF-THE-ART R&D FACILITIES SYNTHESIZING SPECIALTY MOLECULES AND ADVANCED INTERMEDIATES

Established

DEDICATED R&D UNIT FOR FLUORO SPECIALTY, FACILITATING LONG TERM GROWTH OPPORTUNITY

30,000 Sq. ft.

ACQUIRED 30,000 SQ. FT. OF R&D FLOOR SPACE NEAR MUMBAI

KEY AREAS OF RESEARCH	R&D FACILITIES
Life Science	PRODUCT DEVELOPMENT
Crop Science	PRODUCT DEVELOPMENT
Industrial Specialties	PRODUCT DEVELOPMENT

R&D department is equipped with lab-scale and pilot-scale units, supported with excellent in-house analytical capabilities

R&D SPENDS
(In ₹ million)

125.9

FY22	125.9
FY21	127.7
FY20	86.2
FY19	31.2
FY18	84.3

R&D AS A % OF PAT
(In %)

5.5%

FY22	5.5%
FY21	10.5%
FY20	11%
FY19	04%
FY18	11%

Nurturing a Productive Workforce

Laxmi's people are its finest asset, and the Company is committed to nurture and develop its talent so that they can meet their personal and professional aspirations and potential.

Safe and healthy work environment

Laxmi follows a high standard of health, safety and environment (HSE) principles, and is compliant with all the relevant regulations. It is one of the very few Indian chemical companies which is 'RESPONSIBLE CARE' certified, and has a well-established Occupational Health and Safety Management System (OHSMS) with an ISO 45001:2018 certification. Its OHSMS policy is designed to prevent environmental pollution, injury and ill health of its people. Laxmi attributes the prevention of occurrence of any material reportable incidents at its manufacturing facilities to its robust OHMS system.

Laxmi makes consistent investments in upgrading its HSE standards through the introduction of modern processes, equipment and training.

Promoting inclusivity and diversity

Diversity and inclusion are stated goals for the Company, and it encourages people of different genders, social, cultural and economic backgrounds to become a part of the Laxmi journey. The Company promotes equality of opportunity and diversity of workforce through its business operations.

Training and development

Laxmi understands and acknowledges the criticality of its workforce and the role it plays in driving growth for the Company. To that extent, the Company organizes regular programs to upskill and deepen the knowledge of its people which are focused on industry practices, recent trends and new technologies. Apart from organizing regular training for its employees, the Company also actively engages and provides training to employees of third-party agencies which include, drivers of transport vehicles that transport Laxmi's materials.

Key HR Initiatives

LEADERSHIP DEVELOPMENT PROGRAM

As the Company grows, it is imperative to develop essential leadership competencies and drive critical aspects of the business. Laxmi Executive Acceleration Program (LEAP) was launched for the development of critical talent identified through Talent Review processes.

1. IMPROMPTU
The Company initiated an Internal newsletter IMPROMPTU with the objective of relaying important information to all its employees. Through IMPROMPTU, Laxmi communicates recent achievements, events, milestones, and a variety of other facts that its employees should be aware of.


English Edition I. Article IV. April 2022.

IMPROMPTU

Laxmi Organic Industries inaugurates Mobile Health Unit

We, Laxmi Organic Industries Limited ,are committed to contributing to the local communities through CSR initiatives under defined thematic areas like Health, Education, Water, and Waste Management. Under the health initiative, the company has extended its strong support to the Mahad Taluka Health Department to improve the health and quality of life of Mahad taluka citizens. LOIL has provided a Mobile Health Unit which comprises of mobile clinic set up in the van along with a qualified doctor, nurse, community mobilizer, and driver.

Through this initiative, a door-to-door health services will be delivered free of cost along with basic medication. The MHU focuses on the diagnosis, consultation, treatment, and referral in case of chronic disease.


English Edition I. Article II. March2022.

IMPROMPTU

Celebrating the essence of International Women's Day at LOIL

On Tuesday, March 8th, we at Laxmi had an amazing Women's Day celebration at all our sites. Women from all the work groups came together at their respective sites for a day of rejoicing and celebrating each other. In all about 50 women across all locations celebrated women's day.

At Head Office, all the women had a good time. Lunch was organised. Post that, we hosted a fun theme event which included some exciting games. We also gifted them a self-care package to pamper them. At our manufacturing sites, all the women employees went for a day outing to Kingsden Island. They enjoyed theday with fun activities including boating, fishing, crocodile safari and they played some exciting games. On the occasion of Women's day, we also felicitated 38 women

"What a fantastic day to learn, share and celebrate our journey with other women.

2. EMPLOYEE REFERRAL PROGRAM
The Company recognizes that success of its operations and achievements of its business objective are dependent on its employees. In this regard, the Company has introduced an Employee Referral Program to attract talent through its own employees' network, also rewarding the employees for their contribution. This program has helped Laxmi increase its referral hiring from 7% to 22%.

3. TOTAL REWARDS MINDSET
In FY22, about 26 plus chemical sector companies were handpicked based on revenue, size, focus of work amongst other parameters and benchmarked for compensation and other best practices. Laxmi participated in this activity, which helped it create a robust compensation philosophy that hinges on 'Pay for performance' and 'Open, fair and consistent'.

4. HUMAN RESOURCES INFORMATION SYSTEM INITIATIVES:
This year witnessed the implementation of online investment systems across locations, including data integration with attendance module at the manufacturing locations. Additionally, configuration and implementation of retirement workflow across the organization was also initiated.

5. RESTRUCTURING INITIATIVES
With growing competition, Laxmi needs to evolve continuously to improve the service quality delivered to its customers. In FY22, the Company revisited some of its structures to enable better service, such as aligning the customer service organization with the Sales organization. The logistics and procurement functions, which are responsible for margin enhancement in the Acetyl Intermediates business vertical, were realigned to the business unit.

6. NATIONAL APPRENTICE PROMOTIONAL SCHEME
At Laxmi's manufacturing units, it has created and implemented a cost-effective, high-quality talent pool through the National Apprentice Promotional Scheme Program for its entry-level job positions (field / Panel Operator). This program was initiated with the objectives of improving its bench strength and quality of talent, reducing its resource turnaround time and providing employment opportunities to entry level talent.

At the moment, the Company has engaged more than 30 NAPS trainees at its Mahad-based manufacturing units.

NATIONAL APPRENTICESHIP PROMOTION SCHEME
NAPS
On the job skilling

7. COMMUNITY ENGAGEMENT PROGRAM
This is an initiative to involve community representative bodies, in and around the manufacturing units, and seek their views and suggestions on the sustainability initiatives of the Company.
This initiative helped Laxmi strengthen its relationship with its communities, build awareness about the operational safety practices of its manufacturing units and to seek the support of the communities to navigate some of the challenges that the Company faces.

8. EMPLOYEE VACCINATION AT THE WORKPLACE
Amidst COVID 19, Laxmi initiated its Employee vaccination program at Workplace. Under this initiative, the Company educated its direct and indirect workforce on the benefits of vaccination. Laxmi organized free-of-cost vaccination drives, in line with government guidelines, across its manufacturing and non-manufacturing locations.
More than 97% of its Full-Time Employees' (FTE) and 85% of its Contractual Employees were fully vaccinated in FY22, which helped Laxmi keep its workforce safe from the coronavirus, build confidence within the workforce and smoothly run its manufacturing operations.

Prioritizing Health and Safety Goals

Laxmi's commitment to green and sustainable chemistry has been a part of its ethos since its inception.

To that effect, the Company has undertaken several initiatives to reduce its carbon footprint including investing in wind and hydro power from the early 2000s. The Company has made significant investments in ETP and STP systems to ensure that it is consistently ahead of the curve.

- Using Ethanol as the basis for its Acetyl Intermediates vertical
- Invested in captive wind power in 2004 and hydro-electric power in 2018
- Capital investment of ₹ 76.8 million in energy conservation equipment
- High calorific value waste used as fuel for heat recovery
- All new projects incorporate energy efficient technologies

EHS Framework

CERTIFICATIONS

Providing its people with a safe and healthy environment to thrive in is a constant endeavour for Laxmi, and is also evident from the EHS practices of the Company. It is Laxmi's laser sharp focus on health and safety parameters that has enabled it to receive essential as well as prestigious certifications from various institutions of global repute.

- Certified RESPONSIBLE CARE Company, respected for superior HSE standards and excellent track record
- Plants certified with ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015 ensuring quality, robust environment management systems and best practices in HSE
- Laxmi's Ethyl Acetate is certified with Star K Kosher Certification
- Laxmi's Ethyl Acetate is certified with Halal India Certification

Building Resilient Communities

At Laxmi we understand the needs of the surrounding communities, and tailor thoughtful solutions that cater to their requirements.

This approach enables the Company to meaningfully contribute to its communities, while also ensuring access and exposure to certain basic necessities. In the last few years Laxmi has undertaken various programs in and around its manufacturing locations, which focus on education, health, water and waste management awareness generation.

HEALTH

Issues identified

- Lack of facilities and infrastructure
- Lack of awareness about health initiatives

Solutions Provided

- Mobile Health Unit (MHU)
- Hospital Facility Augmentation

Solutions Provided

With the intent to make available medical facilities to the poorest of the population at Mahad Taluka, the Company provided an MHU for the people. Since March 2021, along with its CSR partner HelpAge India, it caters to 18 remote villages and provides free door-to-door medical service along with medications. A qualified team comprising a doctor, a nurse and a community expert leads this initiative, and has till date reached out to 812 people. Laxmi plans to reach out to 15,000 beneficiaries annually, and also include more MHUs in the future to reach out to a larger population.

Issues identified

- Limited COVID-19 vaccine availability, especially for the interior rural population

Solutions Provided

- Vaccination Drive

Solutions Provided

Laxmi's two-pronged approach

- Apart from employees and their families, vaccinate all villagers from Laxmi's immediate communities across its factory sites
- Provide assistance to local administration and help them achieve their goals of deeper vaccine penetration across Mahad Taluka

After signing an MOU with Mahad's District Medical Officer, the Company implemented a mass vaccination drive in the Mahad city as well as in Mahad's rural areas, that included villages like Kamble Deshmukh, Nangalwadi and Nadgaon. A mobile unit was launched between October - December 2021, wherein the Company successfully vaccinated 1937 people.

WATER

Issues identified

- Current water quality unfit for drinking
- High cost of electricity and issues with supply of electricity

Solutions Provided

- Additional Water Supply from MIDC
- Setting-up a Solar Panel to generate the power needed for water supply

Solutions Provided

- Laxmi has worked with one of the villages in the Taluka to make additional drinking water available from the MIDC water source, thus benefiting around 3,000 villagers.
- Laxmi has also initiated a project with another village to provide a solar water pump along with solar panels, to help overcome the challenges of electricity availability. This project will be completed in FY 2022-23.

EDUCATION

Issues identified

- Demand for English medium schools
- Poor condition of digital classroom
- Poor classroom and sanitation infrastructure

Solutions Provided

- Reconstruction of existing primary school

Solutions Provided

Laxmi has initiated work on re-building the primary school at Parsule (Mahad – Poladpur region). Upon completion the infrastructure will benefit around 100 students.

WASTE MANAGEMENT

Issues identified

- Lack of proper waste management systems

Solutions Provided

- Waste disposal vehicle

Solutions Provided

- Laxmi partnered with the Birwadi Grampanchayat and provided a waste collection vehicle, a tractor and trolley, for regular domestic waste disposal.
- The Company also supported a local NGO, Shrunkhala, and provided them with a storage facility that operates as their dry waste collection center

Crisis intervention in FY22

While it is evident that Laxmi suffered a great deal due to the Mahad floods and then the pandemic, it is important to note that the communities of Mahad suffered the same, if not more. Laxmi during these testing times extended its support to the nearby communities to ensure their well-being.

- Laxmi supported more than 4,000 people post the Mahad floods which included residents of the nearby local communities. Since basic facilities were missing at the time, the Company distributed 1,000 grocery kits amongst families in Birwadi, Mahad Taluka. In addition, grocery kits were also provided to Savadkar Hostel in Mahad, that was catering to local communities. The Company also donated 500 mats and blankets to the Mahad Relief Group.
- Talayee village of Mahad Taluka was completely wiped out due to landslides during the floods, and around 80 residents lost their lives and close to 20 families were relocated. Laxmi provided the victims of the Talayee disaster with four container cabin-cum-houses, which benefited four families with sixteen family members.
- The Sub Divisional Office (SDO) at Mahad taluka was completely devastated due to the floods, resulting in a lot of operational inefficiencies at a time when the office was carrying out critical duties of assessment, surveys, estimation of losses and claim settlements of the public. Laxmi helped the Sub-divisional administration refurbish their office and restore normalcy, which benefited the residents of the Mahad and Poladpur Talukas. Additionally, the Company also provided the SDO, the Police and the State Transport Office with 22 computers and 5 printers to enable further efficiency.

Management Discussion and Analysis

Economic Overview and Outlook

GLOBAL ECONOMY AND OUTLOOK

After rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks.[1] Further, the global economy entered 2022 with a much weaker position than estimated. The Omicron variant of COVID-19 virus created worldwide panic all over again, as the world witnessed higher energy prices, a disruption in supply chains and a notably high global inflation.

However, over time this impact was smoothened out globally due to the rapid vaccination drives and effective policy mechanisms that curbed the spread of the virus significantly. The global growth is projected to soften at 3.2% in 2023, as pent up demand gradually settles down and macroeconomic policies relax further. In advanced economies the output and investments are projected to bounce back at pre-pandemic levels. However, emerging and developing economies (EMDEs), especially conflict-affected countries, will recover slowly from the pandemic owing to lower vaccination rates and tighter fiscal and monetary policies.

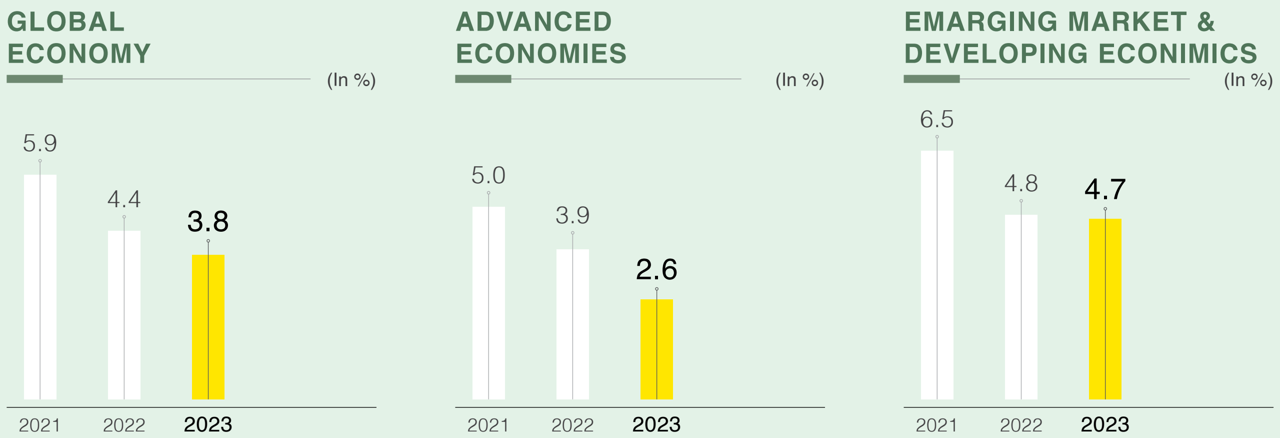
With a major political crisis brewing in Europe, further economic disruptions may be expected, should the situation escalate. These disruptions are impacting and will continue to impact the global economy, and will put it behind in years. While elevated commodity prices and supply chain disruptions are expected to blow a hit on the global economic growth, the inflation rates are also expected to jump over 6% in 2022.

Various downside risks cloud the outlook, including simultaneous Omicron-driven and war-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers.

[1] https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601-ch01.pdf

WORLD ECONOMIC OUTLOOK UPDATE JANUARY 2022

Growth Projections



Source: World Economic Outlook, IMF, January 2022

INDIAN ECONOMY AND OUTLOOK

After a disrupting second wave of COVID-19, India's recovery is gaining momentum and GDP was expected to grow at 9.4% in FY22, before reverting to 8.1% in FY23, and 5% in FY24. [2] Inflation has been high, but tolerable and is expected to ease as supply chain disruptions are overcome. Financial markets remained strong and capital inflows continued to support the build-up in reserves. The country effectively skipped over the perils of a third wave of COVID-19 which is attributable to the vaccination drives and stringent policy changes.

However, the global economy is much less supportive and the financial environment is much more volatile, as we witness a brewing war crisis in Europe, rendering potential global impacts. The macroeconomic policies have been seriously off-balance, owing to multiple sanctions by multiple European and Western countries against Russia. India's economic and trade relations with Russia largely remain unimpacted, which may pose a threat in the coming days, should the war escalate and India is seen as having chosen sides.

The RBI stands ready to act forcefully if increases in global commodity prices feed into wages and then to core prices. The government is also committed to invest more in social and physical infrastructure. Reducing unnecessary regulation in product and labor markets, accelerating the sale of public companies in non-strategic sectors, following the successful sale of Air India, and restructuring state-owned banks is expected to boost investment and job creation.

[2] https://www.oecd.org/economy/india-economic-snapshot/

Industry Overview and Outlook

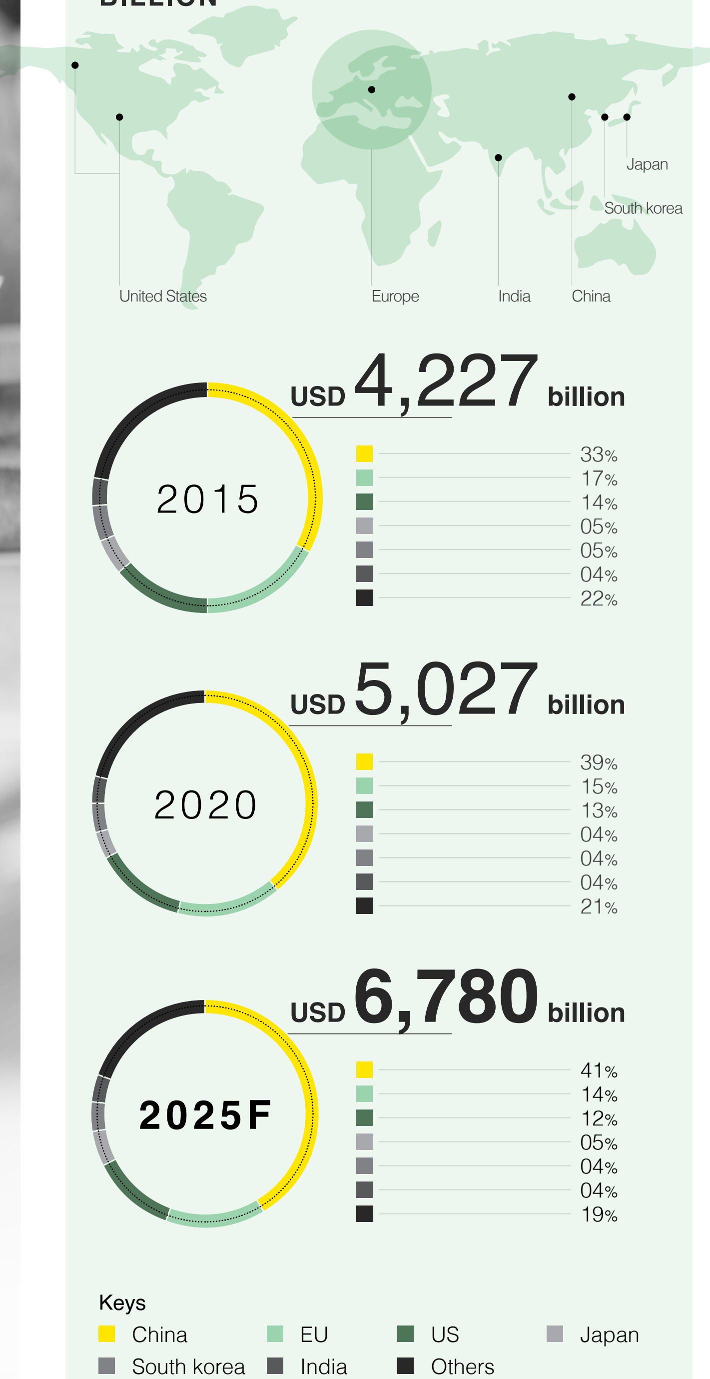
GLOBAL CHEMICALS MARKET

The global chemicals market was valued at around USD 5,027 billion with China accounting for major market share (39%) in the segment followed by European Union (15%) and United States (13%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 6.2% CAGR; reaching USD 6,780 billion by 2025. Going forward the APAC is anticipated to grow at the fastest rate of 7-8% during the forecast period (2020-25F).

India's specialty chemicals industry is driven by both domestic consumption and exports, and it continues to gain favor with global MNCs

The chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 3-4%.[3]

GLOBAL CHEMICALS MARKET, 2015, 2020 &2025F, USD 4,227 BILLION, USD 5,027 BILLION & USD 6,780 BILLION

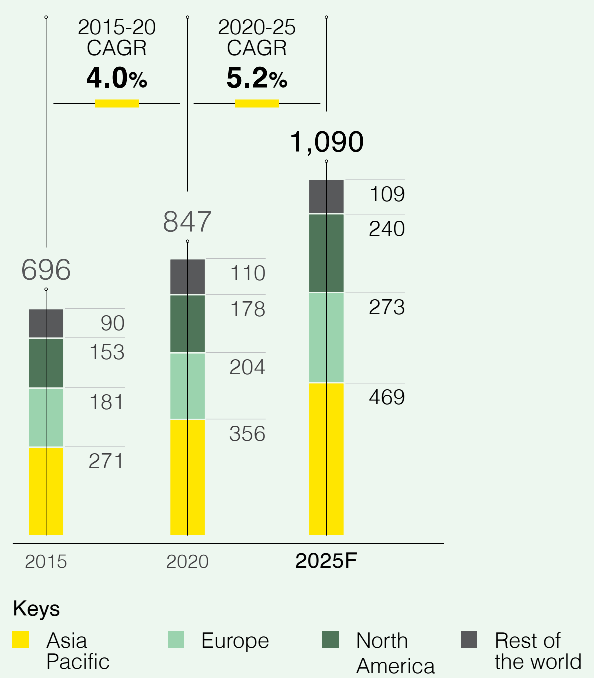


The commodity chemicals (includes Acetyl Intermediates) market is presently valued at ~USD 3,745 billion and is expected to grow at 5%-6% globally in the next five years.

As for speciality chemicals. rapid industrialisation in India and China is expected to drive demand in this region. Owing to the huge customer base, which leads to a high demand for speciality chemicals due to increasing industrial production and growth in the construction sector, APAC dominates this market with a share of 42%. Moreover, the consumption of pesticides in APAC recorded the fastest growth rate on a global basis, reaching a projected volume of ~797.5 KT in 2020. In 2020, China, India and Japan represented the largest agrochemicals markets in the Asian continent.

GLOBAL SPECIALTY CHEMICALS MARKET BY GEOGRAPHY, 2015, 2020, 2025F (USD 696, USD 847, USD 1,090)

(USD in billon)

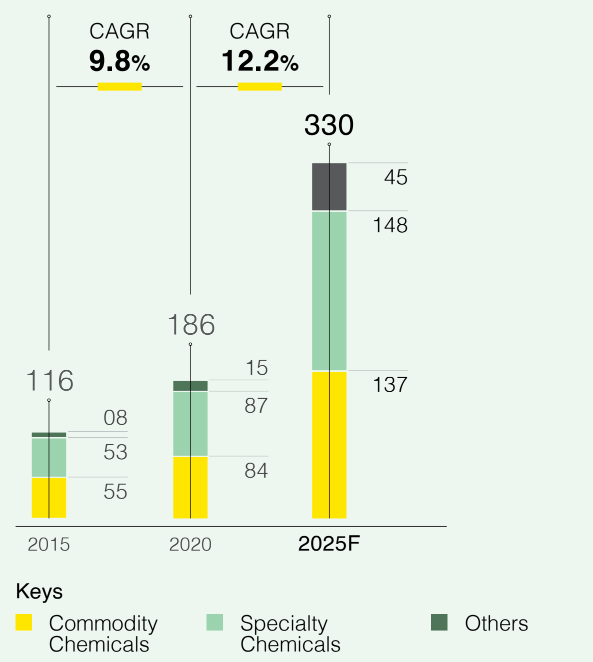


INDIAN CHEMICALS MARKET

The Indian chemicals market is valued at USD 186 billion (~4% share in the global chemical industry) with commodity chemicals accounting for almost 46%. It is expected to reach ~USD 330 billion in the next 5 years, with an anticipated growth of ~12.2% CAGR. The speciality chemical industry forms ~47% of the domestic chemical market, which is expected to grow at a CAGR of around 11% over the same period. Agrochemicals and Fertilizers account for 18-20% of the domestic chemicals market and around 38% of the speciality chemicals domain which constitute various differentiated chemicals used in the agro space including pesticides, herbicides etc. Pharmaceutical API makes up for the second largest share of around 20% of the specialty chemical market with an anticipated growth of over 11% by 2025F.[4]

INDIAN CHEMICALS MARKET 2015, 2020, 2025F (USD 116, USD 186, USD 330)

(USD in billon)



Note: Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories to maintain consistency with the Global section. Agrochemical & Fertilizer and Pharmaceuticals API contribute to more than 55% of the specialty chemical space in India.

India's specialty chemicals industry is driven by both domestic consumption and exports, and it continues to gain favor with global MNCs on account of geopolitical shift after the outbreak of COVID-19, leading to reduced dependence on China. Currently, China accounts for ~15-17% of the world's exportable specialty chemicals, whereas India accounts for merely 1-2%, indicating large scope of improvement and widespread opportunity. Speciality chemicals are anticipated to be the next great export pillar for India. The growth of the market is in conjunction with the overall growth of the Indian economy, and the "Make in India" campaign is expected to add further impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term.

As per Ministry of Chemicals and Fertilisers, the petrochemical demand is expected to grow at 7.5% CAGR from FY19-23, with polymer demand growing at 8%. Similarly the agrochemicals market in India is expected to grow at 8% CAGR reaching $3.7 billion by FY22 and $4.7 billion by FY25. While the specialty chemicals constitute 18% of total chemicals and petrochemicals market in India with the total market size is around $32 billion [as on FY19]. The demand for speciality chemicals is expected to grow at 12% CAGR from FY19-22. [5] Moreover, companies supplying speciality chemicals to the pharma and agrochemical industries are expected to show greater performance due to the steady growth of these sectors post pandemic.

Factors like the slowdown of China present a barrage of opportunities for countries like India, as Indian chemicals manufacturers are exporting to bridge the demand gap left by China. Also supporting the growth in India is its ability to manufacture at a lower price compared to its western counterparts. Further, specialty chemical companies are expected to prosper in India due to their robust chemistries, R&D skillset and economies of scale. India's Environmental and Health Safety (HSE) practices are much more stringent than other manufacturing centers like China, which also provide a significant strategic advantage.

[3][4][5] *Indian Chemicals and Specialty Chemicals Market Report, Frost & Sullivan, December 2021*

Company Overview and Outlook

Incorporated as Laxmi Organic Industries Limited in 1989, the Company is one of the largest Indian players in Acetyl Intermediates. The Ketene/ Diketene derivatives are christened as Speciality Intermediates.

ACETYL INTERMEDIATES

The Company, along with its sister concern Yellowstone Chemicals Private Limited (YCPL), is one of the largest global producers of Ethyl Acetate, and is one of the largest suppliers of Fuel-grade Ethanol to the Indian oil marketing companies under the oil blending program of the Government of India. It has a share of more than 33% in the Indian Ethyl Acetate market and is the leading exporter of this product for several years now. The Company supplies to high growth end-use industries with double digit CAGR growth, which include nearly all pharma, agro, inks and coatings and flexible packaging players in India. Internationally, the consuming end-use industries are growing at high single digit CAGR numbers.

During the year the Company has exported to more than 40 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, which include two in-house distilleries in Satara and Kolhapur, supporting Ethyl Acetate and Ethanol for the oil blending businesses. The Company reported a standalone revenue (including its exports to its European subsidiary) of ₹ 18,092 million in FY22 against ₹ 9,139 million in FY21, registering a growth of 98%. The Company continuously strives to improve its operational efficiencies and maintain market leadership by de-bottlenecking capacities on the ground.

SPECIALITY INTERMEDIATES

The Company is the one of the leading producers of Diketene derivatives in India and has a market share of over 55% in India. Since the acquisition of Assets from the Indian business Clariant in 2012, the revenues from this vertical has grown exponentially, due to the introduction of new products and expansion of its capacities.

This vertical caters to high growth industries with double digit CAGR growth in India and overseas, and gets further traction due to the changing geopolitical and supply chain scenarios, and shift in the sourcing strategies of its global customers.

The Company has made significant CAPEX in this vertical to the tune of ₹ 2,000 million in FY22, but the completion of the same was hindered by the unfortunate flooding in the Raigad and Kolhapur districts of Maharashtra, India, where its factories are situated. However, the Company was quick to recover from the losses of working days and capital,

and is also expecting insurance claims as aids. The successful implementation of these CAPEX, which are a key focus area for the Company, are expected to increase exports and the share of contract manufactured business for the Company. Furthermore, the CAPEX is expected to bring in incremental capacities, which Laxmi is looking forward to using in manufacturing downstream products, thus adding to the Company's profitability.

The Company reported a standalone revenue (including its exports to its European subsidiary) of ₹ 8,771 million in FY22 against its ₹ 5,069 million in FY21, registering a growth of 73%. Going forward the strategy will be to intensify R&D initiatives, introduce newer value added products and increase the share of contract manufactured products.

FLUORO SPECIALITY INTERMEDIATES

The Company commenced its investment in organic Fluoro Specialities and Electrochemical Fluorination by acquiring assets, including plant and machinery, design and operating paperwork, REACH registrations and patents from Miteni, Spa, Italy. The Company is dismantling and relocating this facility to its new site in Lote Parshuram, Maharashtra, India, along with absorbing and transferring Miteni's knowledge and technology.

Currently, the Company is establishing an R&D and Kilo lab facility in Italy to function as the Company's front end, which will cater to existing and emerging needs of the innovative pharma, agro and speciality chemical companies. The Fluoro Speciality vertical is expected to de-risk the revenues of the Company by reducing dependency on a few raw materials and a single site operation.

SUPPLY CHAIN OPERATIONS

The Company has robust and efficient supply chain operations, as it engages in transporting more than half a million tons of raw materials and finished products annually. It is well supported by global and local suppliers for raw materials and services, and most of its significant suppliers are organizations of repute and have healthy financial standing. 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 Company communicates regularly with its major suppliers to understand the market dynamics of various raw materials and services, which enables it to prepare for supply chain disruption well in advance.

Further, its supply chain operations are supported by its offices in China, Dubai and the Netherlands. The Company also has large storages on site, at ports in India and in Europe.

RISK MANAGEMENT

The Company has a well appointed Risk Management Committee, whose function is to identify, assess and prioritize potential risks and threats. It also establishes effective mitigation measures to be adopted, in case the risk becomes a threat, which essentially softens any potential blow to the Company. The Company has identified and prioritized the following risks during FY22.

Operational Risks	Associated with operational uncertainties including failure in critical equipment, unavailability of raw materials and fluctuation in prices, attrition, loss of data from cyberattacks, etc.
FOREX Risks	Associated with financial losses due to unfavorable movement in any currency, especially Europe, North America and Asia
Financial Risks	Associated with various uncertainties in the financial market or inadequate financial reporting
Regulatory and Compliance Risks	Associated with inadequate compliance of regulations, contractual obligations and intellectual property violations, leading to litigation and loss of reputation.
Strategic Risks	Associated with macro-economic and other external conditions, which can significantly impact the Company's strategic business decision, future aspiration, and financial performance.

QUALITY ASSURANCE

The Company is committed to providing the highest quality products and services to its customers, and it has enabled customer stickiness and repeat business for Laxmi over the years. The team comprises dedicated and qualified professionals for its various business functions. Its infrastructure has been equipped with the latest technology and effective processes have been put in place to maximize quality output.

The Company also has a robust supplier quality evaluation process, which ensures that the materials received comply with its high internal standards and specifications, designed to satisfy the requirements of its customers.

HUMAN RESOURCES

The Company is aware of the critical role its employees play in its growth journey, and is deeply invested in the personal and professional growth of its employees. To that extent, it undertakes various training and development programs for them periodically, to upskill them and provide them with knowledge and information.

The relationship with the employees have remained cordial during the year and good cooperation has been received from them, during the crises of the floods in Raigad and Kolhapur, as well as during the different waves of the COVID-19 pandemic. The Company acknowledges their contribution towards the rebuilding efforts, and is grateful for the initiatives and efforts taken by the employees.

As on March 31, 2022, the Company has 679 permanent employees.

Performance Overview and Outlook

Details of significant changes in key financial ratios

PARTICULARS	FY21	FY22	% DIFFERENCE	COMMENT
Debtors turnover Average debtors as no. of times of sales (average debtors is the average of opening and closing debtors)	4.56	5.91	30%	Sales of the Company increased by 87% over the previous year. The average debtors have gone up by 45% 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	13.03	28%	There is an increase of 46% in the average inventory over the previous year whereas the increase in sales is 87% 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	21.79	101%	There is a reduction in the finance cost by 7% and the EBIT has gone up by 77% over that of the previous year. This has resulted in the improved interest coverage ratio.
Current Ratio (Current assets / current liabilities)	2.21	2.13	(4%)	The current assets as on March 31, 2022 is higher by 17% than that of March 31, 2021. A major component of this increase is inventory and debtors. The current liabilities as on March 31, 2022 have also gone up by 21% compared to that of March 31, 2021 due to increase in the trade creditors. This has resulted in overall reduction in current ratio.
Debt Equity Ratio (Net debt / Net worth)	-	-	N/A	Net Debt of the company is NIL as on March 31, 2022.
Operating Profit Margin % (Operating profit before tax / revenue)	9.37	9.34	No Change	The Company is able to maintain its operating profit margin as that of previous year.
Net Profit Margin % (Profit after tax / revenue)	7.59	7.66	No Change	There is a small improvement in net profit margin due to reduction in tax expense.

Internal Controls Systems and Adequacy

The Company has achieved a high level of digitisation of all its business critical processes commensurate with its size and complexity, and the operations are integrated through an ERP namely SAP-S4 HANA. In addition, the Company has an in-house Information Technology (IT) function which looks after the uptime of all the IT processes, connectivity, hardware and software. This was essential for the Company, as it continued its operations with minimum disruptions during the Covid 19 pandemic, despite implementing a work from home policy from the very onset of the pandemic for all its critical office users.

The Company has several internal controls systems 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, and they submit their report to the audit committee of the Board periodically. The Company is also compliant with all regulations put forward by the Securities and Exchange Board of India (SEBI) ever since it got listed in the National Stock Exchange of India Limited and BSE Limited on March 25, 2021. 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 a formal process in this regard.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CORPORATE INFORMATION

OUR BOARD OF DIRECTORS:

Chairman and Managing Director
Ravi Goenka

Executive Director
Satej Nabar
Harshvardhan Goenka

Non-Executive Director
Rajeev Goenka

Independent Director
Manish Chokhani
Omprakash V. Bundellu
Sangeeta Singh
Dr. Rajeev Vaidya
Dr. Rajiv Banavali(W.e.f. May 18, 2021)

Chief Financial Officer
Partha Roy Chowdhury

Company Secretary & Compliance Officer
Aniket Hirpara

Statutory Auditors
Natvarlal Vepari & Co.
Chartered Accountants

COMMITTEES OF BOARD

Audit Committee:
Omprakash V. Bundellu (Chairman)
Sangeeta Singh
Ravi Goenka

Nomination & Remuneration Committee:
Sangeeta Singh (Chairman)
Manish Chokhani
Dr. Rajeev Vaidya

Stakeholders Relationship Committee:
Manish Chokhani (Chairman)
Ravi Goenka
Harshvardhan Goenka

Corporate Social Responsibility Committee
Ravi Goenka (Chairman)
Sangeeta Singh
Rajeev Goenka

Risk Management Committee
Dr. Rajeev Vaidya (Chairman)
Dr. Rajiv Banavali
Satej Nabar
Harshvardhan Goenka

Finance Committee:
Omprakash V. Bundellu (Chairman)
Ravi Goenka
Satej Nabar
Partha Roy Chowdhury

Bankers
Axis Bank Limited
Citi Bank N.A.
HDFC Bank Limited
RBL Bank Limited
State Bank of India
Yes Bank Limited

Registered Office
A-22/2/3, MIDC,
Mahad, Raigad – 402 309
Maharashtra, India
Tel: +91-2145-232424
CIN Number: L24200MH1989PLC051736
E-mail: investors@laxmi.com
Website: www.laxmi.com

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Mumbai – 400 021
Tel: +91-22-49104400

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

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

Unit II
B-2/2, B-3/1/1, B-3/1/2,
Mahad, Raigad – 402 309,
Maharashtra, India

Unit III (subsidiary)
A-22/2/1, MIDC,
Mahad, Raigad - 402 309
Maharashtra, India

Fluoro Chemical Unit (subsidiary)
G-60, MIDC, Lote-Parshuram,
Dhamandevi, District Ratnagiri,
Maharashtra, Inida

Distillery – Panchganga (subsidiary)
Ganganagar,
Hatkanangale, District Kolhapur,
Maharashtra, India

Distillery – Jarandeshwar
795/1, Village Chimangaon
Koregoan, District Satara,
Maharashtra, India

Hydro Power Project
At Post Yedgaon
Taluka Junner, District Pune,
Maharashtra, India

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, 2022.

1. FINANCIAL RESULTS:

(₹ in million)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operation	29,964.67	16,061.10
Profit before depreciation, interest and tax	3,398.10	2,119.29
Finance Cost	135.48	153.40
Depreciation	446.07	452.63
Profit before tax (PBT)	**2,816.55**	**1,513.26**
Tax	505.13	287.74
Net profit	**2,311.42**	**1,225.52**

2. DIVIDEND:

The Directors are pleased to recommend a Dividend of 35% (₹ 0.70 per equity share) on the face value of ₹ 2/- per share of the Company for the financial year ended March 31, 2022. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result into an outflow of ₹ 185.77 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 86.6% to ₹ 29,964.67 million against ₹ 16,061.10 million of the previous year.

» Earnings before interest tax depreciation and amortization (EBITDA) increased by 60.3% to ₹ 3,398.10 million against ₹ 2,119.29 million of the previous year.

» Profit Before Tax (PBT) increased by 86.1% to ₹ 2,816.55 million against ₹ 1,513.26 million of the previous year.

» Net Profit increased by 88.6% to ₹ 2,311.42 million from ₹ 1,225.52 million of the previous year.

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:

The authorized share capital of the Company as on March 31, 2022 remain unchanged at ₹ 61,00,00,000/- (Rupees Sixty-One Crore) divided into 30,50,00,000 (Thirty - Crore Fifty Lakhs) equity shares of ₹ 2/- (Two) each during the financial year under review.

During the year under review, the Company has not issued any securities (neither shares with differential voting rights nor sweat equity shares), nor has it granted any stock options.

7. EMPLOYEE STOCK OPTION SCHEMES:

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

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

Pursuant to the resolutions passed 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 or thank you grants or restricted stock units ("**RSUs**") to eligible employees up to 67,50,000 options, which may result in issue of not more than 67,50,000 Equity Shares. The primary objective of ESOP-2020 is to reward and motivate the employees and to retain the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance. ESOP-2020 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

The Nomination and Remuneration Committee had on January 27, 2021 granted 56,90,467 options (comprising of 42,45,540 employee stock options, 11,43,266 RSUs and 3,01,664 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, 2022 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 repayment of principal amount to all lenders.

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.

Versus the USD, during the fiscal under review, Indian Rupee depreciated by 3.22% from ₹ 73.425 on April 01, 2021 to ₹ 75.7875 on March 31, 2022. The relative volatility also was quite high in the 1st quarter at 6.12% while for the rest of the quarters remained fairly average at 4.30%. Average volatility for FY22 remained at 4.75%.

9. CREDIT RATING:

The Company's financial prudence, discipline and performance is also acknowledged by credit rating agencies. Rated since 2018, by India Ratings & Research Private Limited, your Company's debt facilities are rated as under.

Instrument	Rating
Term Loans	Ind AA-/Stable
Fund-based working capital facility	Ind AA-/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. These controls are designed to assist in identification and management of business risks and ensuring high standards of corporate governance. The internal financial controls have been documented 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, 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 SEBI Listing Regulations, 2015, 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 (Prevention of Sexual Harassment of Women at Workplace Act) and rules framed thereunder. Internal Complaints Committee have 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, are the most valuable asset for the Company and the Company's focus remains to attract, develop and retain talent. The Company continues to provide an environment of open culture and congenial work atmosphere and healthy industrial relations and is committed to provide the employee with a pragmatic workplace. During the year under review the Company has initiated a few new initiatives on Human Resource front. Please refer page No. 36

13. SUBSIDIARIES:

The details of the subsidiaries as on March 31, 2022 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.	Acetyls Holding Private Limited, India (AHPL)	
10.	Laxmi USA LLC, USA (USLLC)	
11.	Saideep Traders, India (ST)	Step Down Subsidiary
12.	Yellowstone Chemicals Private Limited, India (YCPL)	Step Down Subsidiary
13.	Laxmi Italy Srl, Italy (LISRL)	Step Down Subsidiary
14.	Cleanwin Energy One LLP, India (CEOLLP)	Associate Company

** Laxmi USA LLC is incorporated during the year on August 31, 2021, however the capital infusion is not yet made to this entity.*

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.

During the year under review, the Company has completed the acquisition of 100% equity share capital of Acetyls Holding Private Limited (AHPL) in accordance with terms of the Share Purchase Agreement dated December 09, 2020 and Prospectus dated March 18, 2021. With this acquisition, AHPL and its wholly owned subsidiary Company, namely, Yellowstone Chemicals Private Limited (YCPL) have become subsidiaries of the Company w.e.f. October 01, 2021. Subsequently, the Company has filed a scheme of Merger by Absorption of AHPL and YCPL with the Company to NCLT, Mumbai on November 25, 2021 and the Appointed Date of Merger is October 02, 2021. The proposed Merger by Absorption seeks to achieve operational and economic synergies that will be beneficial to the interest of shareholders, creditors and other stakeholders of all Companies. The Company has complied with all the directions issued by NCLT. In respect of the scheme of Merger, and thereafter the regulators, Official Liquidator (OL) and Registrar of Companies (ROC), Regional Director (RD), have filed their reports before the NCLT and have no adverse observation.

The annual accounts of 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. Policy for determining material subsidiaries can be downloaded from the website of the Company using following link: https://www.laxmi.com/investors/policies

14. DIRECTORS:

a. Appointment/re-appointment/resignation:

Mr. Rajeev Goenka (DIN 00059346) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board recommends his re-appointment.

Further, tenure of Ms. Sangeeta Singh (DIN 06920906), Independent Woman Director of the Company is valid till conclusion of the 33rd Annual General Meeting. Ms. Sangeeta Sing being eligible offer herself for re-appointment for the 2nd term of 5 years up to the conclusion of the 38th Annual General Meeting of the Company in the FY28. Based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board recommends her re-appointment.

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 / re-appointment including profile of these Directors, are given in the Notice convening the 33rd 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, 2022:

a. Mr. Ravi Goenka – Chairman and Managing Director
b. Mr. Satej Nabar – Executive Director & CEO
c. Mr. Partha Roy Chowdhury – President Corporate and CFO
d. Mr. Aniket Hirpara – Company Secretary & Vice President– Legal and Secretarial

c. Declarations by Independent Directors:

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. There has been no change in the circumstances affecting their 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 exists 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.

15. 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.

16. INSURANCE:

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

17. 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, is 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 along with the Arm's Length Certificate obtained by Independent Chartered

Accountant, 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.

18. 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 contains only the following minor qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

Clause No. of CARO Report	Management Reply
Clause iii (c): Interest Payments from the wholly owned subsidiaries are not regular	The Company has extended loan assistance to its wholly owned subsidiaries. The reported entities are in the project construction phase and are non-operational. Hence, there was a delay in payment of interest. The Audit Committee and Board took note of this delay and corrective actions have been put in place.
Clause iii (d): Interest amount of 95.91 million from wholly owned subsidiary is overdue for more than ninety days	
Clause ix (a): Delayed in repayment of vehicle loan EMIs	An auto-debit mandate which was registered for Vehicle Loan Account got closed due to closure of the Company's Current Account which has resulted into delay in loan EMI repayment. As on date of this report all the EMIs were re-paid and the No Due Certificate was received from Lender.

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 committee against the Company by its officers of employees, the details of which would need to be mentioned in the Board Report.

19. SECRETARIAL AUDIT AND SERETARIAL STANDARDS:

The Board of Directors has on the recommendation of the Audit Committee, appointed M/s GMJ & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the FY23.

The Secretarial Audit Report for the financial year ended March 31, 2022 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 08, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditors and filed with the Stock Exchanges, 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 by the Company.

20. 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 2022-23.

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.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company is committed to contributing to the local communities through CSR initiatives under defined thematic areas like Health, Education, Water, and Waste Management. During the year, various CSR initiatives have been initiated and executed.

For more details on CSR please refer page No. 40. The Annual Report on CSR Activities as on March 31, 2022, is annexed herewith as **Annexure "F"**.

22. 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 given 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 & 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 Act. 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 Act 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 Company and its subsidiaries is 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 Act, 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:

Managing Director and Whole Time Director of the Company are not in receipt of any remuneration and / or commission from any Holding / 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 SEBI Listing Regulations, 2015.

23. BUSINESS RESPONSIBILITY REPORT:

Regulation 34(2) of the SEBI Listing Regulations, 2015, as amended, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report (BR Report). Since your Company is one of the top 1000 listed entities as on March 31, 2022, the Company, as in the previous years, has presented its BR Report for the FY22, which is presented in a separate section, forming part of the Annual Report.

24. 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.

25. 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, 2022, 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, 2022 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.

26. 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 of Directors
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : May 04, 2022
Place : Mumbai

Ravi Goenka
Chairman and Managing Director

Annexure A

Details of ESOPS as per SEBI (Share Based Employee Benefits) Regulations, 2014

Disclosures with respect to Employees' Stock Option Schemes viz 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 as on March 31, 2022:

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. 31 of the Standalone Audited Financial Statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2021-22.

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, 2022 is ₹ 8.64 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to ESOP-2020:

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

Particulars	ESOP-2020
Date of Shareholder's Approval	ESOP-2020 was earlier approved by the shareholders prior to the listing on November 24, 2020. Further, 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 ESOP-2020 was ratified by the Shareholders at the 32nd Annual General Meeting held on July 26, 2021.
Total number of options approved	67,50,000 options
Vesting requirement	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 maximum period of 3 years from the date of grant of the options.
Exercise Price or Pricing Formula	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	Three years
Source of shares (Primary, secondary or combination)	Primary
Variation in terms of options	There has been no change in the terms of the options granted.

2. Method used to account for ESOS: 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-2020
Number of options outstanding at the beginning of year	56,90,470
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	634,024
Number of options vested during the year	17,20,466
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realized by exercise of options	NIL
Number of options outstanding at the end of the year	50,56,446
Exercisable at the end of the Period	17,20,466

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

   In ESOP-2020, the Company had granted in aggregate 56,90,470 options (comprising of 42,45,540 employee stock options at exercise price of ₹ 100 per Option, 11,43,266 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 Options Granted under ESOP-2020 during the year:** NA

   a. **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).

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

(₹ in million)

Name of the Subsidiary*	LOBV	CLPL	ST	VLPL	LLPL	YFCPL	YSCPL	LPMEF	LSCSCL	LISRL	AHPL	LUSLLC
Financial Period as on	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22	31-Mar 22
Reporting Currency	EUR	INR	INR	INR	INR	INR	INR	AED	CNY	EUR	INR	USD
Exchange Rate (in ₹)	84.22	N.A	N.A	N.A	N.A	N.A	N.A	20.64	11.94	84.22	N.A	Incorporation is completed. However capital infusion is not yet done till date.
Capital	2.02	0.10	0.65	0.10	0.10	51.00	1.00	0.03	0.30	0.08	21.00	
Reserves	4.08	28.42	52.83	1.05	(0.21)	(0.76)	(0.11)	(1.44)	(0.54)	(0.04)	343.09	
Total Assets	17.63	49.99	228.74	1,331.60	0.02	1,197.23	0.93	1.71	0.27	0.03	849.90	
Total Liabilities	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	
Details of investment	-	49.80	-	-	-	6.81	-	-	-	-	-	
Net Turnover	51.61	-	439.99	109.66	-	-	-	14.20	0.76	-	2,673.25	
Profit before taxation	4.47	(1.39)	18.47	5.44	(0.06)	(0.04)	(0.07)	(1.58)	(0.50)	(0.06)	122.60	
Provision for taxation	1.09	-	1.70	1.55	-	-	-	-	-	(0.01)	34.69	
Profit after taxation	0.00	(0.00)	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	
% of Share Holding	100%	100%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Country of Incorporation	Netherland	India	India	India	India	India	India	Dubai	Shanghai	Italy	India	USA

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

* Laxmi Organic Industries (Europe) BV (LOBV); Cellbion Lifesciences Private Limited (CLPL); Saideep Traders (ST); Viva Lifesciences Private Limited (VLPL); Laxmi Lifesciences Private Limited (LLPL); Yellowstone Fine Chemicals Private Limited (YFCPL); Yellowstone Speciality Chemicals Private Limited (YSCPL); Laxmi Petrochem Middle East FZE (LPMEF); Laxmi Speciality Chemicals (Shanghai) Co. Limited (LSCSCL); Laxmi Italy Srl (LISRL); Acetyls Holding Private Limited (AHPL); Laxmi USA LLC (LUSLLC)

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 LPP.
Reasons why associate is not consolidated	N.A.
Net Worth attributable to Shareholding as per latest Audited Balance Sheet	26%
Profit/Loss for the year	
i. Considered in Consolidation	NIL
ii. Not considered in consolidation	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, 2022 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, 2022 are as follows:

(₹ in million)

Sr. No.	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 the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
1	Brady Investments Private Limited	Reimbursement of expenses (telephone, internet, electricity, taxes and other charges etc.)	01/04/21 till 31/03/22	2.50	25/05/21	NIL	NA
2	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, including leave & license or lease of property. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	200.00	25/05/21	NIL	NA
3	Smt. Laxmi 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	01/04/21 till 31/03/22	1.50	25/05/21	NIL	NA

4	Laxmi Petrochem Middle East FZE	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	01/04/21 till 31/03/22	50.00	25/05/21	NIL	NA
5	Laxmi Speciality Chemicals (Shanghai) Co. 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	01/04/22 till 31/03/22	1000.00	25/05/21	NIL	NA
6	Saideep Traders	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 & license or lease of property. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	500.00	25/05/21	NIL	NA

7	Viva Life sciences Private 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, including leave & license or lease of property. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	100.00	25/05/21	NIL	NA
8	Laxmi USA LLC	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	01/04/22 till 31/03/22	1500.00	25/05/21	NIL	NA
9	Cleanwin Energy One LLP	1. Purchase of Electricity 2. Payment of electricity and other incidental charges 3. Investment as capital contribution or as loan. 5. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	100.00	25/05/21	NIL	NA
10	Laxmi Foundation	6. Payment of donation to undertake CSR Activities as approved by CSR Committee pursuant to Section 35 of the Companies Act, 2013		2% of the ANP			
11	Yellowstone Fine Chemical Private 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, including leave & license or lease of property. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	200.00	25/05/21	NIL	NA

12	Yellowstone Chemicals Private 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, including leave & license or lease of property. 3. Payment of Commission for sale/purchase 4. Reimbursement/recovery of expenses	01/04/22 till 31/03/22	6000.00*	25/05/21	NIL	26/07/21
13	Laxmi Organic Industries (Europe) BV	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	01/04/22 till 31/03/22	2000.00	25/05/21	NIL	26/07/21
14	Harshvardhan Goenka	Approval for payment of Remuneration	01/04/21 till 31/10/22	21.50	18/05/21	NA	26/07/21

**The original RPT limit of ₹ 2000.00 million approved for YCPL was subsequently increased to ₹ 6000.00 on 02/11/2021.*

Annexure D

Secretarial Audit Report

Form No.MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC MAHAD
Maharashtra – 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, 2022** 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, 2022, according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the Rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent applicable.

iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :

   a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (except as stated in the Secretarial Compliance Report)

   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 Audit period)

   f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit 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 Audit period)

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

i. Secretarial Standards 1 & 2 with respect to Board and General meetings, respectively, issued by The Institute of Company Secretaries of India.

ii. 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 Board of Directors of Company has approved to set up a wholly owned subsidiary in Delaware, United States of America and in Italy.
2. The Board of Directors of Company has acquired 100% shareholding of Acetyls Holding Private Limited from promoter and consequently Acetyls Holding Private Limited and its subsidiary Company namely Yellowstone Chemicals Private Limited have become subsidiaries w.e.f October 01, 2021. Further the Board of Directors has approved the Scheme of Amalgamation between the Company, Acetyls Holding Private Limited and Yellowstone Chemicals Private Limited.
3. The members of the Company at the 32nd Annual General Meeting have ratified the Company's Employee Stock Option Plan (ESOP-2020) for grant of employee stock options under ESOP-2020, from time to time, in one or more tranches. As on March 31, 2022, the Company has not issued any equity shares pursuant to the ESOP-2020.

For **GMJ & ASSOCIATES**
Company Secretaries

Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706D000268762

Place: Mumbai
Date: May 04, 2022

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
Maharashtra – 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.

For **GMJ & ASSOCIATES**
Company Secretaries

Place: Mumbai
Date: May 04, 2022

Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706D000268762

Annexure E

Secretarial Compliance Report for the Financial year ended March 31, 2022

(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
Maharashtra – 402309.

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 April 01, 2021 to March 31, 2022 of **LAXMI ORGANIC INDUSTRIES LIMITED** ("the listed entity"). 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 April 01, 2021 to March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

i. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

ii. 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");

iii. 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 Audit period)

   f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit 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 Audit 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 listed entity, 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	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 29(2)/(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in furnishing prior intimation about meeting of the Board of Directors for approval of quarterly results	The Company has paid fines as levied by BSE Ltd. and National Stock Exchange Ltd. and has placed the matter before the Board of Directors at the next meeting.

(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 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	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
1.	BSE Ltd and National Stock Exchange Ltd	Delay in furnishing prior intimation about the meeting of the Board of Directors for approval of quarterly results pursuant to Regulation 29(2)/(3) of the SEBI (LODR) Regulations, 2015	Basic Fine ₹ 10,000/- (plus 18% GST) by BSE Ltd and National Stock Exchange Ltd	Company has paid the fines as levied by BSE Ltd. and National Stock Exchange Ltd.

The listed entity was not required to take any action with regard to compliance with the observations made by the Practicing Company Secretary (Secretarial Auditor) in previous reports.

For **GMJ & ASSOCIATES**
Company Secretaries

Place: Mumbai
Date: May 04, 2022

Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706D000268784

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, and it changes the traditional lifestyle of the inhabitants/communities living in that area as well as affects the socio-economic profile of the Area. The Company strives to balance out its business values and operations in ethical manner to demonstrate its commitment to the 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, self-help groups etc. and regarding the community as a major stakeholder and accordingly identifying their needs and addressing their concern areas to ensure a better quality of life.

   In the aforesaid background, the Company has broadly framed a Corporate Social Responsibility (CSR) Policy to achieve the following objectives:

   a. To help enrich the quality of life of the community of the neighbouring areas of the manufacturing units of the Company.
   b. To promote good practices for the environment safeguard and maintenance of the ecological balance and to create a positive impact by ensuring sustainable developments in the society.
   c. To be responsible and responsive corporate citizen by providing a welfare measure and creating a safe, harmonious and ecologically balanced environment for its members and the community at large.
   d. To maintain commitment to quality, health and safety in every aspect of the business and people.
   e. To promote equality of opportunity and diversity of workforce through its business operations.
   f. To commit for 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 primarily 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:

   a. By Company directly.
   b. Through Laxmi Foundation, which is Company's own dedicated CSR Trust.
   c. Through Smt. Laxmidevi Nathmal Goenka Charitable Trust (LNGCT) which is a registered trust having track record of more than 3 years.
   d. In collaboration with other Companies undertaking project in CSR activities.
   e. 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 and the web link for the same is https://www.laxmi.com/investors/policies

2. **Composition of CSR Committee:**

Sr. No	Name of Director	Designation	CSR Committee Meetings held in FY 2021-22	CSR Committee Meetings attended in FY 2021-22
1.	Ravi Goenka	Chairman & Managing Director	3	3
2.	Sangeeta Singh	Independent Director	3	3
3.	Rajeev Goenka	Non-Executive Director	3	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	CSR Committee link: https://www.laxmi.com/investors-information/board-committees CSR Policy link: https://www.laxmi.com/investors/policies Approved CSR Project: https://www.laxmi.com/investors/investor-information
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).	The provisions relating to Impact Assessment was not applicable to the Company.
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	**Financial Year** / **Amount available for set-off from preceding FY** / **Amount required to be set-off for the financial year, if any** 2020-21 / ₹ 2.03 million / ₹ 2.03 million **Total** / **₹ 2.03 million** / **₹ 2.03 million**
6. Average net profit of the Company as per section 135(5).	₹ 1,140.10 million
7. (a) Two percent of average net profit of the Company as per section 135(5)	₹ 22.80 million
(b) Surplus/Deficit arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(c) Amount required to be set off for the financial year, if any	₹ 2.03 million
(d) Total CSR obligation for the financial year (7a+7b- 7c).	₹ 20.78 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
₹ 10.00	₹ 10.78	31/03/2022	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
1	Deployment of Mobile Health Units (MHU)	Health	Yes	Maharashtra	Mahad Raigad	3 years	13.24	2.46	10.78	No	Help Age India	CSR00000901

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

(1)	(2)	(3)	(4)	(5)		(8)	(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.		Amount spent in the current financial Year (in ₹).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District.			Name	CSR Registration number
1	Covid Vaccination Drive	Disaster Management	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	0.89	Yes	NA	NA
2	Flood Relief Measures	Disasterx Management	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	0.92	Yes	NA	NA
3	Providing Shelter through Portable Cabin	Disaster Management	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	1.01	Yes	NA	NA
4	IT infrastructure Support	Community Development –	Yes	Maharashtra	Mahad, Raigad	0.53	Yes	NA	NA
5	Provide relief from high cost of water bill to Asanpoi Village	Safe Drinking Water	Yes	Maharashtra	Mahad, Raigad	3.08	Yes	NA	NA
6	Collection & Disposal of Domestic Waste for Birwadi Village	Waste Management	Yes	Maharashtra	Mahad, Raigad	0.80	Yes	NA	NA
7	Contributions to public funded Universities	Research & Development Research & Development	Yes	Maharashtra	Mumbai	0.10	Yes	NA	NA
8	NEAPS Training Cost	Skill Development	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	0.20	Yes	NA	NA
			Total			**7.54**			

(d) Amount spent in Administrative Overheads (₹ In million)	NIL		
(e) Amount spent on Impact Assessment, if applicable	NIL		
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 10.00 million		
(g) Excess amount for set off, if any	**Sl. No.**	**Particulars**	**₹ in million**
	i.	Two percent of average net profit of the Company as per section 135(5)	22.80
	ii.	Total amount spent for the Financial Year	22.80
	iii.	(Shortfall)/Excess amount spent for the financial year [(ii)-(i)]	NIL
	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)]	NIL

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 per cent of the average net profit as per section 135(5).	Not Applicable

12. RESPONSIBILITY STATEMENT:

We hereby declare that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the Company.

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 & able to generate TG power up to 7.2 MW. New higher capacity condenser installed in power plant in Oct-21. This has improved power plant output efficiency.

2. Utilization of Renewable Power Energy Source like hydro and wind has been increased from 12% to 15%.

3. With improvement in overall efficiency of cogeneration power plant the specific auxiliary energy consumption kw/kw has been improved from 20.3 kw/kw to 19.1 kw/kw.

4. **Energy Saving:** During the year review of energy consumption we have got an energy saving opportunity through startup of mechanical drive Turbine the Company has been able to achieve a reduction in specific electrical energy consumption per MT of ethyl acetate (ETAC) from 74 kw/MT to 71 kw/MT. Additionally, the Company has also been able to maintain the specific steam consumption per MT of ETAC at 2.35 MT/MT, from 2.38 MT/MT during the use of 99 % alcohol this has improved the overall productivity & plant operation efficiency.

5. At manufacturing unit 2 the thermal system efficiency maintained with efficient plant operation. Condensate recovery above 90% and steam to fuel ratio has been improved from 6.70 kg/kg to 6.78 kg/kg of coal.

6. Power norms reduction in Diketene by 88KW/ton in FY-22 (from 2204 KW/ton of DK to 2116 Kw/ton of DK). Power norms reduction in E4CAAE 1461KW/ton in FY-22 (from 9345 KW/ton of E4CAAE to 7884Kw/ton of E4CAAE).

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

8. Your Company has successfully Commissioned Vapor Absorption Machine for Chilled water generation for Process cooling reducing Energy Consumption by Absorption Technology instead of Conventional Vapour Compressor technology and resulting in utilization of Waste steam of 1400 kg/hr.

9. Your Company has successfully commissioned Automatic Cleaning System for Heat Exchangers which has resulted in Energy reduction in the Compressor power by 5.3 %.

10. 10 TPH Boiler conversion with fully Automated PLC System to reduce energy Conversation by 1% has just been commissioned and trials under way.

11. The National Energy Conservation Awareness Programme has been conducted in the month of December 2021 on occasion of National Energy Conservation week within the Company in the form of various competitions.

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

13. Awareness training, with the help of in-house and external experts, has continuously being imparted to employees to make them aware about need of energy conservation & efficient use of energy in our day to day work.

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

The Company expects more than 4% reduction in energy consumption during the next year.

c) Capital investment on energy conservation equipment: - ₹ 76.8 million

d) Power & Fuel Consumption:
For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended March 31 2022	Year ended March 31 2021
1. Electricity			
Unit	KWH	7,77,23,029	6,80,72,684
Total Amount	₹ in million	588.41	489.33
Rate/Unit	₹/Unit	7.57	7.19
2. Coal			
Quantity	MT	1,88,095	1,05,720
Total Amount	₹ in million	1,218.2	5,66.74
Rate/Unit	₹/Mt.	6,476	5,367
3. C-9 Plus			
Quantity	MT	575	428
Total Amount	₹ in million	24.40	15.70
Rate/Unit	₹/Mt.	42,468	36,662

I. POWER GENERATED FROM ALTERNATIVE ENERGY SOURCES:

Generated by Wind Mills in:

a. Karnataka*			
Total Units	KWH	23,32,408	13,30,556
Value	₹/Unit	7.92	4.51
b. Maharashtra#			
Total Units	KWH	22,38,518	14,98,699
Cost	₹/Unit	3.44	1.36

** The units generated was supplied to the State Electricity Utilities under PPAs.*

 # The units generated in FY 2021-22 was captively consumed by the Company through the open access permission.

II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products		Year ended March 31 2022	Year ended March 31 2021
I. Acetyls			
(a) Electricity	Kwh/Mt.	79	74
(b) Coal	Kg/Mt.	0	0
(c) Steam (From CPP)	Kg/Mt.	2,412	2,350
II. Speciality			
(a) Electricity	Kwh/Mt.	1736	1,641
(b) Coal	Kg/Mt.	852	848
(c) Steam	Kg/Mt.	3964	4,132
III. Special Denatured Spirit			
(a) Molasses	Kg/Ltr.	3420	3851

B. TECHNOLOGY ABSORPTION

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

1. Major efforts made towards technology absorption:

In view of enhancement in technical abilities, your Company continues to invest in research activities to introduce new technologies at R&D and pilot scales. The R&D Team keeps the continuous interactions and coordination with experts in national laboratories, IITs, CSIR institutes, 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 which ultimately results in positive impact on the overall revenue and foreign currency.

During the year under review, the R&D has scaled up and established three novel technology platforms through systematic chemical non infringing routes, separation technique for isomers having similar physical and chemical properties. These products and technologies will be commercialised in the next few years.

R and D analytical team has also developed capabilities to establish new analytical methods and approaches to investigate quality related matters of existing and new products to overcome and sustain in growing market challenges.

Precisely 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 prove the technology in R&D, pilot and in 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, reduce 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 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 form of technical package for commercial productions.

- New product development starts from identification and selection of new products having scope within or outside existing competencies having wide business dimensions. followed by 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 specialty and intermediate chemicals business.

Major beneficial factors are:-

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

b. Produce and supply superior quality products in Agro, Pharma and Pigments sectors.

c. Conscious attention on controls 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 Indian Market.

e. The improvements in existing manufacturing processes and developments of new products for export market will have enhanced the capability of 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 Laxmi has acquired technology in fluorination using HF and electrochemical fluorination from Italian organization Miteni. The absorption of the technology has been going on. 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.

In addition to the above-mentioned technology from Miteni, R and D has grown with skills for developments of new fluoro advanced intermediates having applications in Agro, pharma and pigments sectors. These products will also be scaled up in upcoming Chiplun Plant. These capabilities will strengthen Company's own inherent strength in the fluoro business.

The Company has incurred following expenditure on R&D:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
a) Capital	11.96	41.81
b) Recurring	113.99	85.87
Total (a + b)	**125.95**	**127.68**
Total R&D Expenditure as % of Total Turnover	**0.4%**	**0.8%**

(b) Technology Absorption, Adoption & Innovation: NIL

(c) Foreign Exchange Earning and Outgo:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Foreign Exchange Earnings (In flow)	8,947.84	3,548.50
Foreign Exchange (Out go)		
a. Chemicals	15,851.05	7,602.11
b. Capital Goods	12.06	25.16
c. Expenses	21.98	62.46

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	103.53	7.5	228.36
Mr. Satej Nabar	28.23	5.5	62.28
Mr. Harshvardhan Goenka	24.29	7.5	53.58
Non-Executive Director$			
Mr. Rajeev Goenka#	-	-	-
Mr. Manish Chokhani	2.06	No Change	4.54
Mr. Omprakash Bundellu	2.06	No Change	4.54
Ms. Sangeeta Singh	2.06	No Change	4.54
Dr. Rajeev Vaidya	2.06	No Change	4.54
Dr. Rajiv Banavali&	1.78	-	3.95
Key Managerial Personnel			
Mr. Partha Roy Chowdhury	20.08	8.5	44.29
Mr. Aniket Hirpara	5.86	10.5	12.92

$ Non-Executive Directors remuneration represents Commission payable for FY 2021-22. The increase in Commission to Non-Executive Directors has been worked out on annual basis.

 # Being Promoter Director, Mr. Rajeev Goenka is not receiving any Commission.

& Dr. Rajiv Banavali has been paid a commission on pro-rata basis w.e.f. May 18, 2021.

** For Executive Directors only fixed pay (CTC) (excluding Performance Linked Incentive (PLI) & Directors Commission), is considered for calculating % increase in remuneration. For Non-Executive Directors only Commission (excluding Sitting fees), is considered for calculating % increase in remuneration.*

Disclosure Requirement:

Sr. No.	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY22	11.39%
2	Number of permanent employees on the rolls of the Company	679
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 11.1 % while the average increase in Managerial Remuneration was 6.97% during the year.
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

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, 2022, the Company's Board consists of nine (9) Members. The composition of the Board, as on March 31, 2022, 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, 2015') 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 33rd 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
		9. Dr. Rajiv Banavali

Note:

1. 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, 2015.

Board Meeting & Agenda:

The Board has 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 SEBI Listing Regulations, 2015 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, five (5) meetings of the Board of Directors were held on May 18, 2021, May 25, 2021, August 09, 2021, November 02, 2021, and February 01, 2022. Details of the Directors and their attendance at the above-mentioned Board meetings and last Annual General Meeting held on July 26, 2021 are given below:

Name of the Director	Designation	Category	No. of Board Meetings attended	Attendance at last AGM
Mr. Ravi Goenka	Chairman & Managing Director	Executive	5	Yes
Mr. Satej Nabar	Executive Director & CEO	Executive	5	Yes
Mr. Harshvardhan Goenka	Executive Director Business Development & Strategy	Executive	5	Yes
Mr. Rajeev Goenka	Non-Independent	Non-Executive	5	Yes
Mr. Manish Chokhani	Independent	Non-Executive	5	Yes
Mr. Omprakash V. Bundellu	Independent	Non-Executive	5	Yes
Ms. Sangeeta Singh	Independent	Non-Executive	4	Yes
Dr. Rajeev Vaidya	Independent	Non-Executive	5	Yes
Dr. Rajiv Banavali*	Independent	Non-Executive	4	No

**Dr. Rajiv Banavali was appointed as independent director w.e.f May 18 2021.*

Details of Directorship(s) and Committee membership(s) in Companies as on March 31, 2022:

(No. of companies)

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 where the person is a director and the category of directorship
			Chairman	Membership	
Mr. Ravi Goenka	NIL	11	NIL	NIL	NIL
Mr. Satej Nabar	NIL	NIL	NIL	NIL	NIL
Mr. Harshvardhan Goenka	NIL	9	NIL	NIL	NIL
Mr. Rajeev Goenka	NIL	18	NIL	NIL	NIL
Mr. Manish Chokhani	2	4	1	NIL	1. Shoppers Stop Limited 2. Westlife Development Limited
Mr. Omprakash V. Bundellu	NIL	NIL	NIL	NIL	NIL
Ms. Sangeeta Singh	3	2	NIL	3	1. Alkem Laboratories Limited 2. SH Kelkar and Company Limited 3. Accelya Solutions India Limited
Dr. Rajeev Vaidya	NIL	NIL	NIL	NIL	NIL
Dr. Rajiv Banavali	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, 2022 are as under:

Name of the Director	Category	No. equity shares held
Mr. Rajeev Goenka	Non-Executive Director	109,437
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
Dr. Rajiv Banavali	Independent Director	NIL

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

During the year under review the Company has undertaken familiarisation programme for Independent Directors. The copy of the presentation is available under the investor section on the Company's website https://www.laxmi.com/investors/investor-information

Board Skill Matrix:

As required by Listing Regulations, 2015 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 Director		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
9.	Dr. Rajeev Banavali	Strategic Planning | Global Chemical Industry | Risk Management | Corporate Governance | New Product/Chemistries Initiatives | R & D & Innovation

Certificate from the Practicing Company Secretary:

A certificate from Mr. Mahesh Soni, a Practicing Company Secretary & Partner of M/s GMJ & Associates, Company Secretaries (FCS No. 3706, C.O. 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 SEBI Listing Regulations, 2015. 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 Companies Act, 2013 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 FY22 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, 2015.

In accordance with the applicable provisions of the SEBI Listing Regulations, 2015, 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 SEBI (LODR) 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 7 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 SEBI (LODR) 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 SEBI (LODR) Regulations.

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.

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 SEBI (LODR). During the year under review, there was no change in the constitution of Audit Committee. 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

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

The Audit Committee met five (5) 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, 2022:

Members	Audit Committee Meetings during 2021-22				
	May 17, 2021	May 25, 2021	August 09, 2021	November 02, 2021	February 01, 2022
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes	Yes
Ms. Sangeeta Singh	Yes	Yes	Yes	Yes	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 SEBI (LODR) Regulations. During the year under review, there was no change in the constitution of NRC Committee. 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

The Company Secretary acts as the Secretary to the NRC.

The NRC met one (1) time 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, 2022:

Members	NRC Meetings during 2021-22
	May 18, 2021
Ms. Sangeeta Singh	No
Mr. Manish Chokhani	Yes
Dr. Rajeev Vaidya	Yes

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

Board Performance Evaluation:

The Company has 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 were 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 formalize the succession plans for orderly succession for outgoing Members of the Board of Directors and Senior Management Personnel.

Independent Directors' Meeting:

A separate meeting of the Independent Directors of the Company was held on March 21, 2022 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 SEBI (LODR) 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

Mr. Aniket Hirpara is the Company Secretary and Compliance Officer of the Company. He also acts as the Secretary to the SRC.

The SRC Committee met three (3) times during the year and the following table gives the details of members and their attendance in SRC meetings held during the year ended March 31, 2022:

Members	SRC Meetings during 2021-22		
	July 21, 2021	October 18, 2021	February 01, 2022
Mr. Manish Chokhani	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes
Mr. Harshvardhan Goenka	Yes	Yes	Yes

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 01, 2021	NIL
Complaints received during FY22	64
Complaints disposed during FY22	64
Complaints remained unsolved during as on March 31, 2022	NIL
Complaints not solved to the satisfaction of shareholder	NIL

The Chairman of SRC has attended last Annual General Meeting.

Risk Management Committee (RMC)

During the year under review, Dr. Rajiv Banavali, Independent Director was appointed as a Member of RMC on May 18, 2021. The RMC presently comprises of four (4) 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
Dr. Rajiv Banavali	Independent Director	Member

The Company Secretary acts as the Secretary to the RMC.

The RMC met two (2) times during the year and the following table gives the details of members and their attendance in RMC meetings held during the year ended March 31, 2022:

Members	RMC Meetings during 2021-22	
	August 11, 2021	March 24, 2022
Dr. Rajeev Vaidya	Yes	Yes
Mr. Satej Nabar	Yes	Yes
Mr. Harshvardhan Goenka	Yes	Yes
Dr. Rajiv Banavali	Yes	Yes

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

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, there was no change in the constitution of CSR Committee. 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

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

The CSR Committee met three (3) times 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, 2022:

Members	CSR Committee Meetings during		
	May 13, 2021	November 30, 2021	March 15, 2022
Mr. Ravi Goenka	Yes	Yes	Yes
Ms. Sangeeta Singh	Yes	Yes	Yes
Mr. Rajeev Goenka	Yes	No	Yes

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

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 four (4) 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 six (6) times during the year and the following table gives the details of members and their attendance in FC meetings held during the year ended March 31, 2022:

Members	Finance Committee Meetings during 2021-22						
	April 27, 2021	July 09, 2021	July 23, 2021	October 26, 2021	December 08, 2021	January 18, 2022	March 17, 2022
Mr. Omprakash V Bundellu	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Satej Nabar	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Partha Roy Chowdhury	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Remuneration of the Directors

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

(₹ in million)

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	50.40	19.93	17.92	88.25

	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3.12	-	-	3.12
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	50	-	-	50
	As % of Profits	1.65	-	-	-
	Others, Specify	-	-	-	-
5	Others, Specify (Performance Linked incentives)	-	8.30	6.37	14.67
	Total – (A)	**103.53**	**28.23**	**24.29**	**156.05**
	Ceiling as per Act	**₹ 302.01 million.**			

B. Remuneration to Other Directors

(₹ in million)

Sr. No.	Name of Director	Category	Sitting Fees	Commission	Total
1	Rajeev Goenka*	Non- Executive Director	0.30	-	0.30
2	Manish Chokhani	Independent Director	0.35	2.06	2.41
3	Omprakash V Bundellu	Independent Director	0.38	2.06	2.43
4	Sangeeta Singh	Independent Director	0.40	2.06	2.46
5	Dr. Rajeev Vaidya	Independent Director	0.33	2.06	2.38
6	Dr. Rajiv Banavali (From 18/05/2022)	Independent Director	0.25	1.78	2.04
Total			**2.00**	**10.01**	**12.01**

** Being Promoter Director, Mr. Rajeev Goenka is not receiving any Commission.*

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.

General Body Meetings:

The following table gives the details of the last three Annual General Meetings of the Company held:

Year	Day, Date and Time	No of Directors Present	Location
2020-21 (32nd AGM)	Monday, July 26, 2021 at 11.00 AM	8	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2019-20 (31st AGM)	Tuesday, November 24, 2020 at 12.00 noon	4	
2018-19 (30th AGM)	Thursday, September 05, 2019 At 12.00 Noon	5	

The following are the special business transacted at the Annual General Meetings held in last three years:

Meeting	Subject matter of resolution	Remarks
2020-21 (32nd AGM)	1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2022 2. To regularize the appointment of Dr. Rajiv Banavali (DIN 09128266) as a Non-Executive Independent Director of the Company 3. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for FY22 4. To consider and approve the revision in the remuneration of Mr. Satej Nabar for FY22 5. To approve the revision in the remuneration of Mr. Ravi Goenka, Managing Director 6. To approve the continuation of the payment of remuneration to Executive Directors as per regulation 17(6)(e) of SEBI (LODR) Regulation, 2015 7. To approve the Related Party Transaction to be undertaken by the Company during FY22 8. To consider and approve the ratification of Laxmi- Employee Stock Option Plan 2020 (ESOP-2020)	All resolutions were passed with requisite majority
2019-20 (31st AGM)	1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2021 2. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the period from April 01, 2020 till October 31, 2020 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 FY21 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

Whether any special resolution passed last year through postal ballot – NA;

Person who conducted the postal ballot exercise – NA;

Whether any special resolution is proposed to be conducted through postal ballot – NA;

Procedure for postal ballot – NA.

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 33rd AGM, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 05, 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, and SEBI\HO\CFD\CrD2\CIR\P\2022\62 dated May 13, 2022, 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 33rd 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 33rd 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.

Annual General Meeting:

Day and Date	Friday, July 29, 2022
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 a.m. (IST) on the date of AGM at https://instameet.linkintime.co.in by using their remote e-Voting login credentials and selecting the EVEN 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 from July 23, 2022 (9:00 a.m. IST) to July 27, 2022 (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 FY22 recommended by Board	₹ 0.70 (35%)
Dividend Record Date	July 15, 2022
Dividend payment date	On or after August 03, 2022
Cut-off date for e-Voting	July 22, 2022
Remote E-voting start time and date	July 26, 2022 at 9:00 a.m.
Remote E-voting end time and date	July 28, 2022 at 5:00 p.m.
Remote E-voting website of Link In time	https://instavote.linkintime.co.in

Financial year:

The Company's financial year begins on April 01 and ends on March 31.

Financial Calendar (Tentative): April 2022 To March 2023 :

Sr. No.	Particulars of Meetings	Actual/Tentative Dates
1	Audited Financial Results for the quarter and year ended March 31, 2022	Wednesday, May 04, 2022
2	Unaudited Quarterly Results for the Quarter ended June 30, 2022	Tuesday, July 26, 2022
3	33rd Annual General Meeting	Friday, July 29, 2022
4	Unaudited Quarterly Results for the Quarter and half year ended September 30, 2022	Within 45 days of the quarter and half year ending September 2022
5	Unaudited Quarterly Results for the Quarter and nine months ended December 31, 2022	Within 45 days of the quarter and nine months ending December 2022
6	Audited Annual Results for the quarter and year ended on March 31, 2023	Within 60 days of the quarter and year ending March 2023

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 2021-22 have been paid to stock exchanges.

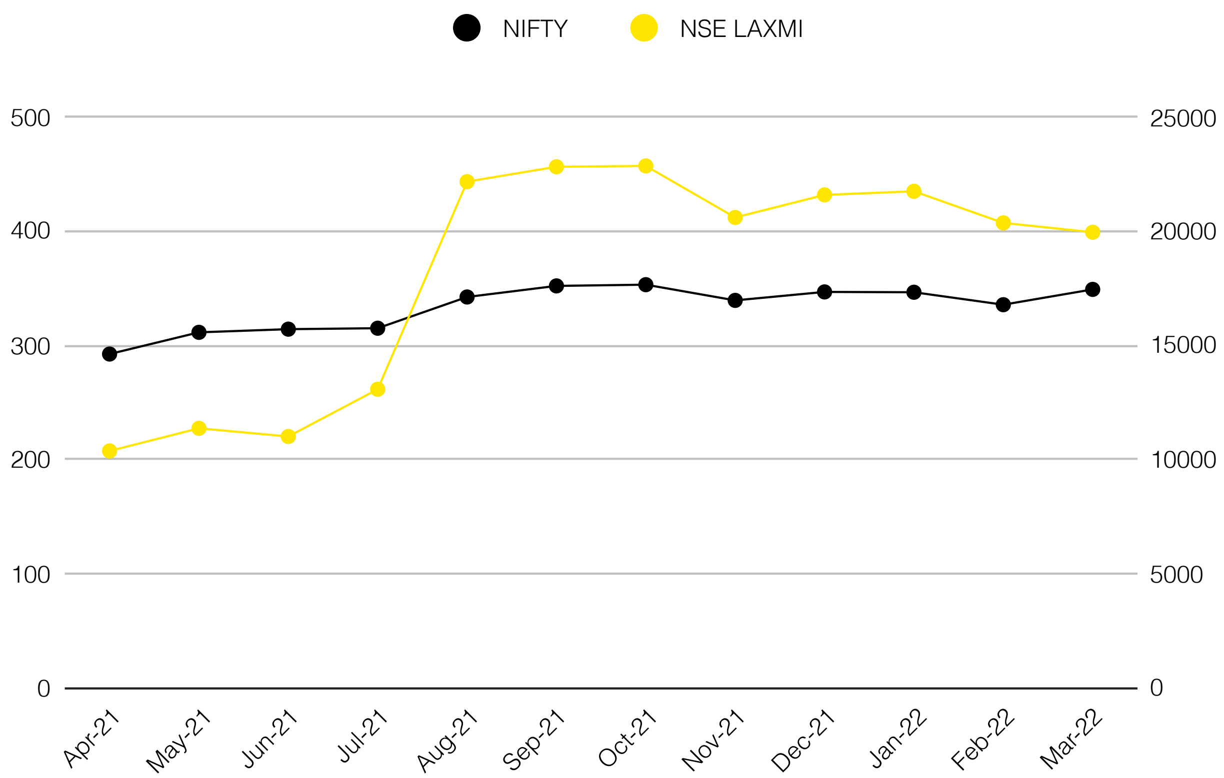
Market price data- high, low during each month in last financial year:

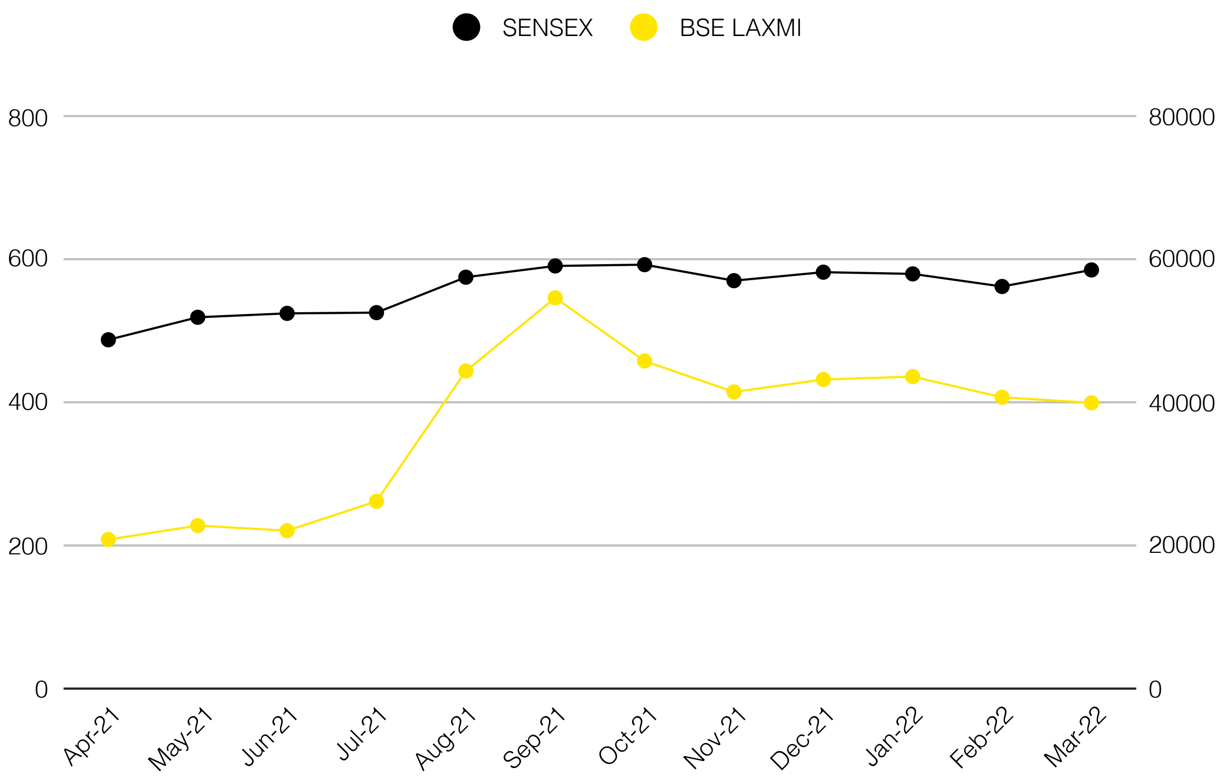
High/Low during year/month in the financial year. Share Price on BSE and NSE (Face Value ₹ 2 each)

Month	National Stock Exchange Limited			BSE Limited		
	High Price (₹)	Low Price (₹)	Volume (in lakhs)	High Price (₹)	Low Price (₹)	Volume (in lakhs)
April-21	217.90	171.45	691.91	218.00	171.50	79.93
May-21	244.70	205.05	653.68	244.70	205.10	72.53
June-21	236.00	212.70	389.95	235.95	213.35	46.45
July-21	274.45	221.10	613.67	279.00	221.15	59.97
August-21	493.75	261.75	1,730.85	494.00	261.95	143.21
September-21	628.00	444.00	896.66	628.05	444.00	123.72
October-21	597.80	422.40	403.46	597.30	423.90	52.29
November-21	468.95	396.15	212.85	468.35	396.25	27.79
December-21	450.00	385.50	115.92	449.80	385.45	16.79
January-21	493.75	397.00	133.41	494.05	397.00	23.22
February-21	501.05	370.45	155.50	501.60	370.50	23.07
March-21	433.70	392.00	103.18	433.70	392.00	13.57

Source: NSE and BSE website

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





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

Link Intime India Private Limited, Mumbai (SEBI Registration No. INR000004058) is 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 SEBI Listing Regulations, 2015.

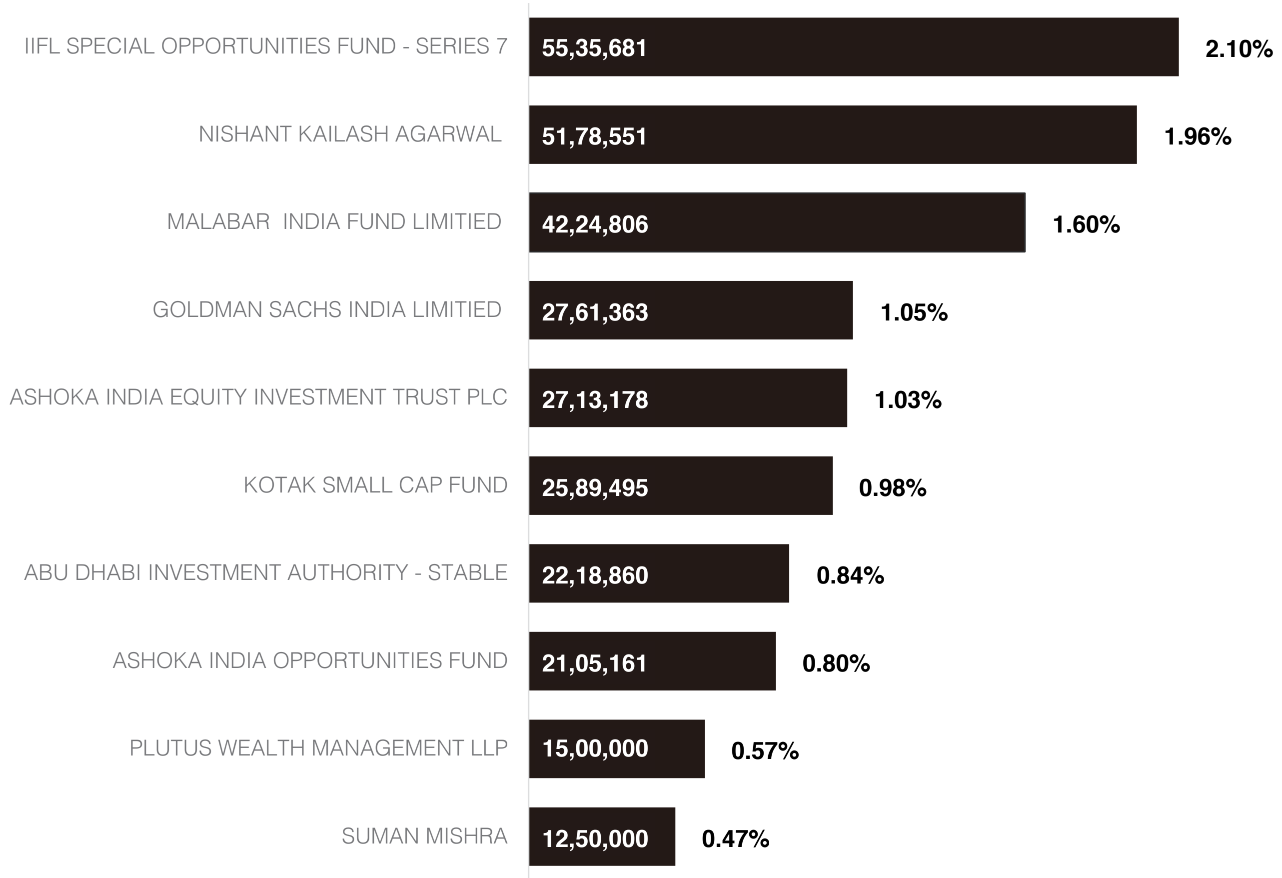
ISIN Number	:	INE576O01020
Details of Share Transfer Agent	:	**Link Intime India Private Limited** C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083 Email: Mumbai@linkintime.co.in

Shareholding:

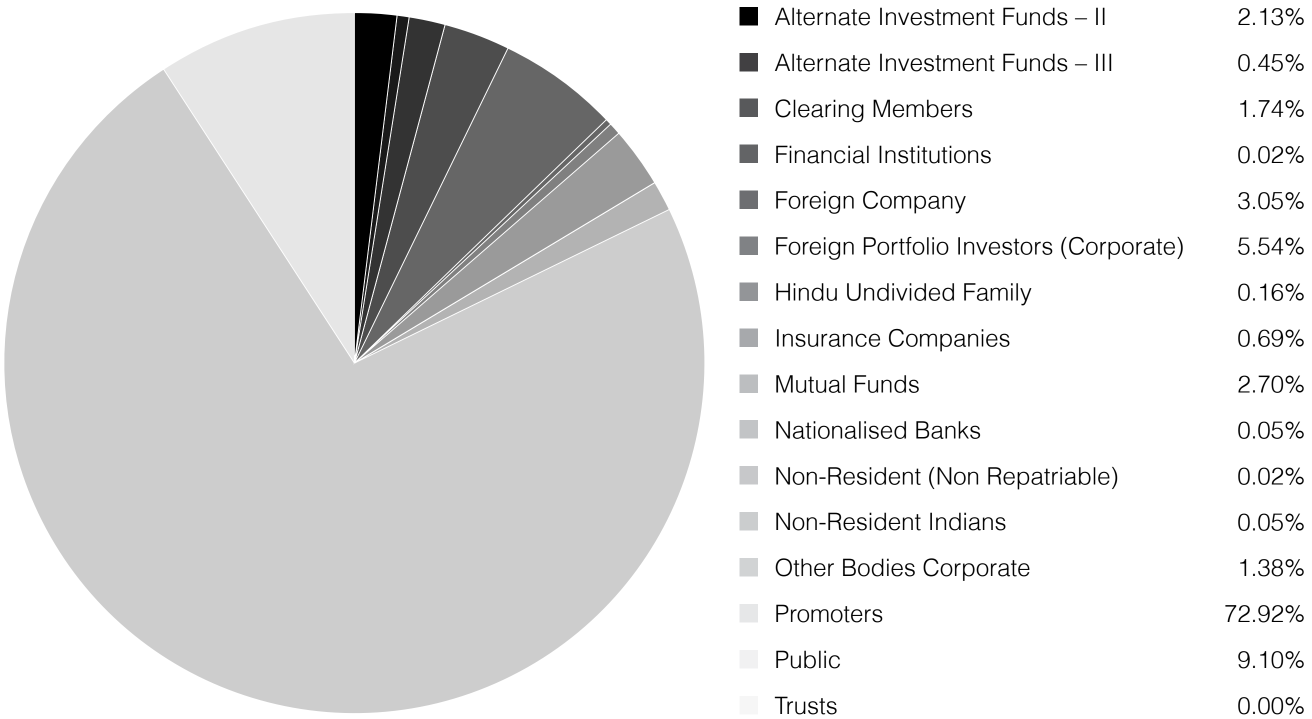
Promoter & Public Shareholding as on March 31, 2022:

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	**26,36,62,773**	**100.00**

Top 10 Non-Promoter Shareholders as on March 31, 2022:



Shareholder's Category Summary as on March 31, 2022:



Distribution of shareholding as on March 31, 2022:

Sr. No.	Shareholding of Shares	No of Shareholders	% of No of Shareholders	Total Shares	% of Total Shares
1	1 to 500	4,20,124	97.619	2,34,42,754	8.89
2	501 to 1000	5,977	1.3888	45,92,846	1.74
3	1001 to 2000	2,392	0.5558	34,90,975	1.32
4	2001 to 3000	754	0.1752	19,04,456	0.72
5	3001 to 4000	308	0.0716	10,97,219	0.42
6	4001 to 5000	218	0.0507	10,26,028	0.39
7	5001 to 10000	325	0.0755	24,05,365	0.91
8	10001 and above	273	0.0634	22,57,03,130	85.60
	Total	**4,30,371**	**100.00**	**26,36,62,773**	**100.00**

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.

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible instruments, Conversion date and likely impact on equity:

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible instruments as on March 31, 2022.

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

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. In 2021, the Company made an initial public offering and got listed on March 25, 2021 at National Stock Exchange (India) Limited and BSE Limited.

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): L24200MH1989PLC051736

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.

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): L24200MH1989PLC051736

DISCLOSURE OF MATERIAL TRANSACTIONS:

Under regulation 26(5) of SEBI Listing Regulations, 2015, 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.

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).

Policy for Determination of Material Events or Information:

Pursuant to Regulation 30 of the SEBI Listing Regulations 2015, 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:

Dividend Distribution Policy has been disclosed on the website of the Company at 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 Companies Act, 2013 and Listing Regulations. The policy has been disclosed on the website of the Company at https://www.laxmi.com/investors/policies

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. The policy formulated by the Company is uploaded on the website of the Company at https://www.laxmi.com/investors/policies

b) The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited. The listed entity has complied with all the Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Steps taken by company
1	Regulation 29(2)/(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in furnishing prior intimation about meeting of the Board of Directors for approval of quarterly results	The Company has paid fines as levied by BSE Ltd. and National Stock Exchange Ltd. and has placed the matter before the Board of Directors at the next meeting

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 SEBI (LODR) Regulations.

e) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) SEBI (LODR) Regulations during the year.

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 ₹ 3.96 million (including Statutory Audit Fees of ₹ 3.00 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	3.00
Limited Review Audit	0.75
Tax Audit Fees	-
Certification & Tax Representations	0.21
Total	**3.96**

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 formulated Code of Conduct (Insider Trading) to Regulate, Monitor and Report Trading by Insider based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at https://www.laxmi.com/investors/policies

j) The Company has complied with requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations.

k) 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 SEBI Listing Regulations, 2015.

l) 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. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Presently the Company has not separated role of the Chairman and Managing Director.

e. Reporting of Internal Auditor: The Internal Auditor is directly reporting to Audit Committee.

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 SEBI Listing Regulations, 2015. 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.

CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all members of the Board and Senior Management consisting of members of the Corporate Executive Committee and other Employees / Executives 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 01, 2021 to March 31, 2022. The declaration received from Mr. Ravi Goenka, Chairman & Managing Director in this regard is attached as **Annexure IV** to this Report:

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

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, 2015 is attached as **Annexure III** to this Report.

OTHER POLICIES MANDATED UNDER SEBI LISTING REGULATIONS, 2015:

Policy for Preservation of Document & Archival:

Pursuant to Regulation 9 of SEBI Listing Regulations 2015, 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, 2015 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 SEBI Listing Regulations, 2015, 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

Unclaimed Dividend & Transfer to IEPF:

Section 124 of the Companies Act, 2013, 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.

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)

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 : L24200MH1989PLC051736) 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 SEBI (LODR) 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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Ravi Vasudeo Goenka	00059267	15/05/1989
2.	Satej Nabar	06931190	01/04/2020
3.	Harshvardhan Goenka	08239696	01/11/2020
4.	Rajeev Goenka	00059346	12/08/1994
5.	Manish Chokhani	00204011	30/03/2012
6.	Omprakash V. Bundellu	00032950	21/02/2011
7.	Sangeeta Singh	06920906	04/09/2017
8.	Rajeev Vaidya	05208166	25/11/2020
9.	Rajiv Banavali	09128266	18/05/2021

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

Place: Mumbai
Date: May 04, 2022

Mahesh Soni
Partner
FCS: 3706 COP: 2324
UDIN: F003706D000268841

Annexure II

Certificate of Executive Director & CEO and CFO

(As per provisions of Regulation 17(8) of SEBI Listing Regulations, 2015)

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, 2022, 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, 2022 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:

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

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

iii. 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 04, 2022

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 Laxmi Organic Industries Limited, for the year ended on March 31, 2022, as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

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: F003706D000268817

Place: Mumbai
Date: May 04, 2022

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, 2022, 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**

Place: Mumbai
Date: May 04, 2022

Ravi Goenka
Chairman & Managing Director

Business Responsibility Report

Introduction:

The Laxmi's Business Responsibility Report 2021-22 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.

Business Responsibility Report

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Disclosures	Information/Reference sections
Corporate Identity Number (CIN) of the Company	L24200MH1989PLC051736
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	2021-22
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 Specialty Intermediates. The Acetyl Intermediates include ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents, while the Specialty 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 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 43 countries across 6 continents.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Disclosures	Information/Reference sections
Paid-up capital	₹ 527.33 Million
Total turnover	₹ 29,964.67 Million
Total profit after taxes	₹ 2,311.42 Million

Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year under review, Company CSR spend was ₹ 22.80 Million which, included amounts remitted towards CSR Projects committed during last financial year. The CSR spend during the year works out to 1% of Profit after tax for FY22.
List of activities in which the Corporate Social Responsibility (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, 2022, the Company has 13 subsidiaries, including 10 direct subsidiaries and 3 step down subsidiaries. Out of total 13 subsidiaries 8 are domestic and 5 are overseas 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)	Business Responsibility 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%]	Yes, less than 30%. The Company has a thorough selection process to ensure it engages with the right value chain partners. The Company has adopted a Vendor Evaluation Policy and prospective key vendors are evaluated on parameters like quality, safety, manufacturing process, capabilities, delivery, and commitment. Also, post on-boarding, compliance parameters are monitored for selected critical vendors.

SECTION D: BR INFORMATION

Disclosures	Information/Reference sections
1. Details of Director/Directors Responsible for BR:	
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):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs (MCA) has adopted nine areas of Business Responsibility. These briefly are as follows:

Principles		Reference Policy
P1.	Business should conduct and govern themselves with Ethics, Transparency and 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 and Integrated Environment Heath Safety & Quality (Integrated EHSQ) Policy
P3.	Businesses should promote the wellbeing of all employees.	HR Policies, POSH Policy and Integrated EHSQ Policy

P4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy, POSH Policy, Speak-up Policy
P5.	Businesses should respect and promote human rights.	CSR Policy, Speak-up policy, Integrated EQSH policy, Internal HR Policies, Responsible Care Policy
P6.	Business should respect, protect, and make efforts to restore the environment.	Integrated EHSQ Policy and Responsible Care 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.	Responsible Care Policy, Integrated EQSH Policy, Code of Conduct Policy, Ethics 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.	Has the policy been formulated in consultation with relevant stakeholders?	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 national /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? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	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]. Yes, Policies are Signed by the Managing Director.								
5.	Does the Company have a specified committee of the Board/ Director/Official 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. Further EHSQ management system has mechanism incorporated, at the manufacturing sites, to capture grievances as well as improvement opportunities. Various forums like daily meetings, safety meetings, as well as Suggestion Box are provided.
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety, Health and Environment Policies are subject to internal and external audits as a part of different certifications process including ISO 9001, ISO 14001, ISO 45001 and Responsible Care.

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	Yes, the company publishes its BR Report annually. In FY 2022, the BR Report is part of Company's Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Disclosures	Information/Reference sections
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, the policy is fully applicable to Company as well as its employees, vendors, consultants, retainers or advisors associated with the Company.
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.	The Company looks at every opportunity to address environmental concerns at the design stage itself. At the product development stage, environmental and safety aspects of the production design are evaluated in detail. The Company seeks to continually improve the operational efficiencies and resource utilisation. The Company works towards: • reduction in consumption of materials used, • conservation of energy, • improved waste and wastewater management through reduced waste generation by recycle and reuse of treated water. • use of renewable energy Some initiatives taken during the past year are related to the following products: **1. ABL - (Alpha Acetyl Butyro Lactone):** This is a speciality chemical product developed and serving as a key raw material for the Agrochemical industry. This product was successfully transferred at small scale level initially in intermediate plant. A new large-scale unit with a state of art modern technology is under commissioning stage ensuring provisions of Environment, Health and safety. **2. Sludge Hydrolysis:** A sludge generated during manufacture of Diketene is now hydrolysed to recover sellable products. This has also reduced process safety risks. **3. Ethyl 4 chloroacetate:** This is another speciality chemical product developed and serving as a key raw material for the pharmaceutical industry. This product is successfully transferred at plant scale and is being manufactured in dedicated plant at our Mahad Unit-II with state of art facility ensuring provisions of Environment, Health and safety.
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.	• The Company is committed towards sustainable growth by reducing to the extent possible the impact on environment. Sourcing is one such area wherein the Company endeavours to build partnership with socially and environmentally responsible sources. • Evaluation of key vendors forms the core of the purchase process. It applies to not only to selection of the vendors but continues thereafter with a track record of the services provided. • The Company works closely with the transport, not only in selection and re-evaluation but also invests in training with an aim to further improve services as well as environmental and health safety. • The Company endeavours to work with sources who are certified to international standards like ISO 9001, 14001 &/or 45001.

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?	• The Company is committed to improvement the living of the surrounding communities. It associates with the neighbouring communities at multiple levels through CSR activities. • Suitably qualified personnel are endorsed for providing services in the area of maintenance of the plant, transport of goods, supply of food items etc. • Community members are also given opportunity for associating with the Company as employees. • Training Programs are organised to improve skill set of educated youngsters with an aim of absorbing them into the mainstream based on the suitability to requirements.
Does the Company have a mechanism to recycle products and waste? 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.	• Every opportunity to reduce and recycle waste arising from production process is assessed and implemented, wherever feasible. Improvement in process design and adopting environmentally cleaner and safer process forms priority area of the Company. Optimizing resource utilisation is one of the key areas of focus for R&D. • New product incorporates recovery and recycle of solvents and reduction in waste generation as an objetive at the R&D and design phase itself. • About more than 10 % of effluent generated from manufacturing is recycled after appropriate treatment at the in-house treatment facility. • Recovery, purification, and reuse of solvent is applied to every stage of the process, where plausible.
Principle 3: Employee Well-Being	**BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**
Please indicate the total number of employees	679
Please indicate the total number of employees hired on a temporary / contractual / casual basis	481
Please indicate the number of permanent women employees	35
Please indicate the number of permanent employees with disabilities	0
Do you have an employee association that is recognized by the Management?	Yes
What percentage of your permanent employees are members of this recognized employee association?	Total unionized employee 110 (15.2%)
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.	See table below

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

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	• Permanent Employees: 455 • Permanent Women Employees: 31 • Casual/Temporary/Contractual Employees: 419 • Employees with Disabilities: NA
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, Key stakeholders identified are customers, shareholders, investors, employees, vendors and service providers, local community and the statutory agencies associated with the Company.
Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	Local communities, particularly the women and children of the community, have been identified as the disadvantaged, vulnerable and marginalised stakeholders of the Company.
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 under key thematic areas such as Health, Water, Education and waste Management. The details of the same are as mentioned below. 1. **Mobile Health Unit:** Under the health initiative, the company has extended its strong support to the Mahad Taluka Health Department to improve the health and quality of life of Mahad Taluka citizens. Laxmi has provided a Mobile Health Unit which comprises of mobile clinic set up in the van along with a qualified doctor, nurse, community mobilizer, and a driver. Through this initiative, a door to door health services will be delivered free of cost along with basic medication. The MHU focuses on the diagnosis, consultation, treatment, and referral in case of chronic disease. A total of 18 villages from Mahad taluka having poor access to health services have been targeted for MHU service. The initiative will benefit around 15000 villagers. 2. **Waste Disposal Vehicle:** Under the Waste Management initiative the company has continued its strong support to the local village, Birwadi of Mahad Taluka for effectively managing the village domestic waste. We have supported the village with a waste collection vehicle, Tractor, and Trolly. With this ounce of support, the village committee will be able to manage the disposal of domestic waste and more than 10,000 villagers will get benefited. 3. **Community Vaccination Program:** Amidst COVID 19 outbreak, we worked with district and taluka authorities, and educated and organized a vaccination drive for the community. This was done when the government authorities were struggling to get vaccines and people were afraid of getting vaccinated. Through this program, along with district and taluka health department, we educated people on the benefits of vaccination, removed their fear about it, and vaccinated almost 2000 beneficiaries. 4. **Water:** Under the water initiative, we have worked with one of the neighboring villages, Asanpoi,and made available additional drinking water supply from the MIDC water source. Around 3000 villagers have benefited. Also, currently, we are working with one of the villages and going to provide a solar water pump along with solar panels to overcome the challenges of electricity availability. 5. **Education:** we have initiated work on building the primary school at Parsule (Mahad – Poladpur region). The work is WIP. Upon the completion of the work, around 100 primary school students will be benefited.

	6. Apart from the defined strategic thematic areas, the company has initiated work on situation-led projects. Example. Community hall for shelter at Asanpoi which will protect them from flood situation. Donated 4 container cabins cum temporary houses to the victims of talayee landslides. Helped the taluka administration and police authorities with digital and office infra post the flood destructions and enabled them to carry out administrative work. Post-flood, extended the help to the nearby villages with dry rations, blankets, chatais ,and drinking water. Further, we have helped the district authority to set up a library at Mahad for students for preparing for competitive exams.
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?	No such complaints received from any internal or external stakeholders.
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?	• Environment management policy extends its cover to include employees, customers, key vendors as well as the local community. • These policies are part of day-to-day activities of the employees through procedures and instructions to be followed at the workplace. • The Company conveys and educates customers and transporters on the methods of safe handling of the product through documents such as Safety datasheets and Trem cards. Training sessions are arranged for transport drivers to stress on the importance of safety during transportation. • An important criterion for key vendor selection includes screening for certifications to management systems like ISO 9001,14001, 45001. • The Company has voluntarily adopted practices of Responsible Care through which it reaches out to the betterment of living of the surrounding communities. Several such initiatives like improving knowledge base through education, greening of surrounding area, provision of healthcare facilities have been taken through Corporate Social Responsibility programs.
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.	• Conservation and optimum utilization of natural resources has been and continues to be the topmost priority for us and we demonstrate this through our close monitoring programme at each stage of product manufacturing. • Various external audits are conducted viz. energy, ISO 14001: 2015 etc. by external independent agencies to monitor the Company's performance w.r.t. environment and sustainability which help us to identify areas of improvement. • Company has scored 67% score under TfS on-site audit conducted by the independent third party. • The Company has undergone stringent assessment of the manufacturing facilities in the area of environmental and health safety and has been awarded a permission to use Responsible Care logo.

Does the Company identify and assess potential environmental risks?	• Environmental risk assessment forms an important part of the Integrated EHSQ Policy implemented at the manufacturing sites. • Company has prepared a detailed risk register considering potential environment Aspects and Impacts. These registers (Hazard Identification & Risk Assessment and Environmental Aspect Impact Registers) are reviewed on a frequent basis to accommodate the changes in the operations and the subsequent action plan developed owing to the proposed change. • Risk assessment is being conducted for normal operating conditions and for abnormal scenarios like startup and shutdowns. Emergency response procedures are available to address both onsite and offsite emergency situations. Regular trainings ensure that these procedures and the roles and responsibilities defined within the procedures are clearly understood. • The Company also take utmost care of environment and before setting up of any new facilities or expansion of existing facilities.
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?	• The Company continually strives for improvement in areas of prevention of pollution through optimisation of resource utilisation. • About 25% of its energy needs have been from renewable energy sources like hydro, solar and wind power.
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, the Company has undertaken various initiatives on clean technology, energy efficiency and renewable energy. • Acetyls chemistry is based on alcohol produced from renewable source i.e. molasses. Ethyl acetate manufactured by the company has a USFDA Biopreferred certification for 52% biobased content. • As commitment towards sustainability the company has invested in renewable power plants. It has windmills located in Maharashtra and Karnataka. It has also set-up a hydroelectric power project at Yedgoan, Maharashtra. Further, the Company has partnered with the wind and solar power developers and executed a long term power purchase agreement whereby the entire power generated through these sloar and wind power plants will be captively consumed by the Company. These renewable sources of power have reduced the dependence on power grid to the extent and ensures a regular supply of power and steam. • **Clean Technology:** Waste reduction and process changes were undertaken to eliminate hazardous Raw material by adopting technology which reduces emissions/waste generation. • **Energy Efficiency:** The energy that will be otherwise wasted was utilised effectively. Further the work was done on improvement in energy norms as well as fro improvement in preventive maintenance to improve machine efficiencies. • 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. Six monthly performance analysis are submitted to the statutory bodies for compliance.
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 FY22.

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 are 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.	Company has given direct & indirect employment to several local residents and also engaged them by awarding contracts in the manufacturing complexes. Further, the Company has also undertaken various CSR projects/activities in and around the neighbouring areas where the Company's manufacturing sites are located. For more details on CSR, kindly refer Page No. 40 of the Annual Report.
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 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.	For more details kindly refer Page No. 40 of the Annual Report.
Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	NA

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. • Resolution of complaint from the customer is considered one of the topmost priorities in the Company. A multi-disciplinary team led by QCQA Dept. is employed to find the root cause and take immediate action towards satisfactory closure of any grievance caused to the customer. • The mechanism for capturing and addressing complaints has been integral part of the quality management system. Progress on resolution of customer complaint is reviewed by the Top Management Team on a month-to-month basis. • All complaints received from customers during the current financial year have been investigated, root cause identified, and corrective actions designed. • As on date, there is no any open customer complaint pending.
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. Apart from product name, manufacturers' details, hazard logo and UN number where applicable, the label also has information on batch number, net weight, gross weight, date of manufacture, retest date, storage and handling instructions. 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.	There is no case filed against the company regarding unfair trade practices.

Did your Company carry out any consumer survey / measure consumer satisfaction trends?	The Company undertakes customer surveys periodically. Additionally, the Company is being periodically audited by customers and it also voluntarily undertakes stringent audits by appointing independent audit agencies to assess the performance of its management systems. Results of such audits form valuable inputs to build robust systems leading to increased customer satisfaction. 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 to conducting customer surveys and measuring customer satisfaction trends. The Company continually invests in developing the infrastructure of its facilities and upgrading digital systems like ERP, vehicle tracking software that results in a quicker and more accurate after-sales service, thus further improving the satisfaction.

Independent Auditor's Report

To
The Members of
Laxmi Organic Industries Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the Standalone Financial Statements of Laxmi Organic Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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, 2022, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants ("ICAI") of India together with the ethical requirements that are relevant to our audit of the Standalone 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 ICAI's 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 Standalone 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 Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditors' Response
1.	**Insurance claim arising out of the Floods at the Unit 2 and its accounting.** The Company had a major flood situation at its Unit 2 at Mahad during the month of July 2021 resulting in the plant being shut down for a period of 45 days. The Insurance survey has not been concluded and the Company based on the Coverage and the Insurance conditions has accrued the claim receivable from the Insurance Company of ₹ 398.05 million and accounted the same under the respective heads. The Company has engaged the services of experts to provide reasonable assurance on the claim amount accrued.	Principal Audit Procedures Performed Our audit procedure related to the quantifying and accounting of insurance claim receivable by the Company after the event of flood at Unit 2 during the year; method included the following among the others, • We tested the effectiveness of controls relating to quantification of inventory loss due to flood, by carrying out Physical verifying the inventory and assets at the Plant post the event, • We tested the effectiveness of controls relating to identification of expenditure accounted as flood related expenses for materials, repairs and capital items, • Perused the claim certification documents submitted to the Insurance Company, • Enquired with the management about the Insurance coverage and insurance conditions, • Reviewed the opinion of the experts on the matter about the reasonability of the claim amount and • The accounting effects of the same in the books of account of the Company. On the basis of the above procedures, we concluded on the reasonableness of the Claim, its accrual and accounting.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statement, 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls with reference to Financial Statements 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 with reference to Financial Statements.

    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.

    h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 25 to the Standalone Financial Statements,

        ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. (a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts vide No 25 of the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv(a.)) and (iv(b.)) above contain any material misstatement.

v. In respect of final dividend proposed in the previous year, declared and paid by the Company during the year, the same is in compliance with Section 123 of the Companies Act, 2013. Further, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYCO1535

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Laxmi Organic Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) a. (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right of use and non-current assets held for sale.

(B) The Company has generally maintained proper records showing full particulars of intangible assets.

b. Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

c. We have verified the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements and based on such verification and as per the confirmation received from the Security trustees of the Lenders, we confirm that the same are held in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e. On the basis of information and explanation given, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancies wherever noted have been properly dealt with in the books of account of the Company.

(b) In our opinion and on the basis of examination of books and records and on the basis of information and explanation given to us the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of account of the Company for the reasons explained in Statement A in the Financial Statements.

(iii) (a) In our opinion and on the basis of examination of books and records and on the basis of information and explanation given to us the Company has made investments in companies, firms, Limited Liability Partnerships. The Company has also provided guarantee or security or granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties details of which are given hereunder:

Particulars	Guarantees	Security	Loans	Advances in the Nature of Loans
Aggregate amount granted /provided during the year	**79.58**	**-**	**1581.24**	**-**
- Subsidiaries	79.58	-	1581.24	-
- Joint Ventures - Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of such cases				
- Subsidiaries	79.58	-	1581.24	-
- Joint Ventures - Associates	-	-	-	-
- Others	-	-	-	-

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided to the wholly owned subsidiaries of the Company are not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of the loans and advances in the nature of loans, the schedule of repayment of principal have not been stipulated. However, the interest payment dates are stipulated and such interest from the wholly owned subsidiaries are not regular as detailed below:

Name of the entity	₹ in million	Due date	Extent of delay
Viva Lifesciences Private Limited	51.20	Prior to 01.04.2021	365
Viva Lifesciences Private Limited	5.31	30.06.2021	275
Viva Lifesciences Private Limited	10.72	30.09.2021	183
Viva Lifesciences Private Limited	12.01	31.12.2021	91
Yellowstone Fine Chemicals Private Limited.	2.55	Prior to 01.04.2021	365
Yellowstone Fine Chemicals Private Limited.	2.92	30.06.2021	275
Yellowstone Fine Chemicals Private Limited.	4.39	30.09.2021	183
Yellowstone Fine Chemicals Private Limited.	5.69	31.12.2021	91
Cellbion LifeSciences Private Limited	0.61	30.06.2021	275
Cellbion LifeSciences Private Limited	0.29	30.09.2021	183
Cellbion LifeSciences Private Limited	0.23	31.12.2021	91
Total	**95.91**		

(d) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no amount is overdue for more than ninety days except for amounts of ₹ 95.91 million, details of which are given hereunder. The parties involved are wholly owned subsidiaries of the Company and the management is monitoring them for ensuring recovery of the interest.

No of cases	Principal overdue	Interest overdue	Total overdue	Remarks, if any
3	-	95.91	95.91	Interest
Total		**95.91**	**95.91**	

(e) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except as under:

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	2135.63
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**-**	**-**	**2135.63**
Percentage of loans/ advances in nature of loans to the total loans	-	-	100%

(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 of loans given, investment made, guarantees and security given.

(v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits 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 made and 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 regular in depositing undisputed statutory dues including Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (b) which have not been deposited on account of any dispute except as given below:

Name of statute	Nature of dues	Disputed Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax Act, 2017	GST- Trans-1	125.80	6.29	Various	Yet to be filed with Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	3.68	0.20	FY 2012- 2016	Yet to be filed before the Commissioner of CGST & Central Excise (Appeals)
Customs Act, 1962	Customs demand	3.39	Nil	FY 2012-2013	The Commissioner of Customs (Appeal)
Customs Act, 1962	Customs demand	26.63	Nil	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs demand	30.26	Nil	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Customs demand	0.99	Nil	Various	Dy. Commissioner of Customs (Audit)
Central Sales Tax Act, 1956	CST demand	43.97	-	FY 2016-17	Deputy Commissioner of Sales-tax
Central Sales Tax Act, 1956	CST demand	67.31	-	FY 2017-18	Deputy Commissioner of Sales-tax
VAT	VAT demand	2.33	-	FY 2010-11	Jt. Commissioner of Sales-tax
	Total	**304.36**			

(viii) According to the information and explanations given to us and to the best of our knowledge and belief there are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the Company has not delayed in repayment of loans or other borrowings or in the payment of interest thereon to any lender except as given hereunder:

Nature of borrowing including debt securities	Name of Lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid
Vehicle Loan	BMW Financial Services	0.08	EMI of Principal and Interest	1
		0.08		10
		0.08		6
		0.08		**12**
	Total	**0.34**		

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not borrowed any term loans during the year.

(d) According to the information and explanations given to us, and the audit procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has raised money by way of initial public offer towards the end of the previous year. The amount raised was substantially unutilised as at the previous year. In our opinion and according to the information and explanations given to us during the year under audit, the Company has utilised the money raised for the purpose for which they were raised. The unutilised amounts are lying in fixed deposits with banks. The utilisation of the funds during the year are given in Note No. 5.(c) of the Financial Statements.

(b) According to the information and explanations given to us and based on the audit procedures performed we report that the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year under review.

(xi) (a) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

(c) According to the information and explanations given to us and to the best of our knowledge and belief no whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 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 Standards.

(xiv)(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of it business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors.

(xvi) (a) 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 and hence sub-clause 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the Company

(b) According to the information and explanations given to us there are no CICs in the group.

(xvii) On an examination of the Statement of Profit and Loss account, we are of the opinion that the Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3) (xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of audit procedures performed by us, in our opinion in respect of other than ongoing projects, the Company did not have to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013.

(b) According to the information and explanations given to us and on the basis of audit procedures performed by us, in our opinion in respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act,

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYCO1535

Annexure B to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Laxmi Organic Industries Limited of even date)

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 Standalone Financial Statements of Laxmi Organic Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone 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 Standalone 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 Standalone Financial Statement and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYCO1535

Standalone Balance Sheet as at March 31, 2022

(All figures are rupees in million unless otherwise stated)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
(1)	**Non-current assets**			
	(a) Property, plant and equipment	1.1	3,297.75	3,109.94
	(b) Capital work-in-progress	1.3	1,716.90	598.80
	(c) Other intangible assets	1.2	7.64	9.56
	(d) Right-of-use assets	1.4	16.03	34.56
	(e) Financial assets			
	(i) Investments	2.1	508.99	231.49
	(ii) Loans	2.3	2,112.76	660.81
	(iii) Others	2.5	50.90	54.17
	(f) Other non-current assets	3	108.42	443.23
	Total Non current assets		**7,819.39**	**5,142.56**
(2)	**Current assets**			
	(a) Inventories	4	2,897.69	1,703.13
	(b) Financial assets			
	(i) Investments	2.1	208.44	20.00
	(ii) Trade receivables	2.2	6,297.99	3,849.48
	(iii) Cash and cash equivalents	2.4	288.57	124.51
	(iv) Bank balance other than (iii) above	2.4	1,396.46	5,217.56
	(v) Loans	2.3	-	-
	(iv) Others	2.5	957.01	396.53
	(c) Other current assets	3	1,376.30	896.38
	Total Current assets		**13,422.46**	**12,207.59**
(3)	**Non Current Assets held for Sale**	**1.6**	**61.60**	**-**
	Total ASSETS		**21,303.45**	**17,350.15**
EQUITY & LIABILITIES				
Equity				
	(a) Equity share capital	5	527.33	527.33
	(b) Other equity	6	12,332.95	9,917.66
	Total Equity		**12,860.28**	**10,444.99**
Liabilities				
(1)	**Non-current liabilities**			
	(a) Financial liabilities	7		
	(i) Borrowings	7.1	21.66	98.66
	(ii) Lease liability	7.2	1.06	9.78
	(b) Provisions	8	35.20	35.43
	(c) Deferred tax liabilities (net)	9	192.27	156.44
	(d) Other non-current liabilities	10	-	-
	Total Non current liabilities		**250.19**	**300.31**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	11	942.47	618.90
	(ii) Lease liability	7.2	8.72	20.18
	(iii) Trade payables	12		
	- total outstanding dues of micro and small enterprise		108.60	115.66
	- total outstanding dues of other than micro and small enterprise		6,412.26	4,324.96
	(iv) Other financial liabilities	7.3	441.28	1,262.84
	(b) Other current liabilities	10	83.65	123.07
	(c) Provisions	8	119.28	129.52
	(d) Current tax liabilities (net)	13	76.72	9.72
	Total current liabilities		**8,192.98**	**6,604.85**
	Total EQUITY & LIABILITIES		**21,303.45**	**17,350.15**

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date

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

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

N Jayendran
Partner
M.No. 040441

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Place : Mumbai
Date : May 04, 2022

Standalone Statement of Profit & Loss

for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I)	**INCOME:**			
	Revenue from operations (gross)	14	29,964.67	16,061.10
	Other income	15	203.86	94.77
	Total income I		**30,168.53**	**16,155.87**
II)	**EXPENSES:**			
	Cost of raw materials consumed	16	16,256.43	8,127.39
	Purchase of traded goods	17	5,727.83	2,227.15
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	(791.74)	123.70
	Employee benefits expense	19	1,127.01	868.55
	Finance cost	20	135.48	153.40
	Depreciation & amortisation	21	446.07	452.63
	Other expenses	22	4,450.90	2,689.79
	Total expenses II		**27,351.98**	**14,642.61**
	Profit before exceptional items and tax		**2,816.55**	**1,513.26**
III)	**Exceptional items**		**-**	**-**
	Profit before tax II-III		**2,816.55**	**1,513.26**
	Tax expense	23	505.13	287.74
	1. Current tax		524.00	264.00
	2. Deferred tax liability / (asset)		35.84	23.74
	3. Income tax (excess) /short provision of previous years		(54.71)	-
	Profit for the period from continuing operations		**2,311.42**	**1,225.52**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the defined benefit (net of tax)		(10.00)	(0.32)
	Total other comprehensive income (net of tax)		**(10.00)**	**(0.32)**
	Total comprehensive income for the year		**2,301.42**	**1,225.20**
	Earnings per equity share (face value of share ₹ 2/- each)			
	Basic (₹)	24	8.77	5.40
	Diluted (₹)	24	8.64	5.38

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Standalone Statement of Cash flows

for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit / (loss) before exceptional items and tax	2,816.55	1,513.26
Adjustments for:		
Depreciation and amortisation expense	446.07	452.63
(Profit) / loss on sale / write off of assets	(0.04)	6.85
Finance cost	40.01	134.52
Interest on direct tax	6.06	3.33
Interest income	(174.00)	(82.84)
Guarantee commission	(0.64)	(1.40)
Amortisation of upfront fees	11.76	5.51
Profit on sale of investments	(5.62)	(4.60)
Provision/ (reversal) of expected credit loss	79.01	(0.15)
Sundry balances written back	(2.08)	(5.31)
ESOP compensation cost	231.32	46.36
Impairment of Subsidiary balances	41.17	-
Net unrealised exchange (gain) / loss	11.56	11.89
Total of Non cash adjustments	**684.57**	**566.80**
Operating profit / (loss) before changes in working capital	**3,501.13**	**2,080.06**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,194.56)	(259.57)
Trade receivables	(2,466.72)	(683.84)
Financial assets	(551.22)	(162.51)
Non financial assets	(348.08)	(425.94)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	2,088.00	509.85
Non financial liabilities	(41.46)	64.19
Financial liabilities	28.45	229.25
Provisions	30.87	14.03
Total of changes in working capital	**(2,454.72)**	**(714.54)**
Cash generated from operations	**1,046.40**	**1,365.52**
Net income tax (paid) / refunds	(461.18)	(262.70)
Net cash flow from operating activities (A)	**585.22**	**1,102.82**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(1,793.14)	(714.86)
Proceeds from sale of property, plant and equipment	(0.04)	0.23
Advance towards purchase of Equity	-	(200.00)
Loans Given to Related Parties	(1,558.35)	(322.75)
Loans Repaid by Related Parties	106.40	440.50
Capital advances	142.14	(163.32)
Movement in other bank balances	3,821.10	(5,095.51)
Equity Investments / Contribution in subsidiaries	(450.10)	(13.50)
Purchase of Current investments	(10,355.00)	(1,705.00)

Sale of Current investments	10,340.61	1,689.60
Interest received	120.66	40.12
Net cash flow used in investing activities (B)	**374.28**	**(6,044.49)**
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
Repayment of long term borrowings	(1,364.15)	(439.14)
Net Proceeds from short term borrowings	751.90	31.95
Interest paid	(29.80)	(135.24)
Lease Liabilities: Principal	(20.17)	(18.99)
Lease Liabilities: Interest	(1.41)	(2.91)
Dividends paid	(131.83)	(78.78)
Net cash flow from / (used in) financing activities (C)	**(795.45)**	**4,849.90**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**164.06**	**(91.77)**
Cash and cash equivalents at the beginning of the year	124.51	216.28
Cash and cash equivalents at the end of the year	288.57	124.51
	164.06	**(91.77)**
Components of cash and cash equivalents		
Cash on hand	2.61	2.57
Balances with bank	285.96	121.94
Total balance	**288.57**	**124.51**

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 term 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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Standalone Statement of changes in equity

for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Face value	₹ in millions	Number of shares	Face value	₹ in millions
Opening balance	26,36,62,773	2	527.33	4,50,16,395	10	450.16
Cancelled shares	-	-	-	(4,50,16,395)	10	(450.16)
Fresh shares issued on account of split of shares at face value of ₹ 2/- each(*)	-	-	-	22,50,81,975	2	450.16
Fresh issue of shares	-	-	-	3,85,80,798	2	77.16
Closing balance	**26,36,62,773**	**2**	**527.33**	**26,36,62,773**	**2**	**527.33**

(*) 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 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.

B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Share Option Outstanding Account	Total
Balance as at April 01, 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)
Remeasurement of net defined benefit plans	(0.32)	-	-	-	-	-	(0.32)
Securities premium on account of fresh issue of shares	-	-	4,922.84	-	-	-	4,922.84
IPO issue expenses	-	-	(156.99)	-	-	-	(156.99)
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**
Profit for the year	2,311.42	-	-	-	-	-	2,311.42
Dividend paid	(131.83)	-	-	-	-	-	(131.83)
Remeasurement of net defined benefit plans	(10.00)	-	-	-	-	-	(10.00)
Reversal of IPO Issue expenses now not payable*	-	-	14.38	-	-	-	14.38
ESOP compensation cost	-	-	-	-	-	231.32	231.32
Balance as at March 31, 2022	**7,170.24**	**5.50**	**4,780.23**	**49.01**	**50.29**	**277.68**	**12,332.95**

*There has been a saving in the original estimate of IPO issue expenses which is reversed in the ratio of Offer For Sale and fresh issue. The Company's share of issue expenses of ₹ 14.38 million originally debited to securities premium is now reversed.

Remeasurement of net defined benefit plans forms part of retained earnings

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements.

A. COMPANY OVERVIEW

Laxmi Organic Industries Limited (the Company), established in 1989 and is in the business of acetyl intermediates and 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 the Company from Clariant Chemicals India Limited.

The Company is a public limited Company incorporated and domiciled in India having its registered office at A-22/2/3, MIDC, Mahad, Raigad – 402 039, Maharashtra, India. The Company had its primary listing on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in the FY21.

The Standalone Financial Statements were authorised for issue in accordance vide resolution of the Board of Director on May 04, 2022.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- The Financial Statements of the Company comprises the statement of assets and liabilities as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow for the year ended March 31, 2022, the summary of statement of significant accounting policies, and other explanatory information (collectively, the "Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on May 04, 2022.

- These Financial Statements have been prepared in accordance with the Companies (Indian Accounting Standards), Rules, 2015, as amended (referred to as "IND AS") as prescribed under section 133 of the Companies Act, 2013.

- 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 12 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 12 months from the reporting date as required by Schedule III to the Companies Act, 2013.

- Accounting policies have been consistently applied except where newly issued India 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 ('₹') 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 Statements 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 Financial Statements, while formulating the Company's accounting policies:

a. Income 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 operating 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 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 in subsidiaries:

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 Company has 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, 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. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

• Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its Financial Statements.

• Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its Financial Statements.

E. 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

or

- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 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;

or

- There is no unconditional right to defer the settlement of the liability for at least twelve12 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 is 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 de recognition 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.

- 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, if any. 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.

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.

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 are separately identifiable cash flows (cash-generating units).

g) Inventories

Items of inventories are valued at 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 is valued at the lower of cost and net realisable 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.

iii. Finished goods & semi-finished goods:

Finished Goods & semi-finished goods are valued at lower of cost and net realisable 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 and net realisable value. The cost is determined based on weighted average method.

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.

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 conrmed 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

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')

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 to 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 in 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, twelve 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. Separate 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 is 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. It is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 01, 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 01, 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

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 12 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 12 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 twelve 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 Company 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 01, 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 re-measurements 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 twelve 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 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

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 standolane Financial Statements as at and for the year ended March 31, 2022

(All figures are rupees 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 01, 2020	29.37	570.54	240.82	3,588.79	52.44	17.81	16.92	60.25	22.31	4,599.25
Additions	-	82.29	-	245.17	4.56	1.49	4.66	1.32	-	339.49
Disposals/adjustments	-	-	-	14.50	-	-	-	3.00	-	17.50
As at March 31, 2021	**29.37**	**652.83**	**240.82**	**3,819.46**	**57.00**	**19.30**	**21.58**	**58.57**	**22.31**	**4,921.24**
Additions	111.70	47.69	1.84	448.58	1.01	1.54	6.29	-	-	618.65
Disposals/Adjustments	-	-	-	24.48	-	-	-	16.06	-	40.54
As at March 31, 2022	**141.07**	**700.52**	**242.66**	**4,243.56**	**58.01**	**20.85**	**27.87**	**42.51**	**22.31**	**5,499.35**
Depreciation										
As at April 01, 2020	2.36	124.38	54.85	1,128.01	25.71	11.17	10.73	25.68	8.85	1,391.74
Charge for the year	0.41	45.42	11.65	346.32	6.83	2.89	4.02	10.73	1.71	429.98
Disposals/adjustments	-	-	-	7.65	-	-	-	2.77	-	10.42
As at March 31, 2021	**2.77**	**169.80**	**66.50**	**1,466.68**	**32.54**	**14.06**	**14.75**	**33.64**	**10.56**	**1,811.30**
Charge for the year	1.85	45.92	10.23	341.79	6.16	2.29	5.15	7.53	1.50	422.42
Disposals/adjustments	-	-	-	17.75	-	-	-	14.37	-	32.12
As at March 31, 2022	**4.62**	**215.72**	**76.73**	**1,790.72**	**38.70**	**16.35**	**19.90**	**26.80**	**12.06**	**2,201.60**
NET BLOCK										
As at March 31, 2021	**26.60**	**483.03**	**174.32**	**2,352.78**	**24.46**	**5.24**	**6.83**	**24.93**	**11.75**	**3,109.94**
As at March 31, 2022	**136.45**	**484.80**	**165.93**	**2,452.84**	**19.31**	**4.50**	**7.97**	**15.71**	**10.25**	**3,297.75**

(All figures are rupees in million unless otherwise stated)

1.2 INTANGIBLE ASSET

Class of Assets	Intangibles - Softwares	Total
Cost		
As at April 01, 2020	16.60	16.60
Additions	5.82	5.82
Disposals/adjustments	-	-
As at March 31, 2021	**22.42**	**22.42**
Additions	3.21	3.21
Disposals/adjustments	-	-
As at March 31, 2022	**25.63**	**25.63**
Depreciation		
As at April 01, 2020	**9.74**	**9.74**
Charge for the year	3.13	3.13
Disposals/adjustments	-	-
As at March 31, 2021	**12.86**	**12.86**
Charge for the year	5.12	5.12
Disposals/adjustments	-	-
As at March 31, 2022	**17.99**	**17.99**
NET BLOCK		
As at March 31, 2021	**9.56**	**9.56**
As at March 31, 2022	**7.64**	**7.64**

1.3 CAPITAL WORK-IN-PROGRESS

Particulars	Opening balance	Addition during the year	Capitalized during the year	Closing balance
March 31, 2022	598.80	1,613.30	495.20	1,716.90
March 31, 2021	229.26	688.66	319.12	598.80

(a) CWIP Ageing Schedule

As at March 31, 2022

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,451.48	-	1,451.48
1-2 years	254.03	-	254.03
2-3 years	11.18	-	11.18
More than 3 years	0.21	-	0.21
Total	**1,716.90**	**-**	**1,716.90**

As at March 31, 2021

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	529.85	-	529.85
1-2 years	12.26	-	12.26
2-3 years	56.19	-	56.19
More than 3 years	0.50	-	0.50
Total	**598.80**	**-**	**598.80**

(All figures are rupees in million unless otherwise stated)

(b) Details of Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2022

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-21-14	875.08	-	-	-	875.08
LOIL-21-23	420.32	-	-	-	420.32
LOIL-21-02	83.99	-	-	-	83.99
Others (Individually less than 5%)	280.79	-	-	-	280.79
Total	**1,660.18**	**-**	**-**	**-**	**1,660.18**

As at March 31, 2021

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-21-13	17.56	-	-	-	17.56
LOIL-21-26	16.66	-	-	-	16.66
LOIL-21-15	16.52	-	-	-	16.52
LOIL-21-07	13.54	-	-	-	13.54
LOIL-19-02	9.80	-	-	-	9.80
Others (Individually less than 5%)	42.24	5.49	-	-	47.73
Grand Total	**116.32**	**5.49**	**-**	**-**	**121.81**

1.4 RIGHT-OF-USE ASSET

Class of Assets	Right of Use		Total
	Building	Land(*)	
Cost			
As at April 01, 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**
Additions	-	-	-
Disposals/adjustments	-	-	-
Charge for the year	**63.40**	**16.53**	**79.93**
Depreciation			
As at April 01, 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**
Charge for the year	18.11	0.42	18.53
Disposals/adjustments	-	-	-
Charge for the year	**55.11**	**8.79**	**63.90**
NET BLOCK			
As at March 31, 2021	**26.40**	**8.16**	**34.56**
As at March 31, 2022	**8.29**	**7.74**	**16.03**

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. The Company is negotiating with the concerned party for the lease renewal.

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 rupees in million unless otherwise stated)

B) The WDV under each of the heads of fixed assets relating to the aforesaid BOT agreement is as follows:-

Particulars	As at March 31, 2022	As at March 31, 2021
Factory building	7.34	7.74
Plant and equipment	42.75	49.22
Furniture & fixture	0.04	0.05
Office equipment	0.00	0.00
Computers	0.06	0.00
Technical know-how	0.00	0.00
Total	**50.20**	**57.01**

1.5 DETAILS OF ADDITIONS MADE DURING THE YEAR W.R.T RESEARCH AND DEVELOPMENT

Particulars	As at March 31, 2022	As at March 31, 2021
Factory building	1.84	4.03
Plant and equipment	10.02	32.63
Computers	0.10	0.78
Furniture and fixtures	-	4.37
Total	**11.96**	**41.81**

1.6 ASSET HELD FOR SALE

Particulars	As at March 31, 2022	As at March 31, 2021
Land at Chiplun#	61.60	-
Total	**61.60**	**-**

#The Company during the year has earmarked Chiplun land as asset held for sale based on agreement with WOS namely Yellowstone Fine Chemicals Private Limited.

2. FINANCIAL ASSETS

2.1 A INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (UNQUOTED AT AMORTISED COST)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	**Equity instrument of subsidiaries**				
	Laxmi Organic Industries (Europe) B.V. of Euro 100 each (180 shares (March 31, 2021: 180 shares))	1.26	1.26	-	-
	Laxmi Petrochem Middle East FZE of AED 1,000 each * (34 shares (March 31, 2021: 34 shares))	1.10	1.10	-	-
	Laxmi Speciality Chemicals (Shanghai) Co. Limited of RMB 3,00,000* (1 share (March 31, 2021: 1 share))	2.98	2.98	-	-
	Cellbion Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2021: 10,000 shares))	39.95	39.95	-	-
	Laxmi Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2021: 10,000 shares))	0.10	0.10	-	-
	Viva Lifesicences Private Limited of ₹ 10 each (10,000 shares (March 31, 2021: 10,000 shares))	0.10	0.10	-	-
	Yellowstone Fine Chemicals Private Limited of ₹ 10 Each (51,00,000 shares (March 31, 2021: 1,00,000))	51.00	1.00	-	-

(All figures are rupees in million unless otherwise stated)

	Yellowstone Specialty Chemicals Private Limited of ₹ 10 Each (1,00,000 shares (March 31, 2021: 1,00,000 shares))	1.00	1.00	1.00	-
	Acetyls Holding Pvt. Limited of ₹ 10 each (21,00,000 shares (March 31, 2021: Nil shares)) (Note - (b))	400.10	-	-	-
B	**Investments in limited liability partnership**				
	Cleanwin Energy One LLP (26% Holding)*	12.50	12.50	-	-
C	**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, 2021: 1 share))	-	171.50	168.44	-
D	**Investments in mutual funds (Quoted)**				
	Investments at fair value through P&L (fully Paid)				
	SBI overnight Fund - Direct Growth	-	-	40.00	20.00
E	**Provision for Impairment(Investment carried at amortised cost)***	**(1.10)**	**-**	**-**	**-**
	Total	**508.99**	**231.49**	**208.44**	**20.00**

(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% per annum.

(b) During the Current year, the Company has made the following investments:

i Acetyls Holding Private Limited

The Company completed the acquisition of 100% equity share capital of "Acetyls Holding Private Limited" on October 01, 2021 in accordance with terms of the Share Purchase Ageement dated December 09, 2020 and Prospectus dated March 18, 2021. With this acquisition, "Acetyles Holding Private Limited" and its wholly owned subsidiary namely "Yellowstone Chemicals Private Limited" became subsidiaries of the Company w.e.f. October 01, 2021. The outstanding advance paid against purchase of these shares as on March 31, 2021 has been adjusted appropriately.

ii Laxmi Italy Srl

Laxmi Italy Srl was incorporated on July 19, 2021. The shares of the said Company were purchased by the Company's Wholly Owned Subsidiary namely, Yellowstone Fine Chemicals Pvt Ltd. (YFCPL) as per the terms of Share Purchase Agreement dated August 04, 2021. Consequently, Laxmi Italy Srl became a step-down subsidiary of the Company.

iii Laxmi USA LLC

Laxmi USA LLC was incorporated during the year on August 31, 2021, however capital infusion is not yet made in this entity.

(c) In FY21, the Company has made the following investments:

Yellowstone Specialty Chemicals Private Limited

The subsidiary was incorporated on April 24, 2020 and the payment for the aforesaid equity share subscription was made on the same day.

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 5 MW electricity generated through wind turbines at a concessional rate with a minimum entitlement of 51% of power generated in lieu of share of profits."

(All figures are rupees 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 are the details of loans given, investments made, guarantees given and security provided by the Company:

Sr. No.	Name of Party	Purpose	April - March 22	April - March 21
1	Viva Lifesciences Private Limited	Loan for project	809.65	375.85
2	Yellowstone Fine Chemicals Private Limited	Investment	50.00	-
3	Yellowstone Fine Chemicals Private Limited	Loan for project	707.90	174.90
4	Yellowstone Specialty Chemicals Private Limited	Investment	-	1.00
5	Cleanwin Energy One LLP	Investment	-	12.50
6	Viva Lifesciences Private Limited	Corporate guarantee for borrowings	-	1,700.00
7	Laxmi Petrochem Middle East FZE	Standby letter of credit for borrowings	79.58	164.50
8	Acetyls Holding Pvt. Limited	Investment	400.10	-
9	Acetyls Holding Pvt. Limited	Loan	40.80	-
10	Laxmi Petrochem Middle East FZE	Loan for project	22.89	-
11	Laxmi USA LLC*	Investment	-	-

*Laxmi USA LLC is incorporated during the year on August 31, 2021, however capital infusion is not yet made in this entity

(e) Market value disclosure of investments:

Particulars	As At March 31, 2022	As At March 31, 2021
Aggregate value of quoted investments		
Book value	40.00	20.00
Market value	40.00	20.00
Aggregate value of unquoted investments		
Book value	678.53	231.49
Aggregate amount of impairment in value of investments	**(1.10)**	**-**

2.2 TRADE RECEIVABLES (UNSECURED CONSIDERED GOOD, AT AMORTISED COST)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Considered good	-	-	6,317.03	3,852.30
	Less:- Allowance for expected credit loss	-	-	(19.04)	(2.82)
	Total	**-**	**-**	**6,297.99**	**3,849.48**

Expected credit loss:

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, 2022	As At March 31, 2021
Balance at the beginning of the period	**2.82**	**2.98**
Addition during the year	16.22	-
Reversal during the year	-	(0.16)
Provision at the end of the period	**19.04**	**2.82**

(All figures are rupees in million unless otherwise stated)

(b) Trade Receivable Ageing Schedule (Ageing from due date of payment)

(i) As at March 31, 2022

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	5,018.00	-	5,018.00
less than 6 months	1,264.77	-	1,264.77
6 months - 1 year	3.73	-	3.73
1-2 year	21.58	-	21.58
2-3 year	5.28	-	5.28
> 3 years	3.67	-	3.67
Total	**6,317.02**	**-**	**6,317.02**

*There are no disputed trade receivable.

(ii) As at March 31, 2021

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	3,446.30	-	3,446.30
less than 6 months	389.42	-	389.42
6 months - 1 year	7.14	-	7.14
1-2 year	5.77	-	5.77
2-3 year	0.48	-	0.48
> 3 years	3.19	-	3.19
Total	**3,852.30**	**-**	**3,852.30**

*There are no disputed trade receivable.

(c) Debts due by directors and other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any directors is partner or director or member.

Name of the related party		As At March 31, 2022	As At March 31, 2021
i)	Laxmi Organic Industries (Europe) BV	525.85	295.22
ii)	Yellowstone Chemicals Pvt. Ltd.	52.61	248.36
iii)	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	0.81	4.77
iv)	Maharashtra Aldehydes & Chemicals Ltd.	5.08	0.83
		584.35	**549.18**

2.3 LOANS (AT AMORTISED COST) (UNSECURED, CONSIDERED GOOD)

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Loans to related party	2,135.65	660.81	-	-
	Less Provision for Impairment	(22.89)	-	-	-
	Total	**2,112.76**	**660.81**	**-**	**-**

(All figures are rupees in million unless otherwise stated)

(a) Loans to related parties being wholly on subsidiaries are classifed as Non Current basis the management expectation of realisation in the next 12 months. The previous period balances are also reclassified for comparative purposes.

Details of related party:		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Cellbion Lifesciences Private Limited	20.24	66.64	-	-
ii)	Viva Lifesciences Private Limited	1,168.90	419.25	-	-
iii)	Yellowstone Fine Chemicals Private Limited	882.80	174.90	-	-
iv)	Laxmi Lifesciences Private Limited	0.03	0.03	-	-
v)	Acetyls Holding Pvt. Limited	40.80	-	-	-
vi)	Laxmi Petrochem Middle East (FZE) *	22.89	-	-	-
		2,135.65	**660.81**	-	**-**
vii)	Less Provision for Impairment *	(22.89)	-	-	-
	Total	**2,112.76**	**660.81**	**-**	**-**

(b) Loans and Advances to Promoters, Directors, KMP's and Related Parties.

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

a) Repayable on demand

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	2,135.65	100.00	660.81	100.00
Total Loans and Advances to Promoter, Director, KMP and Related parties	2,135.65		660.81	
Total Loans and Advances in the nature of Loan and Advances (A)	**2,135.65**		**660.81**	

2.4 CASH AND BANK BALANCES

A Cash and cash equivalents

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Balances with banks	-	-	285.96	121.94
ii)	Cash on hand	-	-	2.61	2.57
	Total	**-**	**-**	**288.57**	**124.51**

B Other bank balances

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	With monitoring agency (for IPO proceeds)	-	-	0.29	0.47
ii)	Escrow account for IPO expenses	-	-	1.38	243.42
iii)	Fixed deposit (from IPO proceeds)	-	-	1,179.60	4,756.00
iv)	Fixed deposit (other)		-	-	139.30
v)	Unspent CSR Bank Account		-	10.78	-
vi)	Fixed deposit against margin money	-	-	204.41	78.37
	Total	**-**	-	**1,396.46**	**5,217.56**
	Total (A+B)	**-**	-	**1,685.03**	**5,342.07**

(All figures are rupees in million unless otherwise stated)

2.5 OTHER FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Non-current	Non-current	Current	Current
Advance to staff	0.45	0.59	1.59	2.19
Interest accrued receivable				
From related parties	-	-	114.12	56.82
From banks	-	-	7.52	10.59
From others	-	-	0.35	1.24
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	9.86	-	-
Insurance claim receivable (Refer Note (a) below)	-	-	398.05	38.47
Other receivables	-	-	304.05	238.26
Security deposit	50.45	43.72	30.00	30.00
Other receivable from related party	-	-	118.51	18.96
Less Provision for Impairment	-	-	(17.18)	-
Total	**50.90**	**54.17**	**957.01**	**396.53**

	Details of related party:	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Laxmi Petrochem Middle East FZE	-	-	17.18	15.09
ii)	Yellowstone Fine Chemicals Private Limited	-	-	123.84	9.49
iii)	Viva Lifesciences Private Limited	-	-	90.37	51.20
iv)	Laxmi Lifesciences Private Limited	-	-	0.00	0.00
v)	Acetyls Holding Pvt. Limited	-	-	0.02	-
vi)	Cellbion LifeSciences Private Limited	-	-	1.22	-
vii)	Less Provision for Impairment	-	-	(17.18)	-
	Total	**-**	**-**	**215.45**	**75.78**

(a) Insurance claim receivable

The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. Loss assessment and insurance survey are underway as on the Balance Sheet date. Insurance claim has been recognized for the amount of cost of inventory damaged in the floods and loss restoration expenses incurred by the Company which are reasonably expected to be realised from the Insurance Company.

3 OTHER ASSETS

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Capital advance	37.70	179.84	-	-
ii)	Prepaid expenses	3.29	1.22	23.84	23.19
iii)	Prepaid upfront fees	-	-	-	10.79
iv)	Prepaid taxes (net of provision)	5.37	3.88	-	-
v)	Balance with government authorities	62.06	58.29	935.35	213.42
vi)	Advances to supplier				
	- Considered good	-	-	322.30	573.11
	- Considered doubtful	-	-	83.01	27.72
		-	-	405.30	600.83
	Less : Impairment of doubtful advances	-	-	83.01	27.72
		-	-	322.29	573.11
vii)	Export incentive receivable	-	-	0.99	50.28

(All figures are rupees in million unless otherwise stated)

viii)	Export licenses on hand	-	-	7.67	0.27
ix)	Indirect Tax Refund Receivables	-	-	55.87	-
x)	Other receivables	-	-	30.28	25.32
xi)	Advance against shares (Refer note 2(b)(i))	-	200.00	-	-
	Total	**108.42**	**443.23**	**1,376.30**	**896.38**

4 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Raw material	1,591.07	1,208.70
ii)	Work-in-progress	13.92	25.91
iii)	Finished goods	987.80	297.63
iv)	Consumable stores and spares	119.22	129.39
v)	Fuels and consumables	175.34	31.85
vi)	Packing material	10.34	9.65
	Total	**2,897.69**	**1,703.13**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of IND AS 2 is as follows:

Particulars		2021-22	2020-21
(i)	Amount of inventories recognised as an expense during the period.	22,792.10	11,337.99
(ii)	Amount of write - down of inventories recognised as an expense during the period.	23.09	2.66
		22,815.19	**11,340.65**

5 EQUITY SHARE CAPITAL

Particulars		As at March 31, 2022	As at March 31, 2021
i)	**Authorised shares:** 30,50,00,000 equity shares of face value of ₹ 2/- each (March 31, 2021: 30,50,00,000 equity share of face value of ₹ 2/- each))	610.00	610.00
ii)	Issued, subscribed and paid-up shares: 26,36,62,773 equity shares of face value of ₹ 2/- each (March 31, 2021: 26,36,62,773 equity shares of face value of ₹ 2/- each)	527.33	527.33
		527.33	**527.33**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Opening balance (face value of ₹ 10/- each)	26,36,62,773	527.33	4,50,16,395	450.16
Cancelled shares (face value of ₹ 10/- each)	-	-	(4,50,16,395)	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	-	-	22,50,81,975	-
Fresh issue (face value of ₹ 2/- each)	-	-	3,85,80,798	77.16
Closing balance (March 31, 2022: face value of ₹ 2/- each and March 31, 2021: face value of ₹ 2/- each	**26,36,62,773**	**527.33**	**26,36,62,773**	**527.33**

(*) 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 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.

(All figures are rupees in million unless otherwise stated)

(b) Initial Public Offer

Last financial year, the Company has completed the Initial public offer ("The Offer / IPO") of 4,61,53,846 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 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 1,55,03,875 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 resulted into 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 As at March 31, 2022

Particulars	Planned as per Prospectus	Spent upto FY21	Utilisation in 2021-22	Balance up to March 31, 2022 (*)
i) Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited*	1,729.25	42.97	1,686.28	-
ii) Funding working capital requirements of the Company	351.78	-	-	351.78
iii) Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.53	0.10
iv) Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	92.22	33.43
v) General corporate purposes (net of issue expenses)*	744.76	-	744.76	-
vi) 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	-	184.10	419.94
vii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
Total	**4,843.52**	**42.97**	**3,617.89**	**1,182.66**

*There has been a saving in the original estimate of IPO issue expenses (Company's share) of ₹ 43.58 million which has resulted in increase in total available fund net off expenses from ₹ 4,799.94 million to ₹ 4,843.52 million. This amount is adjusted in general corporate purposes

Further the actual utilization towards repayment of loan was lower by ₹ 63.94 million and in terms of our prospectus we are entitled to allocate such amount to general corporate purposes so long as the allocation does not result in general corporate puropose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to 744.76 million.

(d) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2021

Particulars		Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
i)	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
ii)	Funding working capital requirements of the Company	351.78	-	351.78
iii)	Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.63
iv)	Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65

(All figures are rupees in million unless otherwise stated)

v)	General corporate purposes (net of issue expenses)	637.29	-	637.29
vi)	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
vii)	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, 2022 and as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under Other bank balances (Refer note 2.4).

The above figures of ₹ 4,799.94 million does not include ₹ 43.07 million held in escrow account towards issue expenses as per prospectus.

(e) 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.

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

Particulars	As At March 31, 2022		As At March 31, 2021	
	Number of shares	%	Number of shares	%
Ravi Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	17,67,04,984	67.02%

(g) Shareholding of Promoters

(i) Shares held by promoters at March 31, 2022

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	12,69,179	0.48%	712%
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-
3	Manisha Ravi Goenka	94,22,646	3.57%	(7.29%)
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	(77.27%)
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	-	-	(100.00%)
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
	Total	**19,22,62,806**	**72.92%**	
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	

(ii) Shares held by promoters at March 31, 2021

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2020-21
1	Ravi Goenka	1,56,375	0.06%	-
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	(13.71%)
3	Manisha Ravi Goenka	1,01,63,387	3.85%	100.00%
4	Rajeev Vasudeo Goenka	4,81,375	0.18%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	100.00%
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-

(All figures are rupees in million unless otherwise stated)

8	Vasudeo Nathmal Goenka	125	0.00%	-
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
10	Ravi Goenka HUF	-	-	(100.00%)
	Total	**19,22,62,806**	**72.92%**	
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	

h) 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.

i) On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 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.

j) On January 01, 2020 the Company completed buy back of 50,29,010 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 50,29,010 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.

k) 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.

l) Shares reserved for issue under stock option plan to employees are detailed in note no 31.

6 OTHER EQUITY

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Retained Earnings	7,170.24	5,000.65
ii)	General Reserve	49.01	49.01
iii)	Securities Premium	4,780.23	4,765.85
iv)	Capital Reserve	5.50	5.50
v)	Capital Redemption Reserve (Refer note 5(j) above)	50.29	50.29
vi)	Share Option Outstanding Account (Refer note 31)	277.68	46.36
	Total	**12,332.95**	**9,917.66**

7 FINANCIAL LIABILITIES (AT AMORTISED COST)
7.1 Long term borrowings

Particulars		As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
		Non-current	Non-current	Current	Current
(a)	**Term loans :**				
	Rupee term loan from bank	-	386.11	-	255.56
	Rupee term loan from NBFC	-	472.71	-	171.90
	Foreign currency loan from bank	18.42	92.10	73.68	73.68
(b)	**Vehicle loans :**				
	Vehicle Loans - other than bank	-	0.08	0.08	0.95
(c)	**Government grant**	**3.24**	**6.48**	**3.24**	**3.24**
		21.66	**957.48**	**77.00**	**505.33**
	Less: Disclosed in Other current financial liabilities (Refer Note 7.1 F)	-	(858.81)	-	-
	Less: Current Maturities disclosed under short term borrowings	-	-	(77.00)	(505.33)
	Total	**21.66**	**98.66**	**-**	**-**

(All figures are rupees in million unless otherwise stated)

	The break-up of above:				
	Secured	18.42	950.99	73.76	502.09
	Unsecured	3.24	6.49	3.24	3.24
		21.66	**957.48**	**77.00**	**505.33**

Notes:

A) Term loan includes :

i) Rupee term loan from banks (HDFC Bank Ltd):

Tenure of loan: max 60 months (During the year the loan is fully repaid)

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 (During the year the loan is fully repaid.)

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 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 02, 2019 at fixed interest rate of 7.90% p.a.

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

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 ₹ 6.48 million as at March 31, 2022 (March 31, 2021: ₹ 9.72 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, 2022	As at March 31, 2021*
Instalment payable within one year	77.00	505.33
Instalment payable between 1 to 2 years	21.66	448.90
Instalment payable between 2 to 5 years	-	508.60
Instalment payable beyond 5 years	-	-
Total	**98.66**	**1,462.83**

* 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 rupees 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 Liabilities	Total
Balance as at March 31, 2020	**901.53**	**432.03**	**1,333.56**
Changes from financing cash flows	561.28	(350.41)	210.87
Effect of changes in foreign exchange rates			-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 7.1 F)	(858.81)	858.81	-
Proceeds from bill discounting	-	31.95	31.95
Other changes (transfer within categories)	(505.33)	505.33	-
Balance as at March 31, 2021	**98.66**	**1,477.72**	**1,576.38**
Changes from financing cash flows	-	(505.33)	(505.33)
Payment of borrowings reclassified as current liabilities (Refer Note 7.1 F)	-	(858.81)	(858.81)
Effect of changes in foreign exchange rates	-	-	-
Proceeds from bill discounting & Cash credit	-	751.90	751.90
Other changes (transfer within categories)	(77.00)	77.00	-
Balance as at March 31, 2022	**21.66**	**942.47**	**964.13**

H) Borrowings from banks or financial institutions on the basis of security of current assets

The Company has borrowings from banks or financial institutions on the basis of security of current assets, the disclose w.r.t documents submitted to lenders is tabulated hereinder:-

Quarterly returns or Statements of current assets filed by the Company with banks or financial institutions are not in agreement with the books of accounts as per the details and for the reasons detailed in Statement A.

I) Registration of charges or satisfaction with Registrar of Companies

All the charges as per the sanction are duly registered with Registrar of Companies as at March 31, 2022 in favour of the lenders for facilities availed by the Company except for charges related to working capital enhancement by ₹ 2915.60 million for which charge was pending creation as at balance sheet date, however the same was created on April 22, 2022, for which ROC filing is under process.

J) Disclosure of repayments

During the year the Company has delayed in repayments of EMI amounting to ₹ 0.34 million in case of vehicle loans. The delays ranges between 1 to 12 days. There are no continuing default as at balance sheet date.

7.2 Lease liabilit

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Lease liability	1.06	9.78	8.72	20.18
Total	**1.06**	**9.78**	**8.72**	**20.18**

7.3 Other financial liabilities (at amortised cost)

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Borrowings payable out of IPO proceeds (Refer Note 7.1 F above)	-	-	-	858.81
Payable for capital goods	-	-	213.13	211.01
Interest accrued on financial liabilities	-	-	19.48	10.68

(All figures are rupees in million unless otherwise stated)

Deposit received	-	-	10.77	10.80
Staff salary and other payable	-	-	188.79	151.59
Amount payable on hedging transactions	-	-	0.48	4.77
Amount payable to related party	-	-	8.63	15.18
Total	**-**	**-**	**441.28**	**1,262.84**
a) Details of related party:				
Viva Lifesciences Private Limited	-	-	-	15.18
Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	-	8.63	-
Total	**-**	**-**	**8.63**	**15.18**

8 PROVISIONS

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Provision for employee benefits :				
Leave encashment	35.2	35.43	18.00	13.70
Gratuity	-	-	39.98	15.49
Provision for sales return	-	-	26.74	14.43
Provision for tax (net of advances)	-	-	34.56	85.90
Total	**35.20**	**35.43**	**119.28**	**129.52**

(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, 2022	14.43	24.62	12.31	26.74
March 31, 2021	10.86	44.99	41.42	14.43

(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, 2021 : ₹ 2.00 million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

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, 2022	As At March 31, 2021
(a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Defined benefit obligation at the beginning of the year	57.02	48.04
	Current service cost	9.21	7.96
	Interest cost	3.56	2.95

(All figures are rupees in million unless otherwise stated)

	Actuarial (gain) /loss - Other comprehensive income	15.37	0.49
	Past service cost	-	-
	Benefits paid	-	(2.43)
	Defined benefit obligation at the year end	**85.16**	**57.01**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	41.52	33.46
	Actuarial (gain) /loss - Other comprehensive income	-	(0.17)
	Investment income	2.59	2.39
	Employer contribution	1.06	8.27
	Benefits paid	-	(2.43)
	Fair value of plan assets at the year end	**45.17**	**41.52**
(c)	**Reconciliation of fair value of assets and obligations**		
	Present value of defined benefit obligation	85.16	57.01
	Fair value of plan assets	45.17	41.52
	Net asset / (liability)	**(39.99)**	**(15.49)**
(d)	**Expenses recognized during the year (Under the head "Employees benefit expenses")**		
	In Income Statement	10.18	8.86
	In Other Comprehensive Income	15.37	0.32
	Total expenses recognized during the period	**25.55**	**9.18**
(e)	**Actuarial (gain)/loss- Other comprehensive income**	**15.37**	**0.32**
(f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	-	-
	Short-term provisions	39.99	15.49
		39.99	**15.49**

ii) Actuarial assumptions

Particulars	As At March 31, 2022	As At March 31, 2021
Discount rate (per annum)	6.65%	6.25%
Salary growth rate (per annum)	11%	5%
Attrition rate	19%	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.

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, 2022 (%)	1%	1%	50%	10%
March 31, 2021 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2022	81.65	88.33	80.34	85.15
March 31, 2021	53.53	60.65	57.40	57.03

(All figures are rupees in million unless otherwise stated)

Decrease in assumption				
March 31, 2022	88.98	82.15	94.42	85.17
March 31, 2021	60.96	53.69	56.21	57.00

(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).

(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.

9 DEFERRED TAX LIABILITY

Particulars		As At March 31, 2022	As At March 31, 2021
a)	**Deferred tax liability on account of :**		
	Property plant & equipment	244.73	207.06
	Right-of-use assets (Net)	2.18	1.61
		246.91	**208.67**
b)	**Deferred tax asset on account of :**		
	Minimum alternate tax	-	24.39
	Provision for doubtful advances and debts	36.05	10.67
	Tax disallowances	18.59	17.17
		54.64	**52.23**
	Deferred tax liability, net	**192.27**	**156.44**

(All figures are rupees in million unless otherwise stated)

10 OTHER LIABILITIES

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Duties and taxes payable	-	-	29.05	32.29
Advance from customers	-	-	54.60	64.14
Other liabilities			-	26.64
Total	**-**	**-**	**83.65**	**123.07**

11 SHORT TERM BORROWINGS (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
From Banks:		
Cash Credit	796.55	-
Bill discounting	62.42	107.07
From Others	6.50	6.50
Current Maturities of long term borrowings:		
Rupee term loan from bank	-	255.56
Rupee term loan from NBFC	-	171.90
Foreign Curreny Loan	73.68	73.68
Government grant	3.24	3.24
Vehicle Loan	0.08	0.95
Total	**942.47**	**618.90**
Secured	**870.31**	**502.09**
Unsecured	**72.16**	**116.81**

a) Utilisation of Borrowings taken from Bank and Financial Institution

The Company has taken fresh loans during the year and have used the borrowings taken from banks and financial institutions for the specific purpose for which it was taken.

12 TRADE PAYABLES (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
Dues of micro and small enterprise	108.60	115.66
Other than micro and small enterprise	6,412.26	4,324.96
Total	**6,520.86**	**4,440.62**

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, 2022	As At March 31, 2021
Principal amount due	150.19	131.27
Other than capital vendor	108.60	115.66
Capital Vendor	41.59	15.61
Interest due on above	0.14	0.07
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	589.96	110.11
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	1.48	0.80

(All figures are rupees in million unless otherwise stated)

Amount of interest accrued and remaining unpaid as at year end	5.25	3.63
Amount of further interest remaining due and payable in the succeeding year	-	-

b) Trade Payable Ageing Schedule (Ageing from due date of payment)

(i) As at March 31, 2022

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	4.22	-	1,106.83	-
Not Due	89.47	-	5,024.56	-
Less than 1 year	14.53	-	275.01	-
1-2 years	0.08	-	2.93	-
2-3 year	0.23	-	0.16	-
> 3 years	0.07	-	2.77	-
Total	**108.60**	**-**	**6,412.26**	**-**

(ii) As at March 31, 2021

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	-	-	1,042.65	-
Not Due	95.30	-	2,884.08	-
Less than 1 year	20.36	-	373.78	-
1-2 years	-	-	12.30	-
2-3 year	-		12.16	-
> 3 years	-	-	-	-
Total	**115.66**	**-**	**4,324.97**	**-**

13 CURRENT TAX LIABILITIES (NET)

Particulars	As At March 31, 2022	As At March 31, 2021
Current tax liabilities (net of taxes paid)	76.72	9.72
Total	**76.72**	**9.72**

14 REVENUE FROM OPERATIONS

Particulars		April - March 2022	April - March 2021
i)	**Sales/ Rendering :**		
	- Products	29,808.75	15,885.02
	- Services	114.57	91.24
		29,923.32	**15,976.26**
ii)	**Other operating revenue:**		
	Sale of scrap	18.14	9.67
	Export incentives	15.37	53.63
	VAT incentives	-	21.35
	Insurance claim	7.84	0.19
		41.35	**84.84**
	Total	**29,964.67**	**16,061.10**

(All figures are rupees 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 :

(a) Category of good and services

Particulars	April - March 2022	April - March 2021
Chemicals	29,544.78	15,783.79
Coal	26.66	10.13
Others	237.31	91.10
Jobwork and other services	114.57	91.24
Total	**29,923.32**	**15,976.26**

(b) Geographical region

Particulars	April - March 2022	April - March 2021
India	20,975.48	12,427.76
International	8,947.84	3,548.50
Total	**29,923.32**	**15,976.26**

2 Contract balances

(i) Advance from customers:

Particulars	April - March 2022	April - March 2021
Contract liabilities	54.60	64.14

15 OTHER INCOME

Particulars	April - March 2022	April - March 2021
Interest income on financial asset		
From bank on deposits	108.33	24.74
From other	65.67	58.10
Guarantee commission	0.64	1.40
Sundry balances written back	2.08	5.31
Miscellaneous income	21.48	0.47
Reversal of expected credit loss	-	0.15
Profit on sale of Fixed Assets	0.04	-
Profit on sale of investments	5.62	4.60
Total	**203.86**	**94.77**

16 COST OF RAW MATERIALS CONSUMED

Particulars	April - March 2022	April - March 2021
Opening stock of raw material	1,208.70	849.45
Add : purchases	16,723.26	8,486.64
	17,931.96	9,336.09
Less: Insurance claim of raw material destroyed in floods (refer note -2.5 (a))	(84.46)	-
Less : closing stock of raw material	(1,591.07)	(1,208.70)
Total	**16,256.43**	**8,127.39**

17 PURCHASE OF STOCK-IN-TRADE

Particulars	April - March 2022	April - March 2021
Chemicals and other purchases	5,702.81	2,217.48
Coal	25.02	9.67
Total	**5,727.83**	**2,227.15**

(All figures are rupees in million unless otherwise stated)

18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	April - March 2022	April - March 2021
Inventory of Work-in-progress at the beginning of the year	25.91	47.95
Less: Inventory of Work-in-progress at the end of the year	13.92	25.91
	11.99	**22.04**
Inventory of Finished goods at the beginning of the year	297.63	399.29
Less: Inventory of Finished goods at the end of the year	987.80	297.63
Less: Insurance claim of finished goods destroyed in floods (refer note 2.5 (a))	113.56	-
	(803.73)	**101.66**
Total	**(791.74)**	**123.70**

19 EMPLOYEE BENEFIT EXPENSES

Particulars	April - March 2022	April - March 2021
Salaries, wages and bonus	669.47	631.78
Director's remuneration	152.92	118.42
Contribution to employees gratuity, leave encashment and other funds	51.61	55.37
ESOP compensation cost	231.32	46.36
Staff welfare expenses	21.69	16.62
Total	**1,127.01**	**868.55**

20 FINANCE COST

Particulars	April - March 2022	April - March 2021
Interest on financial liabilities at amortised cost	38.60	131.61
Unwinding of lease liability	1.41	2.91
Interest on direct taxes	6.06	3.33
Interest on indirect taxes	65.48	1.03
Other borrowing costs	12.17	9.01
Amortisation of upfront fees	11.76	5.51
Total	**135.48**	**153.40**

21 DEPRECIATION & AMORTIZATION

Particulars	April - March 2022	April - March 2021
Depreciation	422.42	429.98
Deprecation on right-of-use assets	18.53	19.52
Amortisation	5.12	3.13
Total	**446.07**	**452.63**

22 OTHER EXPENSES

Particulars	April - March 2022	April - March 2021
Power & fuels	1,712.79	958.65
Consumption of consumables stores and spares	186.79	137.86
Consumption of packing materials	176.36	153.17
Water charges	48.04	41.10
Labour charges	96.48	83.79
Inward freight charges	40.08	31.03

(All figures are rupees in million unless otherwise stated)

Outward export freight charges	850.17	252.65
Clearing and forwarding expenses	29.78	10.03
Repairs and maintenance		
Buildings	55.10	22.92
Machineries	38.59	48.27
Others	33.57	33.70
Transportation charges	446.13	376.70
Commission on sales	47.37	50.75
Advertisement	2.18	7.06
Director's sitting fees	2.00	2.00
Books and periodicals	0.05	0.03
Business promotion expenses	5.60	5.78
Commission to non-executive director	10.00	6.88
Computer maintenance	14.46	11.22
Conveyance expenses	4.81	3.15
Donation	0.12	0.16
CSR expenditure	22.80	41.88
General expenses	5.98	3.88
Inspection charges	3.64	3.93
Insurance charges	59.93	57.12
Membership & subscription	14.10	11.64
Postage & telegram	1.49	1.40
Professional & legal expenses	137.91	135.76
Printing & stationery	4.06	13.11
Rent	2.23	1.21
Rates & taxes	12.04	11.39
Security service charges	18.92	16.93
Travelling expenses	20.20	13.20
Telephone expenses	5.25	5.17
Vehicle expenses	31.08	29.72
Auditors' remuneration	3.96	3.39
Bank charges	29.92	22.02
Expected credit loss	79.01	-
Foreign Exchange loss	89.73	56.74
Impairment of Subsidiary balances	41.17	-
Other expenses	16.65	17.55
Loss on sale of assets	-	6.85
GST paid	44.30	-
Sales tax Expenses	6.06	-
Total	**4,450.90**	**2,689.79**

(a) Auditors' remuneration comprises (net of tax input credit, where applicable) :

Particulars	April - March 2022	April - March 2021
To Statutory auditors:		
For audit including consolidation and limited review	3.75	3.13
For certification and other services	0.21	0.26
Total	**3.96**	**3.39**

Note: Auditors' Remuneration amounting to ₹ 4.00 million related to Initial Public Offer was debited to Securities Premium in Statement of Changes in Equity for the year ended March 31, 2021.

(All figures are rupees in million unless otherwise stated)

(b) Details of research and development expenditure

	Particulars	2021-22	2020-21
A	**Revenue expenses**		
	Employee benefits expense	50.63	35.68
	Legal & professional fees	5.50	4.03
	Other expenses	4.46	4.43
	Utility expenses	3.84	6.73
	Travelling expenses	4.28	4.03
	Contract labour and Security service charge	4.32	3.48
	Subscription	4.15	2.89
	Repairs & maintenance	20.62	12.70
	Depreciation	16.19	11.88
B	**Capital Expenses**		
	Capital expenditure (Refer Note 1.5)	11.96	41.81
	Total	**125.95**	**127.68**

23 TAX EXPENSE

a) Income tax expense in the statement of profit and loss consists of:

Particulars	April - March 2022	April - March 2021
Current tax	524.00	264.00
Deferred tax	35.84	23.74
Income tax (excess)/ short provision of previous year	(54.71)	-
Income tax recognised in statement of profit or loss	**505.13**	**287.74**

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		April - March 2022	April - March 2021
Profit before tax		2,816.55	1,513.26
Enacted tax rates in India (%)		34.94%	34.94%
Computed expected tax expenses		984.22	528.79
Effect of non- deductible expenses		223.42	178.48
Effects of deductible Expenses		(150.14)	(151.01)
Tax incentives		(208.50)	(248.58)
	(A)	**849.00**	**307.67**
Less MAT credit utilised*		(325.00)	(43.68)
Income tax expenses - Net		**524.00**	**264.00**

*Includes mat credit not recognised in the books on principle of prudence, now recognised and utilised.

Particulars		April - March 2022	April - March 2021
Tax liability as per Minimum alternate tax on book profits			
Minimum alternate tax rate		17.47%	17.47%
Computed tax liability on book profits		492.11	264.40
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		22.64	0.55
Others		0.99	(0.22)
Minimum alternate tax on book profits	**(B)**	**515.01**	**264.00**
Higher of A or B		**849.00**	**307.67**

(All figures are rupees 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	(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)**
Property plant & equipment	(207.06)	(37.67)	(244.73)
Right-of-use assets (net)	(1.61)	(0.57)	(2.18)
Minimum alternate tax	24.39	(24.39)	-
Provision for doubtful advances and debts	10.67	25.37	36.05
Tax disallowances	17.17	1.42	18.59
As at March, 31, 2022	**(156.44)**	**(35.84)**	**(192.27)**

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	April - March 2022	April - March 2021
Net profit / (loss) as per Statement of Profit and Loss	2,311.42	1,225.52
Outstanding equity shares at period end (face value of ₹ 2/-)	26,36,62,773	26,36,62,773
Weighted average Number of Shares outstanding during the period – Basic	26,36,62,773	22,70,86,206
Weighted average Number of Shares outstanding during the period - Diluted	26,73,84,704	22,78,07,905
Weighted average number of shares as per para 26 of IND AS 33" Earning per Share"	26,73,84,704	22,78,07,905
Earnings per Share - Basic (₹)	8.77	5.40
Earnings per Share - Diluted (₹)	8.64	5.38

Reconciliation of weighted number of outstanding during the period:

Particulars	April - March 2022	April - March 2021
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	26,36,62,773	22,50,81,975
Add : Issue of equity shares	-	3,85,80,798
Less : Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the period	**26,36,62,773**	**26,36,62,773**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	26,36,62,773	22,70,86,206
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	26,73,84,704	22,78,07,905

(All figures are rupees in million unless otherwise stated)

25 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars		April - March 2022	April - March 2021
(i)	**Contingent liabilities**		
	(a) Liabilities Disputed - Appeals filed with respect to:		
	"(i) Disputed indirect taxes matters (Net of Amount paid under protest of ₹ 6.29 million (Py: ₹ 0.20 million)"	313.20	236.72
	"(ii) Disputed direct taxes matters - on account of disallowances / additions and default of TDS"	7.03	4.74
	"(iii) Other dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (Py: ₹ 2.30 million)"	4.53	4.53
	(b) Guarantees:		
	(i) Given on behalf of wholly owned subsidiaries to their Lenders	-	1,700.00
	(ii) Furnished by banks on behalf of the Company	64.02	75.14
	(c) Other money for which the Company is contingently liable:		
	Standby letter of credit given on behalf of wholly owned subsidiaries	79.58	164.50
(ii)	**Commitments (Net of advances):**		
	(a) Capital Commitments-	228.08	566.38
	(b) Other Commitments - Contractual commitment towards purchase of equity shares	-	200.10
	(c) Export obligation	782.61	271.21
(iii)	**Letters of Credit**	**1,264.03**	**1,199.52**

(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.

26 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 is of the view that it is a single business segment in accordance with Ind AS 108 'Operating Segments' notified pursuant to Companies (Accounting Standards) Rules, 2015. There is no single customer or customer group which constitutes more than 10% of the total revenue of the Company.

27 DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

The Company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

Particulars		2021-22	2020-21
1	Gross amount required to be spent by the Company during the year.	22.80	20.18
2	Amount approved by the Board to be spent during the year		
	- Ongoing	13.24	20.18
	- Other than ongoing	9.56	-

(All figures are rupees in million unless otherwise stated)

3	Amount spent during the year on:		
(a)	- Construction/acquisition of any asset	-	-
(b)	- On purposes other than (a) above	10.00	22.21
	Total	10.00	22.21
	Excess Spent of previous year	2.03	-
4	Shortfall at the end of the year,	10.77	(2.03)
5	Total of previous years shortfall/(Excess),	-	(2.03)
6	Reason for shortfall- Nil		

7 Nature of CSR activities-

Particulars		2021-22	2020-21
a	Covid Relief	0.89	2.72
b	Flood Relief	0.92	-
c	Disaster Management	1.01	-
d	IT Support- Community Development	0.53	-
e	Water Support- Community Development	3.08	-
f	Waste Management	0.80	-
g	Mobile Health Unit	2.46	-
h	Contributions to public funded Universities	0.10	-
i	NAPS Training Cost - Skill Development	0.20	-
j	Administrative overhead	-	0.03
k	Corpus donation towards CSR activities	-	19.46
	Total	**10.00**	**22.21**
(i)	**Spent Details**		
	Amount spent on ongoing project	2.46	-
	Amount spent on Other than ongoing project	7.53	-
	Excess amount of Previous Year	2.03	-
(ii)	**Total amount spent on other than ongoing**	**9.56**	**-**

8 Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,

Particulars		2021-22	2020-21
(a)	Laxmi Foundation	-	18.96
(b)	Smt. Laxmidevi Nathmal Goenka Charitable Trust	-	0.50

9 Disclosures under section 135(5) and 135(6)
A In case of S. 135(5) unspent amount

Particulars	2021-22	2020-21
Opening Balance	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent	9.56	-
Amount spent during the year(inclu Opening Excess)	9.56	-
Shortfall / (Excess)	**0.00**	**-**

(All figures are rupees in million unless otherwise stated)

B In case of S. 135(6) (Ongoing Project)

Particulars		2021-22	2020-21
(a)	Opening Balance		
	- With Company	-	-
	- In Separate CSR unspent account	-	-
(b)	Amount transferred from Companys Bank account to Separate CSR unspent account	-	-
(c)	Amount required to be spent during the year	13.24	-
(d)	Amount spent during the year(inclu Opening Excess)		
	- From Company's Bank Account	2.46	-
	- From Separate CSR unspent account	-	-
(e)	Carryforward to future years	10.78	-
(f)	Excess Spent during the year		-
(g)	Closing Balance		
	- With Company	-	
	- In Separate CSR unspent account*	10.78	

* The Company has before the end of the balance sheet date transferred the amount to Unspent CSR Account of ₹10.78 million.

28 DISCLOSURE IN ACCORDANCE WITH IND AS - 24 “RELATED PARTY DISCLOSURES”, OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015.

Details are given in statement B

29 DERIVATIVE INSTRUMENTS AND UNHEDGED / HEDGE / SWAP FOREIGN CURRENCY EXPOSURE

Details on unhedged foreign currency exposures

Particulars	As At March 31, 2022		As At March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Trade receivable (USD)	-	-	1,12,962	8.26
Trade receivable (EURO)	95,056	8.01	1,10,362	9.46
Interest/Loan & Advance receivable (USD)	3,42,323	25.95	42,027	0.84
Advances to suppliers (USD)	56,039	4.25	28,05,613	205.12
Loans and advances given (AED)	6,84,315	14.12	6,03,629	12.02
Advance from customers (USD)	3,06,883	23.26	6,61,734	48.38
Trade payable (USD)	43,91,142	332.82	7,25,524	53.04
Investment in preference shares (EURO)	20,00,000	168.44	20,00,000	171.50

Details on hedged foreign currency exposures

Particulars	As At March 31, 2022		As At March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	1,62,02,129	1,262.11	47,63,383	348.25
Forwards - USD - Sales (Anticipated Exposure)	4,50,093	34.11	-	-
Forwards - EURO - Sales	83,25,295	701.16	32,77,191	281.02
Forwards - USD Purchase	4,79,97,006	3,637.81	3,29,48,149	2,408.84
Options - USD - Buy	69,00,000	522.97	-	-

Details on interest rate swap on borrowings

Particulars	As At March 31, 2022		As At March 31, 2021	
	Foreign Currency	INR	Foreign Currency	INR
Interest rate swap - USD	-	-	5,00,000	35.68

(All figures are rupees in million unless otherwise stated)

30 IND AS 116 "LEASES"

(a) Movement in Right-of-use assets - Refer Note 1.4

(b) Movement in lease liabilities :

Particulars	2021-22	2020-21
Balance at the beginning	29.95	48.94
Finance cost incurred during the year	1.41	2.91
Payment of lease liability	(21.58)	(21.90)
Closing balance	**9.78**	**29.95**

(c) 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.

(d) Undiscounted contractual maturities of lease liability:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	8.94	21.59
One to two years	1.08	10.02
Two to five years	-	-
More than five years	-	-
Total	**10.02**	**31.61**

(e) The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liability	8.72	20.18
Non-current lease liability	1.06	9.77
Closing balance	**9.78**	**29.95**

31 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 67,50,000 options, which may result in issue of not more than 67,50,000 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.

(All figures are rupees in million unless otherwise stated)

i) Summary of options granted under plan:

Particulars	Option Plan		
	ESOP	RSU	Thank You Grant
Number of options granted	42,45,540	11,43,266	3,01,664
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 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022 100%;
Exercise period	7 years		

No options are exercised during the year ended March 31, 2022.

ii) Reconciliation of options granted under plan:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	56,90,470	-
Granted during the year	-	56,90,470
Exercised during the year	-	-
Number of options vested during the Period	17,20,466	
Lapes/Forfeited during the year	6,34,024	-
Outstanding at the end of the year	50,56,446	56,90,470
Options exercisable at the end of the year	17,20,466	-

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Expiry date	Exercise Price	Share options March 31, 2022	Share options March 31, 2021
ESOP	Not Applicable*	100	37,56,016	42,45,540
RSU		2	10,09,669	11,43,266
Thank You Grant		2	2,90,761	3,01,667
Total			**50,56,446**	**56,90,470**

*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	ESOP	Thank You Grant	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%	0.30%
Years to expiration	7	7	7	7
Risk free rates	6.12%	6.12%	6.12%	6.12%
Expected volatility	41%	41%	41%	41%

(All figures are rupees in million unless otherwise stated)

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	2021-22	2020-21
ESOP compensation cost	231.32	46.36
Total expenses	**231.32**	**46.36**

32 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

	Particulars	As At March 31, 2022	As At March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Carrying value		Fair value	
a)	**Financial assets**				
	Amortised cost				
	Loans	2,112.76	660.81	2,112.76	660.81
	Investments	208.44	20.00	208.44	20.00
	Others	1,007.91	450.70	1,007.91	450.70
	Trade receivables	6,297.99	3,849.48	6,297.99	3,849.48
	Cash and cash equivalents	288.57	124.51	288.57	124.51
	Other bank balances	1,396.46	5,217.56	1,396.46	5,217.56
	Total financial assets	**11,312.13**	**10,323.06**	**11,312.13**	**10,323.06**
b)	**Financial liabilities**				
	Amortised cost				
	Borrowings	964.13	717.56	964.13	717.56
	Trade payables	6,520.86	4,440.62	6,520.86	4,440.62
	Lease Liability	9.78	29.96	9.78	29.96
	Others	441.28	1,262.83	441.28	1,262.83
	Total financial liabilities	**7,936.05**	**6,450.98**	**7,936.05**	**6,450.98**

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.

33 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

(All figures are rupees in million unless otherwise stated)

basis as at March 31, 2022 and March 31, 2021.

		Fair value measurement using		
Particulars	**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-22	-	0.48	-
Forward contracts	31-Mar-21	-	4.77	-
Mutual funds	31-Mar-22	(40.00)	-	-
Mutual funds	31-Mar-21	(20.00)	-	-

34 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:

	Assets		Liabilities	
Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
USD	3,98,362	29,60,602	46,98,025	13,87,257
EUR	20,95,056	21,10,362	-	-
AED	6,84,315	6,03,629	-	-

(All figures are rupees in million unless otherwise stated)

Foreign currency sensitivity analysis:

The Company is mainly exposed to USD and EURO fluctuations

Particulars	As at March 31, 2022		As at March 31, 2021	
Impact of Profit/(Loss) for the year	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	3.23	(3.23)	(1.14)	1.14
EUR	(1.75)	1.75	(1.79)	1.79
AED	(0.14)	0.14	(0.12)	0.12

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 borrowing 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 ₹ 98.66 million and floating interest loan is ₹ 62.42 million (March 31, 2021: Fixed interest loan ₹ 176.53 million and Floating interest loan ₹ 1,393.34 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	2021-22		2020-21	
	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	0.62	-	13.93	-
Decrease in profit	(0.62)	-	(13.93)	-

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.

(All figures are rupees in million unless otherwise stated)

Financial assets for which loss allowance is measured:

Particulars	As At March 31, 2022	As At March 31, 2021
Trade receivables (Refer Note 2.2)	6,317.03	3,852.30
Allowances for credit loss (Refer Note 2.2 (a)	(19.04)	(2.82)

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, 2022 and March 31, 2021. 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, 2022				
Borrowings*	942.47	21.66	-	-
Trade payables	6,520.86	-	-	-
Other financial liabilities	441.28	-	-	-
	7,904.61	**21.66**	**-**	**-**
As at March 31, 2021				
Borrowings*	618.88	448.90	508.60	-
Trade payables	4,440.62	-	-	-
Other financial liabilities	1,262.84	-	-	-
	6,322.34	**448.90**	**508.60**	**-**

*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, 2022 and as at March 31, 2021.

Note - The above maturity profile does not includes contractual maturities of lease liability and the same is given in Note 30(d).

35 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, 2022	March 31, 2021
Gross debt*	964.13	1,576.37
Less: Cash and cash equivalent *	288.57	124.51
Net debt (A)	**675.56**	**1,451.86**
Total equity (B)	**12,860.28**	**10,444.99**
Gearing ratio (A/B)	**0.05**	**0.14**

*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.

36 The Board of Directors at their meeting held on May 04, 2022 has recommended dividend of ₹ 0.70 per share on the outstanding equity shares of nominal value of ₹ 2/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.

(All figures are rupees in million unless otherwise stated)

37 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, 2022.

38 RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

39 Compliance with approved Scheme(s) of Arrangements

During the year under review, the Company has completed the acquisition of 100% equity share capital of Acetyls Holding Private Limited (AHPL) in accordance with terms of the Share Purchase Agreement dated December 09, 2020 and Prospectus dated March 18, 2021. With this acquisition, AHPL and its wholly owned subsidiary Company, namely, Yellowstone Chemicals Private Limited (YCPL) have become subsidiaries of the Company w.e.f. October 01, 2021. Subsequently, the Company has filed a scheme of Merger by Absorption of AHPL and YCPL with the Company to NCLT, Mumbai on November 25, 2021 and the Appointed Date of Merger is October 02, 2021. The proposed Merger by Absorption seeks to achieve operational and economic synergies that will be beneficial to the interest of shareholders, creditors and other stakeholders of all Companies. The Company has complied with all the directions issued by NCLT. In respect of the scheme of Merger, and thereafter the regulators, Official Liquidator (OL) and Registrar of Companies (ROC), have filed their reports before the NCLT and have no adverse observation. The Regional Director (RD) is expected to file its report with NCLT on the on or before May 05, 2022, being the date fixed for NCLT hearing (subject to further adjournments, if any). Pending final clearance of NCLT no effects are given in these Financial Statements.

40 Utilisation of Borrowed funds and share premium:

The Company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary.

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), the details of which is tabulated hereunder;

Nature of Transaction	Name of the Intermediary & Relation ship	Amount & Date	Name of the Other Company & Relation ship	Amount & Date
Equity	Yellowstone Fine chemicals Private Limited	₹ 6.81	Laxmi Italy s.r.l.	EURO 80,000
Equity Investment	Relation: Wholly Owned Subsidiary	Period: Aug 2021 and Nov 2021	Relation: Step-down Subsidiary Company	Period: Aug 2021 and Nov 2021

b) Declaration: For all the transaction reported in (a) and (b) above relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied by the Company and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

II A The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 ANALYTICAL RATIOS AS PER REQUIREMENTS OF SCHEDULE III ARE GIVEN IN STATEMENT-C.

42 Figures of the previous period have been regrouped/ reclassified wherever necessary including to conform to current period's classification in order to comply with the requirements of amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

As per our report of even date	For and on behalf of the Board of Directors **Laxmi Organic Industries Limited**	
For Natvarlal Vepari & Co. Chartered Accountants Firm Registration No. 106971W	**Ravi Goenka** Chairman & Managing Director DIN-00059267	**Satej Nabar** Executive Director & CEO DIN-06931190
N Jayendran Partner M.No. 040441	**Partha Roy Chowdhury** Chief Financial Officer	**Aniket Hirpara** Company Secretary M. No. ACS18805
Place : Mumbai **Date** : May 04, 2022	**Place** : Mumbai **Date** : May 04, 2022	

(All figures are rupees in million unless otherwise stated)

STATEMENT A- RETURNS/STATEMENTS SUBMITTED TO THE BANK AND FINANCIALS INSTITUTION

Financial Year :2021-22

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,834.60	1,669.10	165.50
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,690.50	5,699.80	(9.30)
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	3,653.16	3,654.10	0.94
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,900.90	1,843.10	57.80
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,734.60	4,729.50	5.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,898.01	2,783.40	(114.61)
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,640.89	2,503.10	137.79
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,863.04	6,938.70	(75.66)
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,995.42	4,867.90	(127.52)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,913.13	2,723.00	190.13
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,312.08	6,292.30	19.78
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,793.11	4,579.40	(213.71)

(All figures are rupees in million unless otherwise stated)

Financial Year :2020-21

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,373.10	1,207.90	165.20
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,049.40	3,026.20	23.20
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,952.12	1,952.67	0.55
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,105.20	1,002.80	102.40
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,358.00	3,299.90	58.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,904.50	2,209.59	305.09
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,350.40	1,190.30	160.10
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,038.00	2,947.51	90.49
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,981.18	1,972.35	(8.84)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,703.10	1,528.30	174.80
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,846.80	3,884.00	(37.20)
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,522.13	2,441.79	(80.34)

Reason for Differences

The information to the banks are sent much in advance of preparation of books of accounts for limited review/Audit. Certain estimations are made at the time of providing information to the banks.

(All figures are rupees in million unless otherwise stated)

(STATEMENT B RPT 1)

Disclosure in accordance with IND AS - 24 "Related Party Disclosure", 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	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Step down subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiaries
8	Yellowstone Fine Chemicals Pvt. Ltd.	Subsidiaries
9	Yellowstone Speciality Chemicals Pvt. Ltd. (w.e.f. April 24, 2020)	Subsidiaries
10	Ravi Goenka Trustee of Yellowstone Trust	Shareholder
11	Laxmi Italy S.R.L (WOS of Yellowstone Fine Chemicals Pvt Ltd (w.e.f. August 04, 2021)	Step down subsidiary
12	Yellowstone Chemicals Pvt. Ltd. (w.e.f October 01, 2021)	Step down subsidiary
13	Acetyls Holding Private Limited (w.e.f October 01, 2021)	Subsidiaries
14	Laxmi USA LLC (formation is done, incorporation is under process)	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	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
2	Satej Naber (w.e.f. April 01, 2020)	Chief Executive Officer & Executive director
3	Harshvardhan Goenka (w.e.f. November 01, 2020)	Executive director
4	Rajeev Goenka	Non-Executive director
5	Rajiv Banavali (w.e.f. May 18, 2021)	Non-Executive director
6	Omprakash Bundellu	Independent Director
7	Manish Chokhani	Independent Director
8	Sangeeta Singh	Independent Women Director
9	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
10	Vasudeo Goenka (upto November 25, 2020) (Deceassed on December 08, 2021)	Chairman & Non-Exective Director

D Relatives of Key Management Personnel

1	Aditi Goenka
2	Aryavrat Goenka
3	Avantika Goenka
4	Manisha Goenka
5	Niharika Goenka
6	Vimladevi Goenka (Deceassed on October 27, 2021)

(All figures are rupees in million unless otherwise stated)

E Enterprises over which any person described in (C) 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
16	Merton Finance & Trading Pvt. Ltd
17	Yellowstone Chemicals Pvt. Ltd. (till September 30, 2021)
18	Acetyls Holding Private Limited (till September 30, 2021)
19	Laxmi Foundation
20	Yellowstone Clean Energy LLP
21	Cleanwin Energy Two Private Limited (Cleanwin Energy Two LLP was converted to Cleanwin Energy Two Private Limited w.e.f June 04, 2021)
22	Cleanwin Energy Three LLP
23	Cleanwin Energy Four LLP
24	Cleanwin Energy Five LLP
25	Cleanwin Energy Six LLP
26	Cleanwin Energy Seven LLP
27	Cleanwin Energy Eight LLP
28	Cleanwin Energy Nine LLP
29	Cleanwin Energy Ten LLP
30	Laxmi Bioenergy Ltd
31	Anugrah Investments Limited (w.e.f December 01, 2021)
32	R R investments (w.e.f December 27, 2021)
33	Yellowstone Oil & Gas Private Limited

(All figures are rupees in million unless otherwise stated)

Statement B- RPT-2

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission to Non-Executive Directors	**2021-22**	**-**	**-**	**10.00**	**-**	**-**	**10.00**
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Guarantee Commission Income	**2021-22**	**0.64**	**-**	**-**	**-**	**-**	**0.64**
	2020-21	(1.40)	-	-	-	-	(1.40)
Viva Lifescience Private Limited	2021-22	0.64	-	-	-	-	0.64
	2020-21	(1.40)	-	-	-	-	(1.40)
Interest Income	**2021-22**	**62.83**	**-**	**-**	**-**	**-**	**62.83**
	2020-21	(46.15)	-	-	-	-	(46.15)
Viva Lifescience Private Limited	2021-22	40.90	-	-	-	-	40.90
	2020-21	(35.90)	-	-	-	-	(35.90)
Cellbion Lifesciences Pvt. Ltd.	2021-22	1.35	-	-	-	-	1.35
	2020-21	(7.50)	-	-	-	-	(7.50)
Yellowstone Fine Chemicals Pvt Ltd	2021-22	20.54	-	-	-	-	20.54
	2020-21	(0.04)	-	-	-	-	(0.04)
Others less than 10%	2021-22	0.04	-	-	-	-	0.04
	2020-21	(2.71)	-	-	-	-	(2.71)
Interest Paid	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	-	(0.68)	-	-	(0.68)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.68)	-	-	(0.68)
Donation	**2021-22**	**-**	**-**	**-**	**-**	**0.20**	**0.20**
	2020-21	-	-	-	-	(41.19)	(41.19)
Laxmidevi Nathmal Goenka Charitable Trust	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	2021-22	-	-	-	-	0.20	0.20
	2020-21	-	-	-	-	(40.69)	(40.69)
Rent & Other Expenses	**2021-22**	**1.19**	**0.10**	**0.67**	**-**	**0.73**	**2.69**
	2020-21	-	(0.39)	(0.76)	-	(1.28)	(2.43)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.73	0.73
	2020-21	-	-	-	-	(1.28)	(1.28)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2021-22	1.19	-	-	-	-	1.19
	2020-21	-	-	-	-	-	-
Cleanwin Energy One LLP	2021-22	-	0.10	-	-	-	0.10
	2020-21	-	(0.39)	-	-	-	(0.39)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions		For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
	Vasudeo Goenka	2021-22	-	-	0.67	-	-	0.67
		2020-21	-	-	(0.33)	-	-	(0.33)
	Desh Verma	2021-22	-	-	-	-	-	-
		2020-21	-	-	(0.43)	-	-	(0.43)
Reimbursement of exp charged		**2021-22**	**107.71**	**-**	**-**	**-**	**0.10**	**107.81**
		2020-21	(2.65)	-	-	-	(28.75)	(31.40)
	Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
		2020-21	(1.00)	-	-	-	-	(1.00)
	Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	0.10	0.10
		2020-21	-	-	-	-	(1.20)	(1.20)
	Yellowstone Fine Chemicals Pvt Ltd	2021-22	57.11	-	-	-	-	57.11
		2020-21	-	-	-	-	-	-
	Laxmi Petrochem Middle East FZE	2021-22	1.60	-	-	-	-	1.60
		2020-21	(1.65)	-	-	-	-	(1.65)
	Yellowstone Chemicals Pvt. Ltd.	2021-22	48.99	-	-	-	-	48.99
		2020-21	-	-	-	-	(27.55)	(27.55)
Reimbursement of payment made on behalf of related party		**2021-22**	**32.17**	**-**	**-**	**-**	**-**	**32.17**
		2020-21	(6.94)	-	-	-	(7.76)	(14.70)
	Yellowstone Fine Chemicals Pvt Ltd	2021-22	30.62	-	-	-	-	30.62
		2020-21	(6.94)	-	-	-	-	(6.94)
	Yellowstone Chemicals Pvt. Ltd.	2021-22	1.55	-	-	-	-	1.55
		2020-21	-	-	-	-	(7.76)	(7.76)
Sales		**2021-22**	**5,479.42**	**-**	**-**	**-**	**43.30**	**5,522.73**
		2020-21	(1,055.37)	-	-	-	(1,245.89)	(2,301.26)
	Laxmi Organic Industries (Europe) BV	2021-22	2,774.29	-	-	-	-	2,774.29
		2020-21	(1,046.03)	-	-	-	-	(1,046.03)
	Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2021-22	4.61	-	-	-	-	4.61
		2020-21	(9.34)	-	-	-	-	(9.34)
	Saideep Traders	2021-22	1.16	-	-	-	-	1.16
		2020-21	-	-	-	-	-	-
	Yellowstone Chemicals Pvt. Ltd.	2021-22	2,699.36	-	-	-	-	2,699.36
		2020-21	-	-	-	-	(1,121.18)	(1,121.18)
	Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	43.30	43.30
		2020-21	-	-	-	-	(124.71)	(124.71)
Sales of Asset		**2021-22**	**-**	**-**	**-**	**-**	**1.31**	**1.31**
		2020-21	-	-	-	-	-	-
	Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	1.31	1.31
		2020-21	-	-	-	-	-	-
Purchases		**2021-22**	**2,760.44**	**22.79**	**-**	**-**	**-**	**2,783.23**
		2020-21	(80.75)	-	-	-	(392.96)	(473.71)
	Yellowstone Chemicals Pvt. Ltd.	2021-22	2,656.36	-	-	-	-	2,656.36
		2020-21	-	-	-	-	(392.96)	(392.96)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Cleanwin Energy One LLP	2021-22	-	22.79	-	-	-	22.79
	2020-21	-	-	-	-	-	-
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2021-22	0.12	-	-	-	-	0.12
	2020-21	(0.14)	-	-	-	-	(0.14)
Saideep Traders	2021-22	103.96	-	-	-	-	103.96
	2020-21	(80.61)	-	-	-	-	(80.61)
Sitting Fees	**2021-22**	**-**	**-**	**2.00**	**-**	**-**	**2.00**
	2020-21	-	-	(2.05)	-	-	(2.05)
Vasudeo Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.12)	-	-	(0.12)
Rajeev Goenka	2021-22	-	-	0.30	-	-	0.30
	2020-21	-	-	(0.33)	-	-	(0.33)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.06)	-	-	(0.06)
Omprakash Bundellu	2021-22	-	-	0.38	-	-	0.38
	2020-21	-	-	(0.46)	-	-	(0.46)
Manish Chokhani	2021-22	-	-	0.35	-	-	0.35
	2020-21	-	-	(0.37)	-	-	(0.37)
Rajeev Vaidya	2021-22	-	-	0.33	-	-	0.33
	2020-21	-	-	(0.28)	-	-	(0.28)
Sangeeta Singh	2021-22	-	-	0.40	-	-	0.40
	2020-21	-	-	(0.43)	-	-	(0.43)
Salary	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	-	-	(4.74)	-	(4.74)
Harshvardhan Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	(4.74)	-	(4.74)
Directors Remuneration	**2021-22**	**-**	**-**	**152.92**	**-**	**-**	**152.92**
	2020-21	-	-	(134.92)	-	-	(134.92)
Ravi Goenka	2021-22	-	-	100.40	-	-	100.40
	2020-21	-	-	(78.90)	-	-	(78.90)
Harshvardhan Goenka	2021-22	-	-	24.29	-	-	24.29
	2020-21	-	-	(12.24)	-	-	(12.24)
Satej Nabar	2021-22	-	-	28.23	-	-	28.23
	2020-21	-	-	(43.78)	-	-	(43.78)
Advance given for purchase of investments	**2021-22**	**-**	**-**	**200.10**	**-**	**-**	**200.10**
	2020-21	-	-	(200.00)	-	-	(200.00)
Ravi Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(100.00)	-	-	(100.00)
Harshvardhan Goenka	2021-22	-	-	200.10	-	-	200.10
	2020-21	-	-	(100.00)	-	-	(100.00)
Equity Investment	**2021-22**	**50.00**	**-**	**-**	**-**	**-**	**50.00**
	2020-21	(1.00)	-	-	-	-	(1.00)
Yellowstone Specialty Chemicals Pvt. Ltd.	2021-22	50.00	-	-	-	-	50.00
	2020-21	(1.00)	-	-	-	-	(1.00)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Capital Contribution	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	(12.50)	-	-	-	(12.50)
Cleanwin Energy One LLP	2021-22	-	-	-	-	-	-
	2020-21	-	(12.50)	-	-	-	(12.50)
Purchase of Fixed Assets	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	(17.58)	-	-	-	-	(17.58)
Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
	2020-21	(17.58)	-	-	-	-	(17.58)
Loan / Advance Given	**2021-22**	**1,581.24**	**-**	**-**	**-**	**-**	**1,581.24**
	2020-21	(550.75)	-	-	-	-	(550.75)
Viva Lifescience Private Limited	2021-22	809.65	-	-	-	-	809.65
	2020-21	(375.85)	-	-	-	-	(375.85)
Laxmi Petrochem Middle East FZE	2021-22	22.89	-	-	-	-	22.89
	2020-21	-	-	-	-	-	-
Acetyls Holding Private Limited	2021-22	40.80	-	-	-	-	40.80
	2020-21	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt Ltd	2021-22	707.90	-	-	-	-	707.90
	2020-21	(174.90)	-	-	-	-	(174.90)
Repayment of Loan / Advance Given	**2021-22**	**106.40**	**-**	**-**	**-**	**-**	**106.40**
	2020-21	(440.50)	-	-	-	-	(440.50)
Viva Lifescience Private Limited	2021-22	60.00	-	-	-	-	60.00
	2020-21	(440.50)	-	-	-	-	(440.50)
Cellbion Lifesciences Pvt. Ltd.	2021-22	46.40	-	-	-	-	46.40
	2020-21	-	-	-	-	-	-
Provsion for impairment of Investment & Loans and advances	**2021-22**	**41.17**	**-**	**-**	**-**	**-**	**41.17**
	2020-21	-	-	-	-	-	-
Laxmi Petrochem Middle East FZE	2021-22	41.17	-	-	-	-	41.17
	2020-21	-	-	-	-	-	-
Dividend Paid	**2021-22**	**88.35**	**-**	**-**	**5.78**	**2.35**	**96.48**
	2020-21	(70.33)	-	-	(0.55)	(5.37)	(76.25)
Ravi Goenka	2021-22	-	-	-	0.08	-	0.08
	2020-21	-	-	-	(0.05)	-	0.05
Rajeev Goenka	2021-22	-	-	-	0.24	-	0.24
	2020-21	-	-	-	(0.17)	-	(0.17)
Manisha Goenka	2021-22	-	-	-	5.08	-	5.08
	2020-21	-	-	-	-	-	-
Aryavrat Goenka	2021-22	-	-	-	0.38	-	0.38
	2020-21	-	-	-	(0.33)	-	(0.33)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	88.35	-	-	-	-	88.35
	2020-21	(70.33)	-	-	-	-	(70.33)
Ravi Goenka HUF	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(3.72)	(3.72)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	2.35	2.35
	2020-21	-	-	-	-	(1.65)	(1.65)
Balance Payable	**2021-22**	**8.63**	**0.78**	**0.25**	**-**	**0.31**	**9.97**
	2020-21	(41.82)	(0.39)	(6.50)	-	(0.12)	(48.83)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
	2020-21	(15.18)	-	-	-	-	(15.18)
Cleanwin Energy One LLP	2021-22	-	0.78	-	-	-	0.78
	2020-21	-	(0.39)	-	-	-	(0.39)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(6.50)	-	-	(6.50)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(26.64)	-	-	-	-	(26.64)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.31	0.31
	2020-21	-	-	-	-	(0.12)	(0.12)
Commission payable to Non-Executive Directors	**2021-22**	**-**	**-**	**10.00**	**-**	**-**	**10.00**
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Share of promoter IPO expenses	**2021-22**	**8.63**	**-**	**-**	**-**	**-**	**8.63**
	2020-21	(94.20)	-	-	-	-	(94.20)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(94.20)	-	-	-	-	(94.20)
Balance Receivable	**2021-22**	**3,074.20**	**-**	**-**	**-**	**7.29**	**3,081.49**
	2020-21	(1,128.18)	-	-	-	(251.42)	(1,379.60)
Yellowstone Chemicals Pvt. Ltd.	2021-22	52.61	-	-	-	-	52.61
	2020-21	-	-	-	-	(248.36)	(248.36)
Viva Lifescience Private Limited	2021-22	1,259.27	-	-	-	-	1,259.27
	2020-21	(470.45)	-	-	-	-	(470.45)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2021-22	0.81	-	-	-	-	0.81
	2020-21	(4.81)	-	-	-	-	(4.81)
Laxmi Organic Industries (Europe) BV	2021-22	525.85	-	-	-	-	525.85
	2020-21	(289.44)	-	-	-	-	(289.44)
Cellbion Lifesciences Pvt. Ltd.	2021-22	21.46	-	-	-	-	21.46
	2020-21	(66.64)	-	-	-	-	(66.64)
Saideep Traders	2021-22	126.66	-	-	-	-	126.66
	2020-21	(97.33)	-	-	-	-	(97.33)
Laxmi Petrochem Middle East FZE	2021-22	40.07	-	-	-	-	40.07
	2020-21	(15.09)	-	-	-	-	(15.09)
Laxmi Lifesciences Pvt. Ltd.	2021-22	0.03	-	-	-	-	0.03
	2020-21	(0.03)	-	-	-	-	(0.03)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Yellowstone Fine Chemicals Pvt Ltd	2021-22	1,006.63	-	-	-	-	1,006.63
	2020-21	(184.39)	-	-	-	-	(184.39)
Acetyls Holding Private Limited	2021-22	40.82	-	-	-	-	40.82
	2020-21	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	5.08	5.08
	2020-21	-	-	-	-	(0.86)	(0.86)
Pedestal Finance & Trading Pvt. Ltd.	2021-22	-	-	-	-	2.20	2.20
	2020-21	-	-	-	-	(2.20)	(2.20)
Provision for receivables	**2021-22**	**41.17**	**-**	**-**	**-**	**-**	**41.17**
	2020-21	-	-	-	-	-	-
Laxmi Petrochem Middle East FZE	2021-22	41.17	-	-	-	-	41.17
	2020-21	-	-	-	-	-	-
Corporate Guarantee (As on last day of the period)	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2021-22**	**79.58**	**-**	**-**	**-**	**-**	**79.58**
	2020-21	(164.50)	**-**	**-**	**-**	**-**	(164.50)
Laxmi Petrochem Middle East FZE	2021-22	79.58	-	-	-	-	79.58
	2020-21	(164.50)	-	-	-	-	(164.50)

(All figures are rupees in million unless otherwise stated)

Statement C
Analytical Ratios

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2021-22)	Ratio (2020-21)	% of Variation	Reason for variance
1	Current ratio	Current Asset / Current Liabilities	1.64	1.85	(11.36)	
2	Debt-Equity ratio	Total Debts / Shareholders Equity	0.07	0.15	(50.33)	Long term loans of the Company were paid out of IPO proceeds resulting in reduction of Debt, while shareholders equity increased mainly due to profit earned during the year.
3	Debt Service Coverage ratio	Earnings available for debt service* / Debt Service	1.92	2.79	(31.30)	DSCR has become lower on account of accelerated repayment of long term debts out of IPO proceeds.
4	Return on Equity ratio (ROE)	Net Profits after taxes – Preference Dividend / Average Shareholder's Equity	19.84%	16.50%	20.21	
5	Inventory Turnover Ratio	Cost of goods sold / Average Inventory	9.21	6.66	38.33	Average inventory has not gone up in proportion to increase in operations
6	Trade Receivables turnover ratio	Revenue / Average Accounts Receivable	5.90	4.55	29.50	Revenue growth with better collection cycle
7	Trade payables turnover ratio	Purchases / Average Trade Payables	4.41	2.77	59.14	Average trade payables have not increased in line with increased purchases for increase in operations.
8	Net capital turnover ratio	Revenue / Average working capital	5.52	4.33	27.45	Revenue growth along with better working capital management
9	Net profit ratio	Net Profit after Tax / Revenue	7.72%	7.67%	0.70	
10	Return on Capital employed (ROCE)	Earning before interest and taxes / Capital Employed**	20.89%	13.57%	53.98	Overall profits have gone up by 77.23% while capital employed has increased by 15.10%
11	Return on Investment (ROI)	Income generated from Investments / Time weighted average investments	2.56%	2.64%	(3.03)	Computed only for treasury investment in mutual fund. Rest of the investments in subsidiaries and associates are strategic and non treasury

*Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.
**Tangible net worth + deferred tax liabilities + Lease Liabilities.

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, 2022, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("IndAS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, consolidated profit (including Consolidated Other Comprehensive Income), consolidated statement of 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.

Sr No	Key Audit Matter	Auditors' Response
1.	**Insurance claim arising out of the Floods at the Unit 2 and its accounting.** The Company had a major flood situation at its Unit 2 at Mahad during the month of July 2021 resulting in the plant being shut down for a period of 45 days. The Insurance survey has not been concluded and the Company based on the Coverage and the Insurance conditions has accrued the claim receivable from the Insurance Company of ₹ 398.05 million and accounted the same under the respective heads. The Company has engaged the services of experts to provide reasonable assurance on the claim amount accrued.	Principal Audit Procedures Performed Our audit procedure related to the quantifying and accounting of insurance claim receivable by the Company after the event of flood at Unit 2 during the year; method included the following among the others, • We tested the effectiveness of controls relating to quantification of inventory loss due to flood, by carrying out Physical verifying the inventory and assets at the Plant post the event, • We tested the effectiveness of controls relating to identification of expenditure accounted as flood related expenses for materials, repairs and capital items. • Perused the claim certification documents submitted to the Insurance Company, • Enquired with the management about the Insurance coverage and insurance conditions, • Reviewed the opinion of the experts on the matter about the reasonability of the claim amount and • The accounting effects of the same in the books of account of the Company. On the basis of the above procedures, we concluded on the reasonableness of the Claim, its accrual and accounting.

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 (including Consolidated Other Comprehensive Income) , consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 six subsidiaries, whose Financial Statements reflect total assets of ₹ 3,442.28 million as at March 31, 2022, total revenue of ₹ 2,790.65 million and net cash inflows amounting to ₹ 11.87 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 three subsidiaries whose Financial Statements reflects total assets of ₹ 1,788.88 million, total revenue of ₹ 5,120.55 million and net cash inflows of ₹ 13.66 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. The management of the Company has furnished us details of Ind AS adjustments that are required in case of these financials so as to make these Financial Statements fit for consolidation. 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, review of INDAS adjustments by us and management certification.

c. We did not audit the Financial Statements of two foreign subsidiaries whose Financial Statements reflects total assets of ₹ 5.77 million, total revenue of ₹ 8.80 million and net cash outflows of ₹ 3.36 million for the year ended on that date. These Financial Statements, of the immaterial subsidiaries, have been prepared by the management for consolidation purposes and incorporated in these Consolidated Financial Statements on the basis of the management certification on which we have not carried out any audit procedures. Our report is not modified on this account.

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

1. As required by the Companies (auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of The Companies Act, 2013, we give in the attached Annexure A a statement of the matter 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 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), Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts, workings and records maintained for the purpose of preparation of the Consolidated Financial Statements.

    d. In our opinion, the Consolidated Financial Statements comply with the Ind AS 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 2022, 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, 2022 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 with reference to Financial Statements of the Holding Company and its subsidiaries incorporated in India 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 with reference to Consolidated Financial Statements.

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.

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 discloses the impact of pending litigations on the consolidated financial position of the Group, and its associate– 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.

   iv. (a) The management has represented that, to the best of their knowledge and belief, , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.

   (b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person or entity including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

   (c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv(a.)) and (iv(b.)) above contain any material misstatement.

   v. In respect of final dividend proposed in the previous year, declared and paid by the Company during the year, the same is in compliance with Section 123 of the Companies Act, 2013.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

ANNEXURE A

To the Independent Auditors' Report on the Consolidated Financial Statements of Laxmi Organic Industries Limited

As required by clause 3(xxi) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements, we report hereinbelow in the table qualifications/adverse reporting by the auditors.

S. No.	Name of the Company / CIN	Relationship Holding /Subsidiary / Associate /Joint Venture	Clause number of the Caro report which is qualified or adverse.
1	Laxmi Organic Industries Limited CIN - L24200MH1989PLC051736	Holding	iii (c), iii (d), ix (a)
2	Yellowstone Speciality Chemicals Private Limited CIN - U24100MH2020PTC339546	Subsidiary	xvii
3	Yellowstone Fine Chemicals Private Limited CIN - U24299MH2020PTC338508	Subsidiary	xvii
4	Laxmi Life Science Private Limited CIN - U24233MH2013PTC245224	Subsidiary	xvii
5	Cellbion Life Science Private Limited CIN - U24233MH2007PTC170041	Subsidiary	xvii

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

Annexure B to the Auditors' Report

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements (Financial Statements) of the Holding Company as of and for the year ended March 31, 2022, 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 INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, and its subsidiaries which are companies incorporated in India are 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 its 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, 2022, 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 reports of the auditor of such companies.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

Consolidated Balance Sheet as at March 31, 2022

(All figures are rupees in million unless otherwise stated)

Particulars		Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS				
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3.1	3,840.91	3,152.97
	(b) Capital work-in-progress	3.3	3,737.76	1,479.28
	(c) Goodwill on Consolidation	3.2	32.88	-
	(d) Other intangible assets	3.2	7.63	9.55
	(e) Right-of-use assets	3.4	62.52	88.06
	(f) Financial assets			
	(i) Investment	4.1	12.50	12.50
	(ii) Trade receivables	4.2	-	-
	(iii) Loans		-	-
	(iv) Others	4.5	102.57	139.20
	(g) Deferred tax assets	11	24.73	-
	(h) Other non-current assets	5	125.89	443.89
	Total Non current assets		**7,947.39**	**5,325.45**
(2)	**Current assets**			
	(a) Inventories	6	3,736.17	2,033.01
	(b) Financial assets			
	(i) Investment	4.1	40.00	20.00
	(ii) Trade receivables	4.2	6,684.24	4,346.35
	(iii) Cash and cash equivalents	4.4	330.29	166.16
	(iv) Bank balance other than (iii) above	4.4	1,492.20	5,227.69
	(v) Loans		13.91	-
	(vi) Others	4.5	750.09	320.85
	(c) Other current assets	5	1,681.04	936.69
	Total Current assets		**14,727.94**	**13,050.75**
	Total ASSETS		**22,675.33**	**18,376.20**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	7	527.33	527.33
	(b) Other Equity	8	12,479.38	9,818.56
			13,006.71	**10,345.89**
	(c) Non-controlling interest	8	3.68	4.54
	Total Equity		**13,010.39**	**10,350.43**
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	9.1	21.66	98.66
	(ii) Lease liability	9.2	43.69	57.70
	(b) Provisions	10	36.98	35.43
	(c) Deferred tax liabilities	11	240.07	156.44
	(d) Other non-current liabilities	12	-	-
	Total Non current liabilities		**342.40**	**348.23**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	1,311.51	1,312.24
	(ii) Lease liability	9.2	14.42	25.88
	(iii) Trade payables	14		
	- total outstanding dues of micro and small enterprise		147.76	164.96
	- total outstanding dues of other than micro and small enterprise		6,968.87	4,584.64
	(iv) Other financial liabilities	9.3	479.30	1,270.93
	(b) Other current liabilities	12	125.43	162.39
	(c) Provisions	10	127.84	131.84
	(d) Current tax liabilities (net)	15	147.41	24.65
	Total Current liabilities		**9,322.54**	**7,677.54**
	Total EQUITY & LIABILITIES		**22,675.33**	**18,376.20**

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of Profit & Loss

for period Year ended 31, 2022

(All figures are rupees in million unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I)	**INCOME:**			
	Revenue from operations (gross)	16	30,841.87	17,684.48
	Other income	17	148.76	46.13
	Total income (I)		**30,990.63**	**17,730.61**
II)	**EXPENSES:**			
	Cost of raw materials consumed	18	17,163.13	8,092.49
	Purchase of traded goods	19	4,708.70	3,652.56
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(747.13)	(2.47)
	Employee benefits expense	21	1,244.37	929.01
	Finance cost	22	154.21	163.97
	Depreciation & amortisation	23	492.84	465.23
	Other expenses	24	4,795.57	2,845.71
	Total expenses (II)		**27,811.69**	**16,146.50**
III)	**Profit before share of profit/(loss) of associate/ joint venture and exceptional items**		**3,178.94**	**1,584.11**
	Share of profit/(loss) of joint venture/associates		-	-
IV)	**Profit before exceptional items and tax**		**3,178.94**	**1,584.11**
V)	**Exceptional items**		**-**	**-**
	Profit before tax (IV+V)		**3,178.94**	**1,584.11**
	Tax expense	25	614.39	313.47
	1. Current tax		655.18	277.13
	2. Deferred tax liability / (asset)		13.92	36.34
	3. Income tax (excess)/short provision of previous year		(54.71)	-
	Profit for the period from continuing operations		**2,564.55**	**1,270.64**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the defined benefit (net of tax)		(11.08)	(3.81)
	Total other comprehensive income, net of tax		**(11.08)**	**(3.81)**
	Total comprehensive income for the year		**2,553.47**	**1,266.83**
	Profit/(loss) attributable to:			
	Owners of the Company		2,563.71	1,270.34
	Non-controlling interest		0.84	0.30
	Other comprehensive income attributable to:			
	Owners of the Company		(11.08)	(3.81)
	Non-controlling interest		-	-
	Earnings per equity share (face value of share ₹ 2/- each)			
	Basic (₹)	26	9.72	5.58
	Diluted (₹)	26	9.59	5.58

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of Cash flows

for the period ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit / (Loss) before exceptional items and tax	3,178.10	1,583.81
Adjustments for:		
Depreciation and amortisation expense	492.84	465.23
(Profit) / loss on sale / write off of assets	(0.04)	6.85
Finance costs	56.57	145.07
Interest on direct tax	6.23	3.35
Interest income	(112.90)	(36.84)
Amortisation of upfront fees	11.76	5.51
Provision/ (reversal) of expected credit loss	90.17	(0.15)
Profit on sale of investments	(5.62)	(4.60)
Sundry balances written back	(2.22)	(4.04)
ESOP compensation cost	231.32	46.36
Total of non cash adjustments	**768.11**	**626.74**
Operating profit / (loss) before changes in working capital	**3,946.21**	**2,210.55**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,235.83)	(514.12)
Trade receivables	(2,015.87)	(752.53)
Financial assets	(621.42)	(83.95)
Non financial assets	(365.42)	(432.98)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	1,375.05	637.43
Financial liabilities	(57.70)	145.11
Non financial liabilities	(39.83)	100.29
Provisions	32.23	12.46
Total of changes in working capital	**(2,928.79)**	**(888.30)**
Cash generated from operations	**1,017.43**	**1,322.25**
Net income tax (paid) / refunds	(560.63)	(260.57)
Net cash flow from operating activities (A)	**456.80**	**1,061.68**
B. Cash flow from investing activities		
Capital expenditure on property plant and equipment	(2,891.35)	(1,151.12)
Proceeds from sale of property plant and equipment	8.47	0.23
Advance paid towards purchase of equity	-	(200.00)
Payment for Business Purchase	(200.10)	-
Movement in other bank balances	3,735.49	(5,061.09)
Loan given	(13.91)	-
Capital contribution	-	(12.50)
Purchase of investments	(10,355.00)	(1,705.00)
Sale of investments	10,340.61	1,689.60
Interest received	114.20	29.60
Net cash flow used in investing activities (B)	738.41	(6,410.28)

C. Cash flow from financing activities		
Non-controlling interest	(3.70)	0.67
Proceeds from issue of share capital (including securities premium)	-	5,000.00
Share issue expenses	-	(156.99)
Proceeds from long term borrowings	-	650.00
Repayment of long term borrowings	(1,365.15)	(944.46)
Net Proceeds from short term borrowings	332.05	975.79
Interest paid	(42.60)	(141.62)
Lease Liabilities:		
Principal	(25.46)	(23.89)
Interest	(5.19)	(7.08)
Dividends paid	(131.83)	(78.78)
Net cash flow from / (used in) financing activities (C)	**(1,241.87)**	**5,273.66**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(46.66)**	**(74.94)**
Cash and cash equivalents at the beginning of the year	166.16	241.10
Addition on account of Business Purchase	(210.79)	-
Cash and cash equivalents at the end of the year	330.29	166.16
	(46.66)	**(74.94)**
Components of Cash and Cash Equivalents		
Cash on Hand	3.50	3.09
Balances with Bank	326.79	163.07
Total Balance	**330.29**	**166.16**

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of changes in equity

for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	As at 31 March 2022			As at 31 March 2021		
	Number of shares	Face value	₹ in million	Number of shares	Face value	₹ in million
Opening balance	26,36,62,773	2	527.33	4,50,16,395	10	450.16
Cancelled shares	-	-	-	(4,50,16,395)	10	(450.16)
Fresh shares issued on account of split of shares at face value of ₹ 2/- each(*)	-	-	-	22,50,81,975	2	450.16
Fresh issue of shares	-		-	3,85,80,798	2	77.16
Closing balance	**26,36,62,773**	**2**	**527.33**	**26,36,62,773**	**2**	**527.33**

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 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.

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	Non Controlling Interest
Balance as at April 01, 2020	**3,713.08**	**9.55**	**-**	**49.01**	**50.29**	**(2.94)**	**-**	**3,819.00**	**3.87**
Profit for the year	1,270.33	-	-	-	-	-	-	1,270.33	0.30
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	-
NCI drawing/ infusion of capital	-	-	-	-	-	-	-	-	0.37
Effects of Foreign Exchange	-	-	-	-	-	(0.39)		(0.39)	-
Balance as at 31 March 2021	**4,900.82**	**9.55**	**4,765.85**	**49.01**	**50.29**	**(3.33)**	**46.36**	**9,818.56**	**4.54**
Profit for the year	2,563.71	-	-	-	-	-	-	2,563.71	0.84
Remeasurement of net defined benefit plans	(11.08)	-	-	-	-	-	-	(11.08)	-
ESOP compensation cost	-	-	-	-	-	-	231.32	231.32	-
Effects of Foreign Exchange	-	-	-	-	-	(5.68)	-	(5.68)	-
Reversal of IPO Issue expenses now not payable*	-	-	14.38	-	-	-	-	14.38	-
NCI drawing/ infusion of capital	-	-	-	-	-	-	-	-	(1.70)
Dividend Paid	(131.83)	-	-	-	-	-	-	(131.83)	-
Balance as at 31 March 2022	**7,321.63**	**9.55**	**4,780.23**	**49.01**	**50.29**	**(9.01)**	**277.68**	**12,479.38**	**3.68**

Notes

a) *There has been a saving in the original estimate of IPO issue expenses which is reversed in the ratio of Offer For Sale and fresh issue. The Company's share of issue expenses of ₹ 14.38 million originally debited to securities premium is now reversed.

b) Remeasurement of net defined benefit plans forms part of retained earnings.

c) Non Controlling interest represents other partners in Saideep Traders a partnership firm in which the Company has controlling interest.

As per our report of even date

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

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

N Jayendran
Partner
M.No. 040441

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Place : Mumbai
Date : May 04, 2022

Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements.

1. COMPANY OVERVIEW

Laxmi Organic Industries Limited (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.

The Consolidated Financial Statements were authorised for issue in accordance vide resolution of the Board of Directors in the meeting held on May 04, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The Financial Statements of the Company comprises the statement of assets and liabilities as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow for the year ended March 31, 2022, the summary of statement of significant accounting policies, and other explanatory information (collectively, the "Financial Statements"), as approved by the Board of Directors of the Company at their meeting held on May 04, 2022.

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 12 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 12 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 Indian 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 ₹ ('INR ') and all values are rounded to the nearest Million, except otherwise indicated.

2. Principles of consolidation

The Consolidated Financial Statements relate to Laxmi Organic Industries Limited and its subsidiary companies (referred to as Group), and its associates and its joint ventures. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements", 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 a subsidiary 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 comprises of the Financial Statements of the Company and its subsidiaries as at March 31, 2022. 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 March 31, 2022.

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.

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%	Europe
2.	Laxmi Petrochem Middle East FZE	Subsidiary	100%	U.A.E
3.	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	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.	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.	Laxmi Italy SRL	Step down Subsidiary	100%	Italy
11.	Acetyls Holding Pvt. Limited (w.e.f. October 01, 2021)	Subsidiary	100%	India
12.	Yellowstone Chemicals Private Limited (w.e.f. October 02, 2021)	Step down subsidiary	100%	India
13.	Laxmi U.S.A. LLC (August 31, 2021)*	Subsidiary	100%	USA
14.	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate	26%	India

• Laxmi USA LLC was incorporated during the year. However, capital infusion is not yet made in this entity.

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.

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. Income 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 operating 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 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. 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, 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.

3. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

• Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its Financial Statements.

• Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its Financial Statements.

• Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its Financial Statements.

4. 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

or

- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 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;

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.

- 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, if any. 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.

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.

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 are separately identifiable cash flows (cash-generating units).

g) Inventories

Items of inventories are valued at 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 realisable 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 realisable 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 and net realisable value. The cost is determined based on weighted average method.

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 gains 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 conrmed 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

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:

<u>i. Initial recognition and measurement</u>

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.

<u>ii. Subsequent measurement</u>

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.

<u>iii. Derecognition of financial instruments</u>

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.

<u>iv. Impairment of financial assets</u>

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, twelve 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

<u>i. Initial recognition and measurement</u>

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.

<u>ii. Subsequent measurement</u>

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.

<u>iii. Loans and borrowings:</u>

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.

<u>iv. Financial guarantee contracts:</u>

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. It is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 01, 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 01, 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 claims 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 12months 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 12 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 twelve 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 Company 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

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 re-measurements 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 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.

a. 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.

b. 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

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 Consolidated Financial Statements as at and for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

3.1 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 01, 2020	29.37	572.39	240.82	3,653.10	53.03	18.16	20.04	61.31	22.31	4,670.53
Additions		82.29	-	246.01	4.56	1.49	4.84	1.32	-	340.51
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**	**3,913.61**	**57.61**	**19.67**	**24.95**	**65.63**	**22.31**	**4,993.65**
Additions	186.89	57.68	1.84	542.55	1.25	20.50	8.33	36.32	-	855.36
Acquisition through business combination (Refer Note 43)	23.44	58.16	11.35	213.04	0.74	3.19	0.36	-	-	310.28
Disposals/Adjustments	-	-	-	24.48	-	-	-	16.06	-	40.54
Exchange Fluctuation	-	-	-	-	-	-	(0.14)	-	-	(0.14)
As at March 31, 2022	**239.70**	**770.52**	**254.02**	**4,644.72**	**59.60**	**43.36**	**33.50**	**85.88**	**22.31**	**6,118.61**
Depreciation										
As at April 01, 2020	2.36	124.94	54.85	1,147.17	26.36	12.03	12.90	26.01	8.85	1,415.47
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**	**1,840.69**
Charge for the year*	2.07	49.06	10.77	376.11	6.27	7.35	5.72	10.38	1.50	469.24
Disposals/adjustments	-	-	-	17.74	-	-	-	14.37	-	32.11
Exchange Fluctuation	-	-	-	-	-	-	(0.12)		-	(0.12)
As at March 31, 2022	**4.84**	**219.56**	**77.27**	**1,849.44**	**39.48**	**22.30**	**22.69**	**30.05**	**12.06**	**2,277.70**
NET BLOCK										
As at March 31, 2021	**26.60**	**484.18**	**174.32**	**2,422.54**	**24.40**	**4.72**	**7.86**	**31.59**	**11.75**	**3,152.96**
As at March 31, 2022	**234.86**	**550.96**	**176.75**	**2,795.28**	**20.12**	**21.06**	**10.81**	**55.83**	**10.25**	**3,840.91**

(a) *Charge for the year includes amount of ₹ 7.08 million which is transferred to CWIP.

(All figures are rupees in million unless otherwise stated)

3.2 GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS

Class of Assets	Intangibles - Softwares	Goodwill on Consolidation
Cost		
As at April 01, 2020	16.60	-
Additions	5.82	-
Disposals/adjustments	-	-
As at March 31, 2021	**22.42**	**-**
Additions	3.21	-
Acquisition through business combination (Refer Note 43)	-	32.88
Disposals/adjustments	-	-
As at March 31, 2022	**25.63**	**32.88**
Depreciation		
As at April 01, 2020	9.74	-
Charge for the year	3.13	-
Disposals/adjustments	-	-
As at March 31, 2021	**12.87**	**-**
Charge for the year	5.13	-
Disposals/adjustments	-	-
As at March 31, 2022	**18.00**	**-**
NET BLOCK		
As at March 31, 2021	**9.55**	**-**
As at March 31, 2022	**7.63**	**32.88**

Note - Goodwill on consolidation arises on acquisition of 100% equity stake of Acetyl Holding Private Limited accounted as a business combination as per IND as 103. The same represents excess of fair value of consideration over fair value of asset and liabilities acquired. Refer Note 43.

3.3 CAPITAL WORK-IN-PROGRESS

Particulars	Opening balance	Addition during the year	Capitalized during the year	Closing balance
March 31,2022	1,479.28	2,792.93	534.45	3,737.76
March 31, 2021	674.89	1,123.51	319.12	1,479.28

(a) CWIP Ageing Schedule

As at March 31, 2022

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 01 year	2,669.92	-	2,669.92
1-2 years	681.80	-	681.80
2-3 years	385.83	-	385.83
More than 3 years	0.21	-	0.21
Total	**3,737.76**	**-**	**3,737.76**

As at March 31, 2021

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	964.70	-	964.70
1-2 years	457.89	-	457.89
2-3 years	56.19	-	56.19
More than 3 years	0.50	-	0.50
Total	**1,479.28**	**-**	**1,479.28**

(All figures are rupees in million unless otherwise stated)

(b) Details of Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

As at March 31, 2022

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
Project Olive	1,592.12	-	-	-	1,592.12
LOIL-21-14	875.08	-	-	-	875.08
LOIL-21-23	420.32	-	-	-	420.32
LOIL-21-02	83.99	-	-	-	83.99
Others (Individually less than 5%)	280.79	-	-	-	280.79
Total	**3,252.30**	**-**	**-**	**-**	**3,252.31**

As at March 31, 2021

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-21-13	17.56	-	-	-	17.56
LOIL-21-26	16.66	-	-	-	16.66
LOIL-21-15	16.52	-	-	-	16.52
LOIL-21-07	13.54	-	-	-	13.54
LOIL-19-02	9.80	-	-	-	9.80
Others (Individually less than 5%)	42.24	5.49	-	-	47.73
Grand Total	**116.32**	**5.49**	**-**	**-**	**121.81**

3.4 RIGHT-OF-USE ASSET

Class of Assets	Right of Use			Total
	Building	Land(*)	License	
Cost				
As at 01, April 2020	123.57	16.53	11.74	151.84
Additions	-	-	-	-
Disposals/adjustments	(1.61)	-	-	(1.61)
As at March 31, 2021	**121.96**	**16.53**	**11.74**	**150.23**
Additions	-	-		-
Disposals/adjustments	**-**	**-**		**-**
As at March 31, 2022	**121.96**	**16.53**	**11.74**	**150.23**
Depreciation				
As at 01, April 2020	25.62	7.95	3.66	37.23
Charge for the year	25.21	0.42	0.91	26.54
Disposals/adjustments	1.61	-	-	1.61
As at March 31, 2021	**49.22**	**8.37**	**4.57**	**62.16**
Charge for the year	24.22	0.42	0.91	25.55
Disposals/adjustments	-	-	-	-
As at March 31, 2022	**73.44**	**8.79**	**5.48**	**87.71**
NET BLOCK				
As at March 31, 2022	**72.74**	**8.16**	**7.16**	**88.06**
As at March 31, 2021	**48.52**	**7.74**	**6.26**	**62.52**

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. The Company is negotiating with the concerned party for the lease renewal. 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 rupees in million unless otherwise stated)

B) The WDV under each of the heads of fixed Property, Plant & Equipment relating to the aforesaid BOT agreement is as follows:-

Particulars	As at March 31, 2022	As at March 31, 2021
Factory building	7.34	7.74
Plant and equipment	42.75	49.22
Furniture & fixture	0.04	0.05
Office equipment	0.00	0.00
Computers	0.06	0.00
Technical know-how	0.00	0.00
Total	**50.20**	**57.01**

3.5 DETAILS OF ADDITIONS MADE DURING THE YEAR W.R.T RESEARCH AND DEVELOPMENT

Particulars	As at March 31, 2022	As at March 31, 2021
Factory building	1.84	4.03
Plant and equipment	10.02	32.63
Computers	0.10	0.78
Furniture and fixtures	-	4.37
Total	**11.96**	**41.81**

4.1 INVESTMENT

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Non-current	Non-current	Current	Current
Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	12.50	-	-
(Equity Method)				
Investments in mutual funds (Quoted)				
Investments at fair value through P&L (fully Paid)				
SBI overnight fund - direct growth	-	-	40.00	20.00
Total	**12.50**	**12.50**	**40.00**	**20.00**

***Cleanwin Energy One LLP**

The Group has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Group on January 25, 2021, acquired 26% stake in Cleanwin Energy One LLP ("Cleanwin") for supply of 5 MW electricity generated through wind turbines at a concessional rate with a minimum entitlement of 51% of power generated 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, 2022 of the loans given, investments made, guarantees given and security provided by the Group:

Sr. No.	Name of Party	Purpose of Loan	Purpose of Loan	As At March 31, 2022	As At March 31, 2021
1	Cleanwin Energy One LLP	-	Investment	-	12.50

b) Market value disclosure of Investments:

Particulars	As At March 31, 2022	As At March 31, 2021
Aggregate value of quoted investments		
Book Value	40.00	20.00
Market Value	40.00	20.00
Aggregate value of unquoted investments	**12.50**	**12.50**

(All figures are rupees in million unless otherwise stated)

4.2 TRADE RECEIVABLES (UNSECURED, AT AMORTISED COST)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Considered good	-	-	6,771.23	4,403.76
	Less:- Allowance for expected credit loss	-	-	(86.99)	(57.41)
	Total	**-**	**-**	**6,684.24**	**4,346.35**

(a) Expected credit loss:

The Group 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, 2022	As At March 31, 2021
Balance at the beginning of the period	**57.41**	**59.25**
Addition during the year	29.58	-
Reversal during the year	-	(0.16)
Foreign exchange	-	(1.68)
Provision at the end of the period	**86.99**	**57.41**

(b) Trade Receivable Ageing Schedule (Ageing from due date of payment)

(i) As at March 31, 2022

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	4,458.92	-	4,458.92
less than 6 months	2,188.71	-	2,188.71
6 months - 1 year	33.18	-	33.18
1-2 year	21.50	-	21.50
2-3 year	5.28	-	5.28
> 3 years	60.26	-	60.26
Total	**6,767.85**	**-**	**6,767.85**

Range of O/s period	Disputed		Total
	Considered Good	Significant increase in credit risk	
6 months - 1 year	0.28	-	0.28
1-2 year	3.10	-	3.10
Total	**3.38**	**-**	**3.39**

(ii) As at March 31, 2021

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	3,152.11	-	3,152.11
less than 6 months	1,169.39	-	1,169.39
6 months - 1 year	18.23	-	18.23
1-2 year	5.77	-	5.77

(All figures are rupees in million unless otherwise stated)

2-3 year	0.48	-	0.48
> 3 years	57.78	-	57.78
Total	**4,403.76**	**-**	**4,403.76**

Note - There are no disputed trade receivables as at March 31, 2021.

4.3 LOANS (AT AMORTISED COST) (UNSECURED, CONSIDERED GOOD)

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Loan to Related party	-	-	12.02	-
ii)	Others	-	-	1.89	-
	Total	**-**	**-**	**13.91**	**-**
(a) Details of related party:					
Mr.Vinod Bhassin (related party of component)		-	-	12.02	-
Total		**-**	**-**	**12.02**	**-**

(b) Loans and Advances to Promoters, Directors, KMP's and Related Parties.

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
a) Repayable on demand

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters	-	-	-	-
Directors	12.02	86.41	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
Total Loans and Advances to Promoter, Director, KMP and Related parties	12.02		-	
Total Loans and Advances in the nature of Loan and Advances (A)	**13.91**		**-**	

4.4 CASH AND BANK BALANCES

A Cash and cash equivalents

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Balances with banks	-	-	326.79	163.07
ii)	Cash on hand	-	-	3.50	3.09
	Total	**-**	**-**	**330.29**	**166.16**

B Other bank balances

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	With monitoring agency (for IPO proceeds)	-	-	0.29	0.47
ii)	Escrow account for IPO expenses	-	-	1.38	243.42
iii)	Fixed deposit (from IPO proceeds)	-	-	1,179.60	4,756.00
iv)	Fixed deposit (other)	-	-	-	139.30
v)	Unspent CSR Bank Account	-	-	10.78	-

(All figures are rupees in million unless otherwise stated)

vi)	Fixed deposit against margin money	-	-	300.15	88.50
	Total	**-**	**-**	**1,492.20**	**5,227.69**
	Total (A+B)	**-**	**-**	**1,822.49**	**5,393.85**

4.5 OTHER FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Non-current	Non-current	Current	Current
Advance to staff	0.45	0.60	1.63	2.19
Interest accrued receivable				
From banks	-	-	10.23	10.59
From others	-	-	0.40	1.34
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	49.14	-	-
Insurance claim receivable (Refer note (a) below)	-	-	398.05	38.47
Other receivables	-	-	309.78	238.26
Security deposit	101.44	88.76	30.00	30.00
Guarantee rental obligation	0.68	0.70	-	-
Total	**102.57**	**139.20**	**750.09**	**320.85**

(a) Insurance claim receivable

The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. Loss assessment and insurance survey are underway as on the Balance Sheet date. Insurance claim has been recognized for the amount of cost of inventory damaged in the floods and loss restoration expenses incurred by the Group which are reasonably expected to be realised from the Insurance Company.

5 OTHER ASSETS

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Capital advance	37.70	179.84	-	-
ii)	Prepaid expenses	3.29	1.22	35.25	28.23
iii)	Prepaid upfront fees	-	0.66	-	10.79
iv)	Prepaid taxes (net of provisions)	22.84	3.88	-	-
v)	Balance with government authorities	62.06	58.29	1,241.02	277.98
vi)	Advances to supplier				
	- Considered good	-	-	355.11	533.49
	- Considered doubtful	-	-	87.43	27.72
		-	**-**	**442.54**	**561.21**
	Less : Impairment of doubtful advances	-	-	87.43	27.72
		-	**-**	**355.11**	**533.49**
vii)	Export incentive receivable	-	-	0.99	50.27
viii)	Export licenses on hand	-	-	7.67	0.27
ix)	Other receivables	-	-	41.00	35.66
x)	Advance against shares	-	200.00	-	-
	Total	**125.89**	**443.89**	**1,681.04**	**936.69**

(All figures are rupees in million unless otherwise stated)

6 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars		As at March 31, 2022	As at March 31, 2021
a)	Raw material (including Goods in transit of ₹ 5.40 million (March 31, 2021: 8.88 million))	2,032.95	1,341.01
b)	Work-in-progress	21.36	25.91
c)	Finished goods (Including Goods in transit of ₹ Nil (March 31, 2021: ₹ 73.35 million))	987.80	297.63
d)	Consumable stores and spares	126.01	131.03
e)	Fuels and consumables	181.63	31.85
f)	Packing material	10.89	9.65
g)	Traded material	375.53	195.93
	Total	**3,736.17**	**2,033.01**

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of IND AS 2 is as follows:

Particulars		2021-22	2020-21
(i)	Amount of inventories recognised as an expense during the period.	21,101.60	12,602.33
(ii)	Amount of write - down of inventories recognised as an expense during the period.	23.10	2.66
		21,124.70	**12,604.99**

7 EQUITY SHARE CAPITAL

Particulars		As at March 31, 2022	As at March 31, 2021
i)	**Authorised shares :**		
	30,50,00,000 equity shares of face value of ₹ 2/- each (March 31, 2021: 30,50,00,000 equity share of face value of ₹ 2/- each)	610.00	610.00
	Total	**610.00**	**610.00**
ii)	**Issued, subscribed and paid-up shares :**		
	26,36,62,773 equity shares of face value of ₹ 2/- each (March 31, 2021: 26,36,62,773 equity shares of face value of ₹ 2/- each)	527.33	527.33
	Total Issued, subscribed and paid-up share capital	**527.33**	**527.33**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Opening balance (face value of ₹ 10/- each)	26,36,62,773	527.32	45,00,16,395	450.16
Cancelled shares (face value of ₹ 10/- each)	-	-	(45,00,16,395)	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	-	-	22,50,81,975	-
Fresh issue (face value of ₹ 2/- each)	-	-	3,85,80,798	77.16
Closing balance (face value of ₹ 2/- each)	**26,36,62,773**	**527.32**	**26,36,62,773**	**527.32**

(*) 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 Group 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.

(All figures are rupees in million unless otherwise stated)

(b) Initial Public Offr

“Last financial year, the Group has completed the Initial public offer (“The Offer / IPO”) of 4,61,53,846 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 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Group also did private placement of 1,55,03,875 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 resulted into net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Parent 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 As at March 31, 2022

Particulars		Planned as per Prospectus	Spent upto FY 2020-21	Utilisation in 2021-22	Balance up to March 31, 2022 (*)
i)	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited*	1,729.25	42.97	1,686.28	-
ii)	Funding working capital requirements of the Company	351.78	-	-	351.78
iii)	Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.53	0.10
iv)	Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	92.22	33.43
v)	General corporate purposes (net of issue expenses)*	744.76	-	744.76	-
vi)	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	-	184.10	419.94
vii)	Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
	Total	**4,843.52**	**42.97**	**3,617.89**	**1,182.66**

*There has been a saving in the original estimate of IPO issue expenses (Company’s share) of ₹ 43.58 million which has resulted in increase in total available fund net off expenses from ₹ 4,799.94 million to ₹ 4,843.52 million. This amount is adjusted in general corporate purposes.

Further the actual utilization towards repayment of loan was lower by ₹ 63.94 million and in terms of our prospectus we are entitled to allocate such amount to general corporate purposes so long as the allocation does not result in general corporate puropose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to ₹ 744.76 million.

(d) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2021

Particulars		Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
i)	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
ii)	Funding working capital requirements of the Company	351.78	-	351.78
iii)	Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.63

(All figures are rupees in million unless otherwise stated)

iv)	Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65
v)	General corporate purposes (net of issue expenses)	637.29	-	637.29
vi)	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
vii)	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, 2022 and as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under Other bank balances (Refer note 4.4).

The above figures of ₹ 4,799.94 million does not include ₹ 43.07 million held in escrow account towards issue expenses as per prospectus.

e) 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.

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

Particulars	As At March 31, 2022		As At March 31, 2021	
	Number of shares	%	Number of shares	%
Mr. Ravi Goenka Trustee of Yellow Stone Trust	17,67,04,984	67.02%	17,67,04,984	67.02%

(g) Shareholding of Promoters

(i) Shares held by promoters at March 31, 2022

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	12,69,179	0.48%	711.63
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-
3	Manisha Ravi Goenka	94,22,646	3.57%	-7.29
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-77.27
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	-	-	-100.00
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
	Total	**19,22,62,806**	**72.92%**	
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	

(ii) Shares held by promoters at March 31, 2021

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	1,56,375	0.06%	-
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-13.71
3	Manisha Ravi Goenka	1,01,63,387	3.85%	100.00
4	Rajeev Vasudeo Goenka	4,81,375	0.18%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	100.00
6	Harshvardhan Goenka	125	0.00%	-

(All figures are rupees in million unless otherwise stated)

7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	125	0.00%	-
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
10	Ravi Goenka HUF	-	0.00%	-100.00
	Total	**19,22,62,806**	**72.92%**	
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	

h) As per the records of the Group, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

i) On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 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.

j) On January 01, 2020 the Company completed buy back of 50,29,010 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 50,29,010 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.

k) 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.

l) Shares reserved for issue under stock option plan to employees are detailed in note no 33.

8 OTHER EQUITY

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Retained Earnings	7,321.63	4,900.83
ii)	General Reserve	49.01	49.01
iii)	Security Premium	4,780.23	4,765.85
iv)	Capital Reserve	9.55	9.55
v)	Foreign Currency Translation Reserve	(9.01)	(3.33)
vi)	Capital Redemption Reserve (refer note 7(j) above)	50.29	50.29
vii)	Share Option Outstanding Account (Refer Note no. 33)	277.68	46.36
	Total	**12,479.38**	**9,818.56**

9 FINANCIAL LIABILITIES (AT AMORTISED COST)
9.1 LONG TERM BORROWINGS

Particulars		As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
		Non-current	Non-current	Current	Current
(a)	**Term loans :**				
	Rupee term loan from bank	-	386.11	-	255.56
	Rupee term loan from NBFC	-	472.71	-	171.90
	Foreign currency loan from bank	18.42	92.10	73.68	73.68
(b)	**Vehicle loans :**				
	Vehicle loans - other than bank	-	0.08	0.08	0.95
(c)	**Government grant**	3.24	6.48	3.24	3.24
		21.66	**957.48**	**77.00**	**505.33**
	Less: Disclosed in Other current financial liabilities (Refer note 9.1 F)	-	(858.82)	-	-
	Less: Current Maturities disclosed under short term borrowings	-	-	(77.00)	(505.33)

(All figures are rupees in million unless otherwise stated)

	Total	**21.66**	**98.66**	**-**	**-**
	The break-up of above:				
	Secured	18.42	951.00	73.76	502.09
	Unsecured	3.24	6.48	3.24	3.24
		21.66	**957.48**	**77.00**	**505.33**

Notes:
A) Term Loan includes :
i) Rupee term loans from banks (HDFC Bank Ltd):
Tenure of loan: max 60 months (During the year the loan is fully repaid.)

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 November 2019

ii) Rupee term loans from NBFC (AXIS Finance Ltd):
Tenure of loan : max 60 months (During the year the loan is fully repaid.)

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 02, 2019 at fixed interest rate of 7.90% p.a.

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

d)Second pari passu charge on entire current assets of the Company.

C) Vehicle loan:
Vehicle loans are 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 group has outstanding of ₹ 6.48 million as at March 31, 2022 (March 31, 2021: ₹ 9.72 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, 2022	As at March 31, 2021
Instalment payable within one year	77.00	505.32
Instalment payable between 1 to 2 years	21.66	448.90
Instalment payable between 2 to 5 years	-	508.59
Instalment payable beyond 5 years	-	-
Total	**98.66**	**1,462.81**

*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.

(All figures are rupees 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 Liabilities	Total
Balance as at March 31, 2020	**901.53**	**686.86**	**1,588.39**
Changes from financing cash flows	561.27	12.98	574.25
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	(858.82)	858.82	-
Proceeds from bill discounting	-	107.07	107.07
Other changes (transfer within categories)	(505.33)	505.33	-
Balance as at March 31, 2021	**98.66**	**2,171.06**	**2,269.71**
Changes from financing cash flows	-	(505.33)	(505.33)
Effects of changes in foreign exchange rates	-	-	-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	-	(858.82)	(858.82)
On account of business combination	-	95.55	95.55
Proceeds from bill discounting	-	332.05	332.05
Other changes (transfer within categories)	(77.00)	77.00	-
Balance as at March 31, 2022	**21.66**	**1,311.51**	**1,333.16**

H) Borrowings from banks or financial institutions on the basis of security of current assets
The Group has borrowings from banks or financial institutions on the basis of security of current assets, the disclose w.r.t documents submitted to lenders is tabulated hereinder:-

Quarterly returns or Statements of current assets filed by the Group with banks or financial institutions are not in agreement with the books of accounts as per the details and for the reasons detailed in Statement A

I) Disclosure of repayments
During the year the Company has delayed in repayments of EMI amounting to ₹ 0.34 million in case of vehicle loans. The delays ranges between 1 to 12 days. There are no continuing default as at balance sheet date.

9.2 LEASE LIABILITY

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Lease liability (Refer note 32)	43.69	57.70	14.42	25.88
Total	**43.69**	**57.70**	**14.42**	**25.88**

9.3 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Borrowings payable out of IPO proceeds (Refer Note 9.1 F above)	-	-	-	858.82
Payable for capital goods	-	-	213.12	211.01
Interest accrued on financial liabilities	-	-	19.46	10.68
Deposit received	-	-	10.77	10.80
Staff salary and other payable	-	-	194.76	152.04
Other liabilities	-	-	32.08	1.14
Amount payable to related party	-	-	8.63	-
Amount payable on hedging transactions	-	-	0.48	26.44
Total	**-**	**-**	**479.30**	**1,270.93**

(All figures are rupees in million unless otherwise stated)

a) Details of related party:

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	8.63	-	-
Total	**-**	**8.63**	**-**	**-**

10 PROVISIONS

	Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
		Non-current	Non-current	Current	Current
i)	Provision for employee benefits :				
	Leave encashment	35.20	35.43	25.91	15.63
	Gratuity	1.78	-	40.63	15.49
ii)	Provision for sales return	-	-	26.74	14.43
iii)	Provision for tax (net of advances)	-	-	34.56	86.29
	Total	**36.98**	**35.43**	**127.84**	**131.84**

(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, 2022	14.43	24.62	12.31	26.74
March 31, 2021	10.86	10.86	7.29	14.43

(b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits

The Group 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, 2021 : ₹ 2.00 million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

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, 2022	As At March 31, 2021
(a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Defined benefit obligation at the beginning of the year	57.02	48.04
	Liability On Account of Business combination	1.72	-
	Current service cost	9.96	7.96
	Interest cost	3.59	2.95
	Actuarial (gain) /loss - Other comprehensive income	15.30	0.49
	Past service cost	-	-
	Benefits paid	-	(2.43)
	Defined benefit obligation at the year end	**87.58**	**57.02**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	41.52	33.46
	Actuarial (gain) /loss - Other comprehensive income	-	(0.17)

(All figures are rupees in million unless otherwise stated)

	Investment income	2.59	2.39
	Employer contribution	1.06	8.27
	Benefits paid	-	(2.43)
	Fair value of plan assets at the year end	**45.17**	**41.52**
(c)	**Reconciliation of fair value of assets and obligations**		
	Present value of defined benefit obligation	87.58	57.02
	Fair value of plan assets	45.17	41.52
	Net asset / (liability)	**(42.41)**	**(15.49)**
(d)	**Expenses recognized during the year (Under the head "Employees benefit expenses")**		
	In Income Statement	10.18	8.86
	In Other Comprehensive Income	15.37	0.32
	Total expenses recognized during the period	**25.55**	**9.18**
(e)	**Actuarial (gain)/loss- Other comprehensive income**	**15.30**	**0.32**
(f)	**Net liabilities recognised in the balance sheet**		
	Long term provisions	1.78	-
	Short term provisions	40.63	15.49
		42.41	**15.49**

ii) Actuarial assumptions

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Discount rate (per annum)	6.65%	6.25%
Salary growth rate (per annum)	11%	5%
Attrition rate	19%	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.

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, 2022 (%)	1%	1%	50%	10%
March 31, 2021 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2022	81.65	88.33	80.34	85.15
March 31, 2021	53.53	60.65	57.40	57.03
Decrease in assumption				
March 31, 2022	88.98	82.15	94.42	85.17
March 31, 2021	60.96	53.69	56.21	57.00

(g) 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.

(All figures are rupees in million unless otherwise stated)

(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.

11 DEFERRED TAX LIABILITY/ASSET

A) - Net deferred tax liability

Particulars		As At March 31, 2022	As At March 31, 2021
a)	**Deferred tax liability on account of :**		
	i) Property plant & equipment	292.53	207.06
	iii) Right-of-use assets (Net)	2.18	1.61
		294.71	**208.67**
b)	**Deferred tax asset on account of :**		
	i) Minimum alternate tax	-	24.39
	ii) Provision for doubtful advances and debts	36.05	10.67
	iii) Tax disallowances	18.59	17.17
	iv) Deferred tax of component	-	-
		54.64	**52.23**
	Total deferred tax liability (net)	**240.07**	**156.44**

B) - Net deferred tax asset

Particulars		As At March 31, 2022	As At March 31, 2021
a)	**Deferred tax asset on account of :**		
	i) Property Plant & Equipment	1.21	-
	ii) On unrealised profit on Intra group transactions	20.75	-
	iii) Provision for doubtful advances and debts	1.53	-
	iv) Item recognised in OCI	0.11	-
	v) Unabsorbed losses	1.13	-
	Total deferred tax asset (net)	**24.73**	**-**

12 OTHER LIABILITIES

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
i) Duties and taxes payable	-	-	48.29	45.79
ii) Advance from customers	-	-	63.09	86.81
iii) Other liabilities	-		14.05	29.79
Total	**-**	**-**	**125.43**	**162.39**

(All figures are rupees in million unless otherwise stated)

13 SHORT TERM BORROWINGS (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
From banks		
Cash credit	1,146.87	296.85
Short term loan	-	393.10
Bill discounting	62.42	107.07
Vehicle Loan	18.39	-
From others	6.50	6.50
From directors	0.33	3.39
Current Maturities of long term borrowings:		
Rupee term loan from bank	-	255.56
Rupee term loan from NBFC	-	171.90
Foreign Curreny Loan	73.68	73.68
Government grant	3.24	3.24
Vehicle Loan	0.08	0.95
Total	**1,311.51**	**1,312.24**
Secured	1,239.02	371.48
Unsecured	72.49	940.76

(a) 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 May 22, 2020.

(b) 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 @1.70% (PY - 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.

(c) Utilisation of Borrowings taken from Bank and Financial Institution

The Group has taken fresh loans during the year and has used the borrowings taken from banks and financial institutions for the specific purpose for which it was taken.

14 TRADE PAYABLES (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
i) Dues of micro and small enterprise	147.76	164.96
ii) Other than micro and small enterprise	6,968.87	4,584.64
Total	**7,116.63**	**4,749.60**

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, 2022	As At March 31, 2021
Principal amount due	147.76	164.96
Interest due on above	0.36	0.07

(All figures are rupees in million unless otherwise stated)

Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	562.30	110.11
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	1.48	0.80
Amount of interest accrued and remaining unpaid as at year end	5.47	3.63
Amount of further interest remaining due and payable in the succeeding year	-	-

b) Trade Payable Ageing Schedule (Ageing from due date of payment)

(i) As at March 31, 2022

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	4.22	-	1,106.97	-
Not Due	94.18	-	5,381.69	-
Less than 1 year	48.99	-	461.23	-
1-2 years	0.08	-	8.74	2.77
2-3 year	0.23	-	0.22	-
> 3 years	0.07	-	7.25	-
Total	**147.76**	**-**	**6,966.10**	**2.77**

(ii) As at March 31, 2021

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	21.93	-	1,018.96	-
Not Due	95.30	-	2,914.56	-
Less than 1 year	42.69	-	626.65	-
1-2 years	0.06	-	12.31	-
2-3 year	0.04	-	12.16	-
> 3 years	4.94	-	-	-
Total	**164.96**	**-**	**4,584.64**	**-**

15 CURRENT TAX LIABILITIES (NET)

Particulars	As At March 31, 2022	As At March 31, 2021
Current tax liabilities (net of taxes paid)	147.41	24.65
Total	**147.41**	**24.65**

16 REVENUE FROM OPERATIONS

Particulars		2021-22	2020-21
i)	**Sales/ Rendering :**		
	- Products	30,681.85	17,508.40
	- Services	114.57	91.24
		30,796.42	**17,599.64**
ii)	**Other operating revenue:**		
	Sale of scrap	22.24	9.67
	Export incentives	15.37	53.63
	VAT Incentives	-	21.35

(All figures are rupees in million unless otherwise stated)

	Insurance claim received	7.84	0.19
		45.45	**84.84**
	Total	**30,841.87**	**17,684.48**

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

Particulars	2021-22	2020-21
Chemicals	30,417.88	17,407.18
Coal	26.66	10.13
Others	237.31	91.10
Jobwork and other services	114.57	91.24
Total	**30,796.42**	**17,599.64**

(b) Geographical region

Particulars	2021-22	2020-21
India	19,938.72	12,455.59
International	10,857.70	5,144.05
Total	**30,796.42**	**17,599.64**

2 Contract balances

(i) Advance from customers:

Particulars	2021-22	2020-21
Contract liabilities	63.09	86.81

17 OTHER INCOME

Particulars	2021-22	2020-21
Interest income on financial asset		
From bank on deposits	108.33	24.74
From other	4.57	12.10
Sundry balances written back	2.22	4.04
Miscellaneous income	27.98	0.50
Reversal of expected credit loss	-	0.15
Profit on sale of investments	5.62	4.60
Profit on sale of assets	0.04	-
Total	**148.76**	**46.13**

18 COST OF RAW MATERIALS CONSUMED

Particulars	2021-22	2020-21
Opening stock of raw material	1,341.01	856.92
Addition on account of business combination	228.84	-
Add: Purchases	17,710.69	8,576.59
	19,280.54	**9,433.50**
Less: Insurance claim of raw material destroyed in floods	(84.46)	-
Less : closing stock of raw material	(2,032.95)	(1,341.01)
Total	**17,163.13**	**8,092.49**

(All figures are rupees in million unless otherwise stated)

19 PURCHASE OF STOCK-IN-TRADE

Particulars	2021-22	2020-21
i) Chemicals and other purchases	4,683.68	3,642.89
ii) Coal	25.02	9.67
Total	**4,708.70**	**3,652.56**

20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	2021-22	2020-21
Inventory of Work-in-progress at the beginning of the year	25.91	47.95
Addition on account of business combination	35.84	-
Less: Inventory of Work-in-progress at the end of the year	(21.36)	(25.91)
	40.39	**22.04**
Inventory of Finished goods at the beginning of the year	297.63	399.56
Addition on account of business combination	192.18	-
Less: Inventory of Finished goods at the end of the year	(987.80)	(297.63)
Less: Insurance claim of finished goods destroyed in floods	(113.56)	-
	(611.55)	**101.93**
Inventory of traded goods at the beginning of the year	195.93	67.32
Add: Foreign currency translation adjustments	3.63	2.17
Less: Inventory of traded goods at the end of the year	(375.53)	(195.93)
	(175.97)	**(126.44)**
Total	**(747.13)**	**(2.47)**

21 EMPLOYEE BENEFIT EXPENSES

Particulars		2021-22	2020-21
i)	Salaries, wages and bonus	776.30	675.45
ii)	Director's remuneration	156.05	127.79
iii)	Contribution to employees gratuity, leave encashment and other funds	57.34	59.62
iv)	ESOP compensation cost (Refer note 33)	231.32	46.36
v)	Staff welfare expenses	23.36	19.79
	Total	**1,244.37**	**929.01**

22 FINANCE COST:

Particulars		2021-22	2020-21
i)	Interest on financial liabilities at amortised cost	51.38	137.99
ii)	Unwinding of lease liability	5.19	7.08
iii)	Interest on direct taxes	6.23	3.35
iv)	Interest on indirect taxes	65.48	1.03
v)	Other borrowing costs	14.17	9.01
vi)	Amortisation of upfront fees	11.76	5.51
	Total	**154.21**	**163.97**

(All figures are rupees in million unless otherwise stated)

23 DEPRECIATION & AMORTIZATION

Particulars		2021-22	2020-21
i)	Depreciation (Refer note No 3.1. (a))	462.16	435.55
ii)	Deprecation on right-of-use assets	25.55	26.55
iii)	Amortisation	5.13	3.13
	Total	**492.84**	**465.23**

24 OTHER EXPENSES

Particulars	2021-22	2020-21
Power & fuels	1,874.87	963.00
Consumption of consumables stores and spares	197.23	137.86
Consumption of packing materials	176.85	153.17
Water charges	54.12	41.69
Labour charges	107.17	88.52
Inward freight charges	40.74	126.60
Outward export freight charges	881.79	252.65
Clearing and forwarding expenses	29.97	10.03
Repairs and maintenance		
Buildings	55.20	22.93
Machineries	48.50	48.71
Others	38.91	34.41
Transportation charges	496.78	383.39
Commission on sales	47.37	50.75
Advertisement	2.18	7.06
Director's sitting fees	2.00	2.00
Books and periodicals	0.05	0.03
Business promotion expenses	8.19	6.40
Commission to non-executive director	10.00	6.88
Computer maintenance	16.70	12.87
Conveyance expenses	5.03	4.18
Donation	0.12	0.16
CSR expenditure	22.80	41.88
General expenses	13.57	10.23
Inspection charges	3.65	3.93
Insurance charges	64.82	57.90
Membership & subscription	14.94	12.93
Postage & telegram	1.81	1.62
Professional & legal expenses	143.75	137.74
Printing & stationery	4.21	13.36
Rent	8.02	5.51
Rates & taxes	25.85	11.62
Security service charges	19.85	17.64
Travelling expenses	30.13	22.78
Telephone expenses	6.43	5.82
Vehicle expenses	35.24	29.72
Auditors' remuneration	3.96	3.39
Component auditors fees	4.89	6.66

(All figures are rupees in million unless otherwise stated)

Bank charges	34.67	26.08
Expected credit loss	90.17	-
Foreign Exchange loss	98.19	55.73
Loss on sale of assets	-	6.85
Other expenses	19.71	18.12
Indirect taxes paid	55.14	2.92
Total	**4,795.57**	**2,845.71**

(a) Auditors' remuneration comprises (net of tax input credit, where applicable) :

Particulars	2021-22	2020-21
To Statutory auditors		
For audit including consolidation and limited review	3.75	3.12
For certification and other services	0.21	0.27
Total	**3.96**	**3.39**

Note: Auditors' fees amounting to ₹ 4.00 million related to Initial Public Offer was debited to Securities Premium in Statement of Changes in Equity for the year ended March 31, 2021 .

25 TAX EXPENSE

a) Income tax expense in the statement of profit and loss consists of:

Particulars	2021-22	2020-21
Current Tax	655.18	277.13
Deferred tax	13.92	36.34
Income tax (excess)/ short provision of previous year	(54.71)	-
Income tax recognised in statement of profit or loss	**614.39**	**313.47**

b) The reconciliation between the provision of income tax of the group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A) Current Tax

Particulars		2021-22	2020-21
Profit before tax		3,178.94	1,584.11
Taxable Profit for Indian Entities		2,842.38	1,431.15
Taxable Profit for Foreign Entities		380.73	156.03
Non - Taxable Profit for Indian Entities		(1.56)	(2.69)
Non- Taxable Profit for Foreign Entities		(42.59)	(0.38)
Enacted tax rates in India (%)		25.15% to 34.94%	34.94%
Enacted tax rates for foreign subsidiary (%)		25.00%	20.54%
Computed expected tax expenses		1,117.79	541.91
Effect of non- deductible expenses		223.37	178.49
Effects of deductible Expenses		(152.48)	(151.01)
Tax incentives		(208.50)	(248.58)
		980.18	**320.81**
Less MAT credit utilised*		(325.00)	(43.68)
Income tax expenses - Net	**A**	**655.18**	**277.13**

*Includes mat credit not recognised in the books on principle of prudence, now recognised and utilised.

(All figures are rupees in million unless otherwise stated)

Particulars		2021-22	2020-21
Tax liability as per Minimum alternate tax on book profits			
Minimum alternate tax rate		17.47%	17.47%
Taxable Profit Eligible for MAT		2,816.56	1,513.22
Computed tax liability on book profits		492.11	264.39
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		22.64	0.55
Others		0.99	(0.22)
Minimum alternate tax on book profits	**B**	**515.01**	**264.00**
Higher of A or B		**655.18**	**277.13**

B) Deferred tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	On account of Business Combination	Recognised in profit and loss (Asset)/ liability	Closing
Property plant & equipment	(236.01)	-	(28.95)	(207.06)
Right-of-use assets (net)	(1.79)	-	(0.18)	(1.61)
Minimum alternate tax	68.06	-	43.67	24.39
Provision for doubtful advances and debts	10.73	-	0.06	10.67
Tax disallowances	26.32	-	9.15	17.17
Deferred tax of component	12.60	-	12.60	-
As at March, 31, 2021	**(120.09)**	**-**	**36.34**	**(156.44)**
Property plant & equipment	(207.06)	(46.78)	37.48	(291.32)
Right-of-use assets (net)	(1.61)	-	0.57	(2.18)
Unrealised profit on Intra group transactions	-	-	(20.75)	20.75
Item recognised in OCI	-	-	0.11	(0.11)
Unabsorbed losses	-	-	(1.13)	1.13
Minimum alternate tax	24.39	-	24.39	-
Provision for doubtful advances and debts	10.67	1.58	(25.33)	37.58
Tax disallowances	17.17	-	(1.42)	18.59
As at March, 31, 2022	**(156.44)**	**(45.20)**	**13.92**	**(215.56)**

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	2021-22	2020-21
Net Profit / (Loss) as per Statement of Profit and Loss	25,63.71	1,270.34
Outstanding equity shares at period end	26,36,62,773	26,36,62,773
Weighted average Number of Shares outstanding during the period – Basic	26,36,62,773	22,70,86,206
Weighted average Number of Shares outstanding during the period - Diluted	26,73,84,704	22,78,07,905
Weighted average number of shares as per para 26 of IND AS 33" Earning per Share"	26,73,84,704	22,78,07,905
Earnings per Share - Basic (₹)	9.72	5.58
Earnings per Share - Diluted (₹)	9.59	5.58

(All figures are rupees in million unless otherwise stated)

Reconciliation of weighted number of outstanding during the period:

Particulars	2021-22	2020-21
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	26,36,62,773	22,50,81,975
Add : Issue of equity shares	-	3,85,80,798
Total number of equity shares outstanding at the end of the period	**26,36,62,773**	**26,36,62,773**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	26,36,62,773	22,70,86,206
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	26,73,84,704	22,78,07,905

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 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.

(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

A Revenue expenses

Particulars	2021-22	2020-21
Employee benefits expense	50.63	35.68
Legal & professional fees	5.50	4.03
Other expenses	4.46	4.43
Utility expenses	3.84	6.73
Traveling expenses	4.28	4.03
Contract labor and Security service charge	4.32	3.48
Subscription	4.15	2.89
Repairs & maintenance	20.62	12.70
Depreciation and amortization expense	16.19	11.88
B Capital Expenditure		
Capital expenditure (Refer note 3.5)	11.96	41.81
Total	**125.94**	**127.67**

28 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars		As At March 31, 2022	As At March 31, 2021
(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 and ₹ 6.29 million (PY 0.20 million)	313.20	236.72
	(ii) Disputed Direct Taxes Matters - on account of disallowances / additions and default of TDS	7.03	4.74

(All figures are rupees in million unless otherwise stated)

	(iii) Other Dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (Py: ₹ 2.30 million)	4.53	4.53
	(b) Guarantees:		
	(i) Given on behalf of wholly owned subsidiaries to their Lenders	-	1,700.00
	(ii) Furnished by banks on behalf of the Group	76.64	75.14
(ii)	**Commitments**		
	(a) Capital Commitments- - Estimated amount of contracts remaining to be executed on capital account	878.08	566.38
	(b) Other Commitments - Contractual commitment towards purchase of equity shares	-	200.10
	(c) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding"	1,260.78	271.21
(iii)	**Letters of Credit**	**1,714.03**	**1,199.52**

(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. The facts are similer in the case of Yellowstone Chemical Private Limited, the step down subsidiary of the Company.

29 DISCLOSURE IN ACCORDANCE WITH IND AS – 108 "OPERATING SEGMENTS", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015.

The Group is engaged in chemicals business and is of the view that it is a single business segment in accordance with Ind AS 108 'Operating Segments' notified pursuant to Companies (Accounting Standards) Rules, 2015. There is no single customer or customer group which constitutes more than 10% of the total revenue of the Group.

30 DISCLOSURE IN ACCORDANCE WITH IND AS - 24 "RELATED PARTY DISCLOSURES", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015.

Details are given in statement B

31 DISCLOSURE ON CSR ACTIVITY

The Company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

Particulars		2021-22	2020-21
1	Gross amount required to be spent by the Company during the year.	25.10	20.18
2	Amount approved by the Board to be spent during the year		
	- Ongoing	15.54	20.18
	- Other than ongoing	9.56	-
3	Amount spent during the year on:		
(a)	- Construction/acquisition of any asset	-	-
(b)	- On purposes other than (a) above	10.00	22.21
	Total	**10.00**	**22.21**

(All figures are rupees in million unless otherwise stated)

	Excess Spent of previous year	2.03	-
4	Shortfall at the end of the year,	13.07	(2.03)
5	Total of previous years shortfall/(Excess),	-	(2.03)
6	Reason for shortfall- Nil		

7 Nature of CSR activities-

Particulars		2021-22	2020-21
a	Covid Relief	0.89	2.72
b	Flood Relief	0.92	-
c	Disaster Management	1.01	-
d	IT Support- Community Development	0.54	-
e	Water Support- Community Development	3.08	-
f	Waste Management	0.80	-
g	Mobile Health Unit	2.46	-
h	Contributions to public funded Universities	0.10	-
i	NAPS Training Cost - Skill Development	0.20	-
j	Administrative overhead	-	0.03
k	Corpus donation towards CSR activities	-	19.46
	Total	**10.00**	**22.21**
(i)	**Spent Details**		
	Amount spent on ongoing project	2.46	
	Amount spent on Other than ongoing project	7.53	
	Excess amount of Previous Year	2.03	
(ii)	**Total amount spent on other than ongoing**	**9.56**	

8 Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard,

Particulars		2021-22	2020-21
(a)	Laxmi Foundation	-	18.96
(b)	Smt. Laxmidevi Nathmal Goenka Charitable Trust	-	0.50

9 Disclosures under section 135(5) and 135(6)
A In case of S. 135(5) unspent amount

Particulars	2021-22	2020-21
Opening Balance	-	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent	9.56	-
Amount spent during the year(inclu Opening Excess)	9.56	
Shortfall / (Excess)	**-**	**-**

(All figures are rupees in million unless otherwise stated)

B In case of S. 135(6) (Ongoing Project)

Particulars		2021-22	2020-21
(a)	Opening Balance		
	- With Company	-	-
	- In Separate CSR unspent account	-	-
(b)	Amount transferred from Companys Bank account to Separate CSR unspent account	-	-
(c)	Amount required to be spent during the year	15.54	-
(d)	Amount spent during the year(inclu Opening Excess)		-
	- From Company's Bank Account	2.46	-
	- From Separate CSR unspent account	-	-
(e)	Carryforward to future years	13.08	-
(f)	Excess Spent during the year		-
(g)	Closing Balance		
	- With Company#	2.30	
	- In Separate CSR unspent account*	10.78	

* The Company has before the end of the balance sheet date transferred the amount to Unspent CSR Account of ₹ 10.78 million.
# The Company has since the balance sheet date transferred the amount to Unspent CSR Account of ₹ 2.30 million.

Note: The CSR expenditure of ₹ 2.3 million relating to one of the component relates to the period before acquisition of the component and formed part of pre-acquisition profit and loss.

32 IND AS 116 "LEASES"

(a) 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.

(b) Movement in right of use assets - Refer Note 3.4

(c) Movement in lease liabilities :

Particulars	2021-22	2020-21
Balance at the beginning	83.58	107.47
Finance cost incurred during the year	5.19	7.08
Payment of lease liability	(30.65)	(30.97)
Closing balance	**58.12**	**83.58**

(d) The Group 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.

(e) Undiscounted contractual maturities of lease liability:

Particulars	As At March 31, 2022	As At March 31, 2022
Less than one year	18.01	30.66
One to two years	10.27	37.60
Two to five years	28.03	33.49
More than five years	14.80	-
Total	**71.11**	**101.75**

(All figures are rupees in million unless otherwise stated)

(f) The following is the break-up of current and non-current lease liabilities:

Particulars	As At March 31, 2022	As At March 31, 2022
Current lease liability	17.79	25.88
Non-current lease liability	40.33	57.70
Closing balance	**58.12**	**83.58**

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 67,50,000 options, which may result in issue of not more than 67,50,000 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	42,45,540	11,43,263	3,01,664
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 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022 100%
Exercise period	7 years		

No options are exercised during the year ended March 31, 2022.

ii) Reconciliation of options granted under plan:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	56,90,470	-
Granted during the year	-	56,90,470
Exercised during the year	-	-
Number of options vested during the Period	17,20,466	
Lapes/Forfeited during the year	6,34,024	-
Outstanding at the end of the year	50,56,446	56,90,470
Options exercisable at the end of the year	17,20,466	-

(All figures are rupees in million unless otherwise stated)

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, 2022	Share options March 31, 2022
ESOP	Not Applicable*	100	37,56,016	42,45,540
RSU		2	10,09,669	11,43,266
Thank You Grant		2	2,90,761	3,01,664
Total			**50,56,446**	**56,90,470**

*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	2021-22	2020-21
ESOP compensation cost	231.32	46.36
Total expenses	**231.32**	**46.36**

34 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

	Particulars	As At March 31, 2022	As At March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Carrying value		Fair value	
a)	**Financial assets**				
	Amortised cost				
	Loans	13.91	118.76	13.91	118.76
	Investments	52.50	32.50	52.50	32.50
	Others	852.66	341.28	852.66	341.28
	Trade receivables	6,684.24	4,343.74	6,684.24	4,343.74
	Cash and cash equivalents	330.29	305.46	330.29	305.46
	Other bank balances	1,492.20	5,088.39	1,492.20	5,088.39
	Total financial assets	**9,425.80**	**10,230.13**	**9,425.80**	**10,230.13**

(All figures are rupees in million unless otherwise stated)

b)	**Financial liabilities**				
	Amortised cost				
	Borrowings	1,333.17	1,410.90	1,333.17	1,410.90
	Trade payables	7,116.63	4,749.59	7,116.63	4,749.59
	Lease liability	58.11	83.58	58.11	83.58
	Others	479.30	1,270.93	479.30	1,270.93
	Total financial liabilities	**8,987.21**	**7,515.00**	**8,987.21**	**7,515.00**

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, 2022 and March 31, 2021.

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.

		Fair value measurement using		
Particulars	**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-22	-	0.48	-
Forward contracts	31-Mar-21	-	26.44	-
Mutual funds	31-Mar-22	(40.00)	-	-
Mutual funds	31-Mar-21	(20.00)	-	-

36 FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks arising from its underlying operations and financial activities. The Group is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Group'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 Group has a Forex Risk Management policy under which all the forex hedging operations are done. The Group'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 Group 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.

(All figures are rupees in million unless otherwise stated)

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 Group 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 Group'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 Group 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 ₹ 117.05 and floating interest loan is ₹ 1209.29 (March 31, 2021: Fixed interest loan ₹ 176.53 million and Floating interest loan ₹ 2,083.30 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	2021-22		2020-21	
	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	8.59	0.53	13.93	1.03
Decrease in profit	(8.59)	(0.53)	(13.93)	(1.03)

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.

(All figures are rupees in million unless otherwise stated)

Financial assets for which loss allowance is measured:

Particulars	As At March 31, 2022	As At March 31, 2021
Trade receivables (Refer Note 4.2)	6,684.24	4,346.35
Allowances for credit loss (Refer Note 4.2 (a))	(86.99)	(57.41)

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, 2022 and March 31, 2021. 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, 2022				
Borrowings*	1,311.51	21.66	-	-
Trade payables	7,116.63	-	-	-
Other financial liabilities	479.30	-	-	-
	8,907.44	**21.66**	**-**	**-**
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**	**-**

*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, 2022 and as at March 31, 2021.

Note - Maturity profile of Lease liability is given in Note 32(f)

37 CAPITAL MANAGEMENT

The Group 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 Group 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, 2022	March 31, 2021
Gross debt*	1,333.17	2,269.72
Less:		
Cash and cash equivalent *	330.29	305.46
Net debt (A)	**1,002.88**	**1,964.26**
Total equity (B)	**10,350.43**	**10,350.44**
Gearing ratio (A/B)	**0.10**	**0.19**

*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.

(All figures are rupees in million unless otherwise stated)

38 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	97.06%	12,623.87	85.52%	2,183.62
Previous year	100.23%	(10,321.82)	112.05%	(1,143.82)
Subsidiary - Indian :				
Laxmi Lifesicences Private Limited				
Current year	0.00%	(0.21)	0.00%	(0.06)
Previous year	0.00%	(0.15)	0.00%	(0.05)
Viva Lifesicences Private Limited				
Current year	(0.01%)	(1.02)	0.11%	2.72
Previous year	0.04%	(3.75)	0.33%	(3.36)
Cellbion Lifesicences Private Limited				
Current year	(0.21%)	(27.36)	(0.05%)	(1.39)
Previous year	0.31%	(31.61)	0.74%	(7.53)
Saideep Traders				
Current year	0.06%	7.83	0.62%	15.95
Previous year	0.02%	(1.63)	(0.46%)	4.74
Yellowstone Fine Chemical Private Limited				
Current year	(0.01%)	(0.76)	0.00%	(0.04)
Previous year	0.01%	(0.72)	0.07%	(0.72)
Yellowstone Specility Chemical Private Limited				
Current year	0.00%	(0.11)	0.00%	(0.07)
Previous year	0.00%	(0.04)	0.00%	(0.04)
Acetyl Holidng Private Limited				
Current year	0.66%	85.94	3.37%	85.94
Previous year	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current year	(0.23%)	(30.49)	(1.25%)	(31.94)
Previous year	(0.02%)	1.90	(3.36%)	34.33
Laxmi Organic Industries (Europe) B.V.				
Current year	2.76%	358.92	12.07%	308.24
Previous year	(0.59%)	60.34	(9.40%)	96.01
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.				
Current year	(0.05%)	(6.24)	(0.23%)	(5.81)
Previous year	0.00%	(0.30)	0.04%	(0.42)
Laxmi Italy S.R.L				
Current year	(0.03%)	(3.68)	(0.14%)	(3.68)
Previous year	0.00%	-	0.00%	-

(All figures are rupees in million unless otherwise stated)

39 Disclosure related to interest in other entities as per IND AS 112 is given in Statement C.

40 The Board of Directors at their meeting held on May 04, 2022 has recommended dividend of ₹ 0.70 per share on the outstanding equity shares of nominal value of ₹ 2/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.

41 RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Group and the same is relied upon by the auditors.

42 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During the year under review, the Company has completed the acquisition of 100% equity share capital of Acetyls Holding Private Limited (AHPL) in accordance with terms of the Share Purchase Agreement dated December 09, 2020 and Prospectus dated March 18, 2021. With this acquisition, AHPL and its wholly owned subsidiary Company, namely, Yellowstone Chemicals Private Limited (YCPL) have become subsidiaries of the Company w.e.f. October 01, 2021. Subsequently, the Company has filed a scheme of Merger by Absorption of AHPL and YCPL with the Company to NCLT, Mumbai on November 25, 2021 and the Appointed Date of Merger is October 02, 2021. The proposed Merger by Absorption seeks to achieve operational and economic synergies that will be beneficial to the interest of shareholders, creditors and other stakeholders of all Companies. The Company has complied with all the directions issued by NCLT. In respect of the scheme of Merger, and thereafter the regulators, Official Liquidator (OL) and Registrar of Companies (ROC), have filed their reports before the NCLT and have no adverse observation. The Regional Director (RD) is expected to file its report with NCLT on the on or before May 05, 2022, being the date fixed for NCLT hearing (subject to further adjournments, if any). Pending final clearance of NCLT no effects are given in these Financial Statements.

43 Ind AS 103 Disclosure - During the year the group acquired 100% control over Acetyl Holding Private Limited on October 01, 2021 alongwith its 100% subsidiary Yellowstone Chemical Private Limited. The disclosure as per INDAS 103- Business Combination is given herein below.

Disclosure as required by Ind AS 103 – Business Combination

a)	The name and a description of the acquiree	Acetyl Holdings Private Limited (AHPL) alongwith its 100% subsidiary Yellow Stone Chemicals Private Limited (YCPL). YCPL is a Company engaged in the business of manufacturing chemicals having its plant at Mahad, Dist Raigad, State of Maharashtra.
b)	The acquisition date	October 01, 2021
c)	The percentage of voting equity interests acquired	100% equity stake of AHPL.
d)	The primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree	YCPL is in the similar line of business and the acquisition is aimed at gaining market share, consolidating the product lines and operations for efficiency and scale. The group acquired 100% equity stake of AHPL thereby controlling the business of YCPL.
e)	A qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors	As explained earlier, the acquisition results in gaining market share, consolidating the business and achieving scale and efficiency for the group. The acquisition has synergies of operations and therefore the Goodwill of ₹ 32.88 million justifies the recognition. The combined capacity of YCPL is approximately 52,000 MT p.a. of Ethyl Acetate and Acetaldehyde on the date of acquisition.
f)	The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration	The total Consideration paid is ₹ 400.10 million discharged as Cash Paid for acquisition of Equity Shares. There is no other contingent consideration or other consideration in the acquisition.
g)	Contingent Consideration	No contingent consideration is present in the acquisition of AHPL.
h)	Fair Value of Receivables	FV of receivables is ₹ 412.19 million. The entire amount is receivables and there will be no cases of non receipt of the amounts.

(All figures are rupees in million unless otherwise stated)

i)	The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	**Assets Recognised**
		PPE including CWIP - ₹ 386.75 million
		Inventory - ₹ 467.33 million
		Trade Receivable - ₹ 412.19 million
		Other Current Assets - ₹ 371.49 million
		Non-current Assets - ₹ 7.66 million
		GoodWill - ₹ 32.88 million
		Total - ₹ 1,678.30 million
		Liabilities Recognised
		Trade Payables - ₹ 1,002.90 million
		Loans - ₹ 96.55 million
		Other liabilities - ₹ 133.01 million
		Deferred Tax - ₹ 45.74 million
		Total - ₹ 1,278.20 million
j)	Contingent Liabilities on date of acquisition and its status	No contingent liability is disclosed. However, there is an ongoing matter on rate of Customs duty applicable on imports of Specially Denatured Spirit for which the Company has filed a writ in Mumbai High Court seeking clarification on the matter in line with the writ filed by the parent. The group does not expect any liability to crystalise in this regard.
k)	the total amount of goodwill that is expected to be deductible for tax purposes	The Goodwill is not tax deductible as the same is recognised in the Consolidated Financial Statements and is not available for set off against any source of income.
l)	for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination	NA
m)	Bargain Purchase disclosures	NA
n)	for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date	NA
o)	the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit and loss for the reporting period;	Amount of Revenue recognised in CFS is ₹ 2680.98 million PBT recognised is ₹ 122.60 million PAT recognised is ₹ 87.91 million OCI recognised is ₹ (1.38) million

44 Figures of the previous period have been regrouped/reclassified wherever necessary including to conform to current period's classification in order to comply with the requirements of amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

45 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 Group for the year ended March 31, 2022.

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 04, 2022

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
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

(All figures are rupees in million unless otherwise stated)

STATEMENT A- RETURNS/STATEMENTS SUBMITTED TO THE BANK AND FINANCIALS INSTITUTION
Financial Year :2021-22

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,834.60	1,669.10	165.50
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,690.50	5,699.80	(9.30)
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	3,653.16	3,654.10	0.94
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,900.90	1,843.10	57.80
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,734.60	4,729.50	5.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,898.01	2,783.40	(114.61)
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,640.89	2,503.10	137.79
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,863.04	6,938.70	(75.66)
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,995.42	4,867.90	(127.52)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,913.13	2,723.00	190.13
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,312.08	6,292.30	19.78
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,793.11	4,579.40	(213.71)

(All figures are rupees in million unless otherwise stated)

Financial Year :2020-21

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,373.10	1,207.90	165.20
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,049.40	3,026.20	23.20
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,952.12	1,952.67	0.55
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,105.20	1,002.80	102.40
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,358.00	3,299.90	58.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,904.50	2,209.59	305.09
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,350.40	1,190.30	160.10
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,038.00	2,947.51	90.49
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,981.18	1,972.35	(8.84)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,703.10	1,528.30	174.80
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,846.80	3,884.00	(37.20)
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,522.13	2,441.79	(80.34)

Reason for Differences

The information to the banks are sent much in advance of preparation of books of accounts for limited review/Audit. Certain estimations are made at the time of providing information to the banks.

(All figures are rupees in million unless otherwise stated)

(STATEMENT B RPT 1)

Disclosure in accordance with ind as - 24 “related party disclosure”, of the compabies (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	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Stepdown subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiaries
8	Yellowstone Fine Chemicals Pvt. Ltd.	Subsidiaries
9	Yellowstone Speciality Chemicals Pvt. Ltd.	Shareholder
10	Ravi Goenka Trustee of Yellowstone Trust	Step down subsidiary
11	Laxmi Italy S.R.L (WOS of Yellowstone Fine Chemicals Pvt Ltd (w.e.f. August 04,2021)	Subsidiaries
17	Yellowstone Chemicals Pvt. Ltd. (w.e.f October 02, 2021)	Subsidiaries
18	Acetyls Holding Private Limited (w.e.f October 02, 2021)	Subsidiaries
19	Laxmi USA LLC (formation is done, incorporation is under process)	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	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
2	Satej Naber (w.e.f. April 01, 2020)	Chief Executive Officer & Executive director
3	Harshvardhan Goenka (w.e.f. November 01, 2020)	Executive director
4	Rajeev Goenka	Non-Executive director
5	Rajiv Banavali (w.e.f. May 18, 2021)	Non-Executive director
6	Omprakash Bundellu	Independent Director
7	Manish Chokhani	Independent Director
8	Sangeeta Singh	Independent Women Director
9	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
10	Vasudeo Goenka (upto November 25, 2020) (Deceassed on December 08, 2021)	Chairman & Non-Exective Director
11	Partha Sudhir Roy Chowdhury	Chief Financial Officer
12	Purab Dhanvantray Shah (w.e.f. April 01, 2020)	Additional Director
13	Vinod Bhassin	Director

D Relatives of Key Management Personnel

1	Aditi Goenka
2	Aryavrat Goenka
3	Avantika Goenka
4	Manisha Goenka
5	Niharika Goenka
6	Vimladevi Goenka (Deceassed on October 27, 2021)

(All figures are rupees in million unless otherwise stated)

E Enterprises over which any person described in (C) 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	Merton Finance & Trading Pvt. Ltd
16	Yellowstone Chemicals Pvt. Ltd. (till September 30, 2021)
17	Acetyls Holding Private Limited (till September 30, 2021)
18	Laxmi Foundation
19	Yellowstone Clean Energy LLP
20	Cleanwin Energy Two Private Limited (Cleanwin Energy Two LLP was converted to Cleanwin Energy Two Private Limited w.e.f June 04, 2021)
21	Cleanwin Energy Three LLP
22	Cleanwin Energy Four LLP
23	Cleanwin Energy Five LLP
24	Cleanwin Energy Six LLP
25	Cleanwin Energy Seven LLP
26	Cleanwin Energy Eight LLP
27	Cleanwin Energy Nine LLP
28	Cleanwin Energy Ten LLP
29	Laxmi Bioenergy Ltd
30	Anugrah Investments Limited (w.e.f December 01, 2021)
31	R R investments (w.e.f December 27, 2021)
32	Yellowstone Oil & Gas Private Limited
33	Varadvinayak Multi Impex Pvt Ltd
34	Merton Finance & Trading Pvt. Ltd
35	Laxmi Petrochem

(All figures are rupees in million unless otherwise stated)

Statement B- RPT-2

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission to Non-Executive Directors	**2021-22**	-	-	10.00	-	-	10.00
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Interest Paid	**2021-22**	-	-	-	-	-	-
	2020-21	-	-	(0.68)	-	-	(0.68)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.68)	-	-	(0.68)
Donation	**2021-22**	-	-	-	-	0.20	0.20
	2020-21	-	-	-	-	(41.19)	(41.19)
Laxmidevi Nathmal Goenka Charitable Trust	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	2021-22	-	-	-	-	0.20	0.20
	2020-21	-	-	-	-	(40.69)	(40.69)
Rent & Other Expenses	**2021-22**	**-**	**0.10**	**13.60**	**-**	**0.73**	**14.44**
	2020-21	-	(0.39)	(0.76)	-	(1.28)	(2.43)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.73	0.73
	2020-21	-	-	-	-	(1.28)	(1.28)
Cleanwin Energy One LLP	2021-22	-	0.10	-	-	-	0.10
	2020-21	-	(0.39)	-	-	-	(0.39)
Vasudeo Goenka	2021-22	-	-	0.67	-	-	0.67
	2020-21	-	-	(0.33)	-	-	(0.33)
Harshvardhan Goenka	2021-22	-	-	6.18	-	-	6.18
	2020-21	-	-	-	-	-	-
Ravi Goenka	2021-22	-	-	1.36	-	-	1.36
	2020-21	-	-	-	-	-	-
Partha Sudhir Roy Chowdhury	2021-22	-	-	0.17	-	-	0.17
	2020-21	-	-	-	-	-	-
Vimladevi Vasudeo Goenka	2021-22	-	-	5.22	-	-	5.22
	2020-21	-	-	-	-	-	-
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.43)	-	-	(0.43)
Reimbursement of expenses charged	**2021-22**	-	-	-	-	0.10	0.10
	2020-21	-	-	-	-	(1.20)	(1.20)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	0.10	0.10
	2020-21	-	-	-	-	(1.20)	(1.20)
Sales	**2021-22**	**-**	**-**	**-**	**-**	**43.30**	**43.30**
	2020-21	-	-	-	-	(124.71)	(124.71)
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	43.30	43.30
	2020-21	-	-	-	-	(124.71)	(124.71)
Sale of Asset	**2021-22**	**-**	**-**	**-**	**-**	**1.31**	**1.31**
	2020-21	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	1.31	1.31
	2020-21	-	-	-	-	-	-
Purchases	**2021-22**	**-**	**22.79**	**-**	**-**	**-**	**22.79**
	2020-21	-	-	-	-	(43.45)	(43.45)
Cleanwin Energy One LLP	2021-22	-	22.79	-	-	-	22.79
	2020-21	-	-	-	-	-	-
Laxmi Petrochem	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(43.45)	(43.45)
Sitting Fees	**2021-22**	**-**	**-**	**2.00**	**-**	**-**	**2.00**
	2020-21	-	-	(2.05)	-	-	(2.05)
Vasudeo Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.12)	-	-	(0.12)
Rajeev Goenka	2021-22	-	-	0.30	-	-	0.30
	2020-21	-	-	(0.33)	-	-	(0.33)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.06)	-	-	(0.06)
Omprakash Bundellu	2021-22	-	-	0.38	-	-	0.38
	2020-21	-	-	(0.46)	-	-	(0.46)
Manish Chokhani	2021-22	-	-	0.35	-	-	0.35
	2020-21	-	-	(0.37)	-	-	(0.37)
Rajeev Vaidya	2021-22	-	-	0.33	-	-	0.33
	2020-21	-	-	(0.28)	-	-	(0.28)
Sangeeta Singh	2021-22	-	-	0.40	-	-	0.40
	2020-21	-	-	(0.43)	-	-	(0.43)
Salary	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	-	-	(4.74)	-	(4.74)
Harshvardhan Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	(4.74)	-	(4.74)
Directors Remuneration	**2021-22**	**-**	**-**	**167.84**	**-**	**-**	**167.84**
	2020-21	-	-	(144.29)	-	-	(144.29)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Ravi Goenka	2021-22	-	-	100.40	-	-	100.40
	2020-21	-	-	(78.90)	-	-	(78.90)
Harshvardhan Goenka	2021-22	-	-	24.29	-	-	24.29
	2020-21	-	-	(12.24)	-	-	(12.24)
Satej Nabar	2021-22	-	-	28.23	-	-	28.23
	2020-21	-	-	(43.78)	-	-	(43.78)
Purab Dhanvantray Shah	2021-22	-	-	7.76	-	-	7.76
	2020-21	-	-	-	-	-	-
Vinod Bhassin	2021-22	-	-	7.16	-	-	7.16
	2020-21	-	-	(9.37)	-	-	(9.37)
Advance given for purchase of investments	**2021-22**	**-**	**-**	**200.10**	**-**	**-**	**200.10**
	2020-21	-	-	(200.00)	-	-	(200.00)
Ravi Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(100.00)	-	-	(100.00)
Harshvardhan Goenka	2021-22	-	-	200.10	-	-	200.10
	2020-21	-	-	(100.00)	-	-	(100.00)
Capital Contribution	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	(12.50)	-	-	-	(12.50)
Cleanwin Energy One LLP	2021-22	-	-	-	-	-	-
	2020-21	-	(12.50)	-	-	-	(12.50)
Dividend Paid	**2021-22**	**88.35**	**-**	**-**	**5.78**	**2.35**	**96.48**
	2020-21	(70.33)	-	-	(0.55)	(5.37)	(76.25)
Ravi Goenka	2021-22	-	-	-	0.08	-	0.08
	2020-21	-	-	-	(0.05)	-	(0.05)
Rajeev Goenka	2021-22	-	-	-	0.24	-	0.24
	2020-21	-	-	-	(0.17)	-	(0.17)
Manisha Goenka	2021-22	-	-	-	5.08	-	5.08
	2020-21	-	-	-	-	-	-
Aryavrat Goenka	2021-22	-	-	-	0.38	-	0.38
	2020-21	-	-	-	(0.33)	-	(0.33)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	88.35	-	-	-	-	88.35
	2020-21	(70.33)	-	-	-	-	(70.33)
Ravi Goenka HUF	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(3.72)	(3.72)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	2.35	2.35
	2020-21	-	-	-	-	(1.65)	(1.65)
Share of promoter IPO expenses	**2021-22**	**8.63**	**-**	**-**	**-**	**-**	**8.63**
	2020-21	(94.20)	-	-	-	-	(94.20)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(94.20)	-	-	-	-	(94.20)
Balance Payable	**2021-22**	**8.63**	**0.78**	**0.25**	**-**	**0.53**	**9.97**
	2020-21	(26.63)	(0.39)	(6.50)	-	(18.19)	(33.64)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Cleanwin Energy One LLP	2021-22	-	0.78	-	-	-	0.78
	2020-21	-	(0.39)	-	-	-	(0.39)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(6.50)	-	-	(6.50)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(26.63)	-	-	-	-	(26.63)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.31	0.31
	2020-21	-	-	-	-	(0.12)	(0.12)
Laxmi Petrochem	2021-22	-	-	-	-	0.21	-
	2020-21	-	-	-	-	(18.07)	-
Commission Payable	**2021-22**	**-**	**-**	**10.00**	**-**	**-**	**10.00**
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Balance Receivable	**2021-22**	**-**	**-**	**12.02**	**-**	**7.29**	**19.31**
	2020-21	-	-	(9.35)	-	(3.06)	(12.41)
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	5.08	5.08
	2020-21	-	-	-	-	(0.86)	(0.86)
Pedestal Finance & Trading Pvt. Ltd.	2021-22	-	-	-	-	2.20	2.20
	2020-21	-	-	-	-	(2.20)	(2.20)
Vinod Bhassin	2021-22	-	-	12.02	-	-	12.02
	2020-21	-	-	(9.35)	-	-	(9.35)
Corporate Guarantee (As on last day of the period)	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2021-22**	**79.58**	**-**	**-**	**-**	**-**	**79.58**
	2020-21	**(164.50)**	**-**	**-**	**-**	**-**	**(164.50)**
Laxmi Petrochem Middle East FZE	2021-22	79.58	-	-	-	-	79.58
	2020-21	(164.50)	-	-	-	-	(164.50)

(All figures are rupees in million unless otherwise stated)

Statement C
Disclosure as per Ind 112 "Disclosure of Interest in Other Entities"

A The following table summaries the information relating to subsidiaries of the group.

(All figures are rupees in million unless otherwise stated)

Particulars	Laxmi Organic Industries (Europe) B.V.		Laxmi Petrochem Middle East FZE	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	2.33	1.11	0.76	0.74
Current assets	1,482.34	730.15	34.49	352.17
Non-current liabilities	-	-	-	-
Current liabilities	971.38	497.16	65.07	350.31
Net assets	**513.29**	**234.10**	**(29.82)**	**2.60**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	4,394.68	1,656.53	285.78	982.22
Profit for the year	287.49	96.01	(31.94)	34.33
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Cellbion Lifesciences Pvt. Ltd.		Saideep Traders	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	49.80	80.47	86.04	98.15
Current assets	0.20	0.18	182.93	150.41
Non-current liabilities	21.46	66.64	42.63	47.92
Current liabilities	0.02	0.03	180.96	122.92
Net assets	**28.52**	**13.98**	**45.37**	**77.73**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	440.10	123.77
Profit for the year	14.54	(1.88)	15.11	4.44
Profit/(Loss) allocated to NCI	(15.93)	(5.64)	0.84	0.30
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Yellowstone Fine Chemical Pvt. Ltd.		Viva Lifesciences Pvt. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	894.14	144.76	1,281.78	878.96
Current assets	303.09	101.46	49.82	40.27
Non-current liabilities	-	-	-	-
Current liabilities	1,146.99	245.94	1,330.46	922.88
Net assets	**50.24**	**0.28**	**1.15**	**(3.65)**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	10.00	-	-	-
Revenue	-	-	109.66	14.88
Profit for the year	(0.04)	(0.72)	3.90	3.62
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	(3.49)
OCI allocated to NCI	-	-	-	-

(All figures are rupees in million unless otherwise stated)

Particulars	Laxmi Lifesciences Pvt. Ltd.		Yellowstone Speciality Chemical Pvt. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	-	-	-	-
Current assets	0.02	0.02	0.93	1.00
Non-current liabilities	0.03	0.03	-	-
Current liabilities	0.10	0.04	0.03	0.04
Net assets	**(0.11)**	**(0.05)**	**0.89**	**0.96**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	-	-
Profit for the year	(0.06)	(0.05)	(0.07)	(0.04)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.		Laxmi Italy S.r.l.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	-	-	0.21	-
Current assets	3.26	6.45	2.30	-
Non-current liabilities	-	-	(1.14)	-
Current liabilities	6.16	3.54	0.51	-
Net assets	**(2.90)**	**2.91**	**3.13**	**-**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	8.80	10.97	-	-
Profit for the year	(5.81)	(0.42)	(3.68)	-
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Acetyl Holding private Limited	
	March 31, 2022	March 31, 2021
Non-current assets	360.79	-
Current assets	501.72	-
Non-current liabilities	(1.07)	-
Current liabilities	499.48	-
Net assets	**364.10**	**-**
Net assets attributable to NCI	-	-
Contingent Liabilities	1,581.00	-
Revenue	2,680.98	-
Profit for the year	87.91	-
Profit/(Loss) allocated to NCI	-	-
Other comprehensive income	-	-
OCI allocated to NCI	-	-

Notice

Notice is hereby given that the 33rd Annual General Meeting of the Company is scheduled to be held on **Friday, July 29, 2022** at **11.00 am** through video conferencing (VC) / others Audio-Visual (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, 2022, 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, 2022, the reports of the auditors thereon and in this connection, and 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, 2022 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, 2022 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 35% (₹ 0.70 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, 2022, to whose name appears on the register of members of the Company as on July 15, 2022 ('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, 2022 or to their mandates."

3. To appoint Director in place of Mr. Rajeev Goenka (DIN 00059346) 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. Rajeev Goenka (DIN 00059346), 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, 2023, 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, 2023, be and is hereby ratified."

5. To approve the re-appointment of Ms. Sangeeta Singh (DIN 06920906) 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 a **Special 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 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Regulation 17, of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("SEBI LODR"), (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Sangeeta Singh (DIN 06920906), who was appointed as an Independent Director of the Company at 28th Annual General Meeting and who holds office up to the date of this Annual General Meeting and who is eligible for being re-appointed as an Independent Director, and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years from the conclusion of 33rd Annual General Meeting up to the conclusion of the 38th Annual General Meeting of the Company in FY28. Ms. Sangeeta Singh shall be entitled to receive sitting and other fees for attending meetings of the Board or any committees thereof, such other annual remuneration including commission as may be determined by the Board from time to time."

6. To approve the revision in the remuneration of Mr. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN 08239696) for FY23 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 FY23 w.e.f. April 01, 2022 from present ₹ 21.50 million (CTC) to ₹ 23.01 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 FY23, 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 FY23, 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 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 FY23 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 FY23 w.e.f. April 01, 2022 from present ₹ 25.21 million (CTC) to ₹ 26.72 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 FY23, 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 FY23, 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 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 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 FY23 w.e.f. April 01, 2022 as under:

   a. The Annual fixed remuneration to be paid to Mr. Ravi Goenka, during FY23 with effect from April 01, 2022, shall be revised and increased from present ₹ 50.40 million (CTC) to ₹ 54.94 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:

      1. Rent free accommodation (fully furnished).
      2. Leave Travel Allowance for expenses actually incurred for 2 trips in a block of 4 years for self and family member.
      3. Reimbursement of Hospitalization charges and Medical Expenses actually incurred in India on the director and his family members in any hospital.
      4. Leave encashment as per the Company's policy.
      5. Expenses actually incurred on Gas, Electricity, Water, Furnishings and telephone not exceeding ₹ 2.50 million per annum.
      6. Club Fees and Entertainment expenses on actual basis.
      7. Personal Accident Insurance and Keyman Insurance Policy.
      8. 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 FY23 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 FY23, 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 all the other terms of appointment of Mr. Ravi Goenka, except the remuneration as revised above shall remain unchanged."

By Order of the Board of Directors
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : May 04, 2022
Place : Mumbai

Aniket Hirpara
Company Secretary and Compliance Officer

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 and Circular no. 03/2022 dated May 05, 2022 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 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 and SEBI/HO/CFD/CM2/CIR/P/2022/62 dated May 13, 2022 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 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.

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 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 July 15, 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, 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 August 03, 2022 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 July 15, 2022;

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 2021-2022 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories.

   In case any member is desirous of obtaining hard copy of the Annual Report for FY22 and Notice of the 33rd AGM of the Company, may send request to the Company's e-mail address at investors@laxmi.com mentioning Folio No./DP ID and Client ID.

   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 Friday, July 15, 2022 to receive the Notice of the AGM along with the Annual Report 2021-22 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 www.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 rnt.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 Wednesday, July 27, 2022 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 01, 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.com by 11:59 p.m. IST on July 17, 2022. Shareholders 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 investors@laxmi.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 17, 2022.

15. VOTING THROUGH ELECTRONIC MEANS

i. The procedure and instructions for remote e-Voting are as under:

Pursuant to SEBI circular dated December 09, 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 June 09, 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 & e-Voting 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 & e-Voting service provider is LINKINTIME, have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o 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 above mentioned depository/ depository participants website.

  » It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

  » For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

  » During the e-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 & e-Voting service Provider is LINKINTIME.

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

16. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide 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. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/ Company.

Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

InstaMeet Support Desk
Link Intime India Private Limited

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/ https://meetingsapac30.webex.com/webappng/sites/meetingsapac30/dashboard?siteurl=meetingsapac30

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

17. Details of Directors seeking appointment/re-appointment at the 33rd AGM to be held on Friday, July 29, 2022 (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. Rajeev Goenka
Date of Birth	August 04, 1967
Date of First Appointment	August 12, 1994
Qualification	B.Com, MBA
Experience	Mr. Rajeev Goenka has been associated with our Company since August 12, 1994 and has approximately 28 years of experience in the chemicals industry, 23 years of experience in the renewable energy, and 19 years of experience in the field of education. He is the founding member of, and a director on the board of directors of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russel Square International College. He is also a trustee of the Laxmidevi Nathmal Goenka Charitable Trust.
Terms & Conditions of Re-Appointment	In terms of Section 152(6) of the Act, Mr. Rajeev Goenka who was re-appointed as a Director at the 27th Annual General Meeting held on September 29, 2016 is liable to retire by rotation at the Meeting.
Remuneration last drawn (including Sitting Fees, if any)	₹ 0.25 million
Remuneration proposed to be paid	Mr. Rajeev Goenka will be eligible to receive sitting fees and commission (within the ceiling limit of 1% of the Net Profit as computed in the manner laid down in Section 198 of the Companies Act, 2013) as approved by the Nomination & Remuneration Committee and Board of Directors from time to time.
Shareholding in Company	109,437 Equity Shares

Relationship with other Directors / Key Managerial Personnel	Mr. Rajeev Goenka is brother of Mr. Ravi Goenka, Chairman & Managing Director of the Company and uncle of Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy.
No of Meetings of the Board Attended during FY22	5 (Five)
Other Directorships held as on March 31, 2022	1. Maharashtra Aldehydes & Chemicals Limited 2. Alumi Profiles Private Limited 3. Laxmi Bioenergie Limited 4. Laxmi Capital Services Private Limited 5. Suvas Holding Limited 6. Amrutsagar Constructions Private Limited 7. Anugrah Investments Limited 8. Aqua Mischief Private Limited 9. Brady Investments Private Limited 10. Krishna Meadows Private Limited 11. Laxmi Tank Terminal Private Limited 12. Merton Finance & Trading Private Limited 13. Ojas Dye-Chem (India) Private Limited 14. Unity Portfolio Private Limited 15. International Knowledge Park Private Limited 16. Arch Shelters LLP 17. Sherry Securities Private Limited 18. Starsilver Mercantile Company Private Limited 19. Alphakids Learning Centres Private Limited
Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2022	NA
Name	Ms. Sangeeta Singh
Date of Birth	December 10, 1959
Date of First Appointment	September 04, 2017
Qualification	Master's Degree in Behavioral Psychology, Harvard Business School
Experience	Ms. Sangeeta Singh serves as an Independent Director on the boards of several renowned companies. She has over 35 years of experience in Human Resources, Communications and Operations. She was previously a Partner & Head of Human Resources in KPMG India.
Remuneration last drawn (including Sitting Fees, if any)	2.46 million
Remuneration proposed to be paid	Ms. Sangeeta Sing will be eligible to receive sitting fees and commission (within the ceiling limit of 1% of the Net Profit as computed in the manner laid down in Section 198 of the Companies Act, 2013) as approved by the Nomination & Remuneration Committee and Board of Directors from time to time.
Shareholding in Company	NIL
Relationship with other Directors / Key Managerial Personnel	Ms. Sangeeta Singh is not related to any Board members
No of Meetings of the Board Attended during FY22	4
Other Directorships held as on March 31, 2022	1. Alkem Laboratories Limited 2. SH Kelkar and Company Limited 3. Accelya Solutions India Limited 4. Crystal Crop Protection Limited 5. Keva Fragrances Private Limited
Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2022	3

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, 2023 on the remuneration ₹ 0.17 million(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, 2023.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially 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 an Ordinary Resolution.

ITEM NO. 5:

Based on recommendation of Nomination and Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company proposes the re-appointment of Ms. Sangeeta Singh (DIN 06920906) as Independent Director not liable to retire by rotation, for a second term of 5 years from the conclusion of this 33rd Annual General Meeting up to the conclusion of the 38th Annual General Meeting of the Company in the FY28. Ms. Sangeeta Singh was appointed as Non-executive Independent Director at the 28th Annual General Meeting of the Company and holds office up to the conclusion of this 33rd Annual General Meeting. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing her candidature for the office of Independent Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given her background, experience and contribution, the continued association of Ms. Sangeeta Singh would be beneficial to the Company, and it is desirable to continue to avail her services as Independent Director.

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 Ms. Sangeeta Singh that she 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, Ms. Sangeeta Singh who is proposed to be re-appointed as an Independent Director of the Company for the period of 5 consecutive years up to the conclusion of the 38th Annual General Meeting of the Company in the FY28, fulfils the conditions specified under Section 149(6) and Schedule IV of the Act and is Independent of the management.

Details of Ms. Sangeeta Singh 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.("ICSI")

Ms. Sangeeta Singh shall be paid remuneration by way of sitting fees 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 Ms. Sangeeta Singh 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 Ms. Sangeeta Singh forms part of the Notes to the Notice.

The Board further considers that Ms. Sangeeta Singh 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 an Special Resolution.

Except Ms. Sangeeta Singh, 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 Directors at their meeting held on May 04, 2022, approved an increase in the annual remuneration to be paid to Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy (DIN: 08239696) during FY23 with effect from April 01, 2022 from present ₹ 21.50 million (CTC) to ₹ 23.01 million as per the following remuneration structure:

CTC Component	Annual Amount (₹ in million)
Basic	6.71
HRA	3.35
Canteen Allowance	0.03
Education Allowance	0.00
Fuel Reimbursement	0.78
LTA	0.56
Bonus	0.04
Other Allowances	6.57
Gratuity	0.32
Provident Fund	0.81
Total Fixed Pay	**19.17**
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)	3.84
Total CTC (Total Fixed Pay + PLI)	**23.01**

The overall increase in the Annual CTC of Mr. Harshvardhan Goenka for FY23 is 7%.The other terms of appointment of Mr. Harshvardhan Goenka shall remain unchanged.

The revision in the remuneration 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. 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 a Special Resolution.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Executive Director requires approval of the Members.

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 Directors at their meeting held on May 04, 2022, approved an increase in the annual remuneration to be paid to Mr. Satej Nabar, Executive Director & Chief Executive officer (CEO) (DIN 06931190), during FY23 w.e.f. April 01, 2022 from present ₹ 25.21 million (CTC) to ₹ 26.72 million (CTC) as per the following remuneration structure:

CTC Component	Annual Amount (₹ in million)
Basic	9.20
HRA	4.60
Canteen Allowance	0.03
Education Allowance	0.00

Fuel Reimbursement	0.42
LTA	0.77
Other Allowances	4.57
Gratuity	0.44
Provident Fund	1.10
Total Fixed Pay	**21.13**
Performance Linked Incentive (PLI) (PLI is dependent on Company Policy and will be determined and payable by the Management at the end of the year based on the performance of the Company as well as Individual. No separate approval of shareholders will be required, If PLI exceeds beyond 100%)	5.59
Total CTC (Total Fixed Pay + PLI)	**26.72**

The overall increase in the Annual CTC of Mr. Satej Nabar for FY23 is 6%. The other terms of appointment of Mr. Satej Nabar shall remain unchanged.

The revision in the remuneration 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. 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 a Special Resolution.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Executive Director requires approval of the Members.

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 Directors at their meeting held on May 04, 2022, approved the revision in the payment of remuneration of Mr. Ravi Goenka, Chairman and Managing Director (DIN 00059267) as specified in the resolution. The overall percentage increase in the Annual CTC (excluding commission) is 9%.

The revision in the remuneration 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.

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.

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.

LAXMI ORGANIC INDUSTRIES LTD

Registered Office :
A-22/2/3, MIDC, Mahad,
Dist Raigad – 402309

TIL Advisors Product