



## LAXMI ORGANIC INDUSTRIES LTD

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July 8, 2024

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 2023-24 including notice of 35<sup>th</sup> Annual General Meeting and BRSR**

Please see enclosed Annual Report of the Company for the financial year ended March 31, 2024, including the notice convening the 35<sup>th</sup> Annual General Meeting and Business Responsibility and Sustainability Report.

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**

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**Aniket Hirpara**

Company Secretary and Compliance Officer

**Encl.: A/a**



**Customer-Focussed.  
Innovation-Driven.  
Expansion-Bound.**

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# CUSTOMER-FOCUSSED. INNOVATION-DRIVEN. EXPANSION-BOUND.

Laxmi Organic is primed for its next phase of growth, fuelled by unwavering resilience and passion to succeed. Grounded in a philosophy that places customers at the heart of all our endeavours, we are driven by understanding the ever-changing landscape in which our customers operate and solving for their needs. While this provides us with innumerable opportunities, it comes with the responsibility of investing in innovation, expansion and sustainability.



**08**  
Manufacturing



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Our mantra is: understand customers and build deep relationships, and work to pioneer transformative solutions that redefine the status quo. The commitment to solve for our customers accompanied by our curiosity, we push the boundaries of possibilities, delivering unique solutions. Additionally, through strategic expansion into new products, we are moving towards industry leadership.

As we navigate the ever-evolving domain of the chemical industry, we remain devoted to being 'Customer-Focussed, Innovation-Driven, and Expansion-Bound'. With each step forward, we harness the power of initiative and determination to shape a brighter, more prosperous future for all.

**Disclaimer:** This document contains statements about expected future events and financials of Concord Biotech Limited ('The Company'), which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to this disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

About Us

# A LEGACY OF INNOVATION & GROWTH

Leading Supplier of Essentials in India and amongst top 3 players globally (ex. China)  
 Leading Supplier of Specialties in India and amongst top 5 players globally

Since our inception in 1989, we have been on a journey of transformation. Laxmi Organic (also referred to as 'Laxmi Organic' or 'Our Company') is a prominent player in the chemical industry, with a demonstrated history of building state-of-the-art assets to cater to the needs of a global and diverse customer base. This year, we have taken the approach of customer interaction models and consolidated our products into two distinct business units, namely Essentials and Specialties.

## Our Products Serve Diverse Applications

- 
**Pharmaceutical**  
 For synthesising active pharmaceutical ingredients, formulating excipients, and manufacturing various drug formulations.
- 
**Packaging**  
 Includes plastics, aluminium coatings, and protective coatings to ensure product safety and preservation.
- 
**Agrochemicals**  
 Employed as fertilisers to enhance soil fertility, pesticides to protect crops from pests, herbicides to control weeds, and plant growth regulators to optimise crop yields.
- 
**Dyes**  
 Imparts desired colours to textiles, printing materials, cosmetic products, and food colourants for aesthetic appeal and identification.
- 
**Inks & Paints**  
 Provides pigmentation, adhesion, and durability for printing, writing, and surface coatings on various substrates.
- 
**CASE (Coatings, Adhesives, Sealants, and Elastomers)**  
 CASE chemicals are used in construction for coatings, adhesives, and sealants, as well as in the automotive and industrial sectors for coatings, adhesives, sealants, and elastomeric materials.

Our focus on delivering innovation, sustainability and solutions has helped us deliver profitable growth. As signatories to Responsible Care, a voluntary commitment by the global chemical industry to achieve excellence in environmental, health, and safety performance, our commitment to EHS is as old as our existence.

50+

Products

680+

Active Customers

4

Manufacturing Units  
(ex. distilleries)

30+

Years of Legacy

950+

Employees



### Vision

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



### Mission

To consistently add value to our customer's lives by providing best-in-class solutions, while also being responsible towards the environment.



### Values

#### Integrity

**Honesty and respect are in our DNA**

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



#### Customer Centricity

**Our world revolves around the customer**

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



#### Innovation

**We will innovate to get ahead**

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



#### Sustainability

**We aim for a greener tomorrow**

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

## Strengths

### Customer-Led Innovation

Our client-centric approach and focus on product stewardship have aided in the growth and consolidation of their customer base. Through the implementation of customer-centric practices, we have been able to develop unique business strategies that have enabled us to maintain a competitive edge over time.

### Environmental Stewardship

Our legacy of three decades is deeply rooted in the values of quality, safety, and sustainability. In the fiscal year 2023-24, we underwent a comprehensive assessment by industry experts and assessors, successfully retaining the Responsible Care certification for another three years. Additionally, Laxmi Organic has been an early adopter of green energy, with a significant portion of energy consumed at our manufacturing locations sourced from renewable sources such as hydro, wind, and solar power.

### Strong Ties with Global Leaders

Our robust and diverse client base includes partnerships with global industry leaders across various sectors. We believe our local presence in such international markets facilitates our sales, marketing, and business development activities and provides us with timely insights into the economic, product requirements, and regulatory environment in such markets.

### Innovation-Focussed

We believe that research and development of new products are the cornerstones of meeting our customers' requirements and the most important strengths of our business. Our technology development efforts and execution capabilities have enabled us to not only garner a leading position in the domestic Specialty market but also make us a leader in several product groups globally.

## Product Portfolio

# ENHANCING OUR PRODUCT PORTFOLIO

We employ a collaborative approach to product and chemistry development. Close coordination with existing and prospective clients has not only enabled us to offer a comprehensive array of top-notch chemical solutions tailored to meet varying industry needs and specific customer requirements but also strengthened our product portfolio and diversified our business across industry segments.

Customers with the leading requirement of lean and reliable supply model are catered to by our Essential Business Unit while customers for whom innovation and development play a more important role are served by our Specialties Business Unit.

## Essentials

The Essentials business vertical at Laxmi Organic stands as a cornerstone of our operations, making a substantial contribution to our revenue stream. Through our extensive manufacturing capacity, backward integration for utility and raw materials, consistent de bottlenecking efforts, and strategic investments, we have emerged as a leading producer of Acetyl Intermediates in India.

### Key Products

- Ethyl Acetate
- Acetic Anhydride
- Acetaldehyde
- Fuel-Grade Ethanol
- Other Proprietary Solvents

### Competitive Advantage

- Lean & reliable supplier
- Top supplier in India and amongst top 3 players globally (ex. China)
- Large addressable market of US\$ 12 Bn
- Proximity to ports with the ability to handle large volumes provides cost efficiencies
- Economy of scale and cost leadership

### Industry Applications

- Pharmaceuticals
- Agrochemicals
- Inks & Paints
- Coatings
- Printing
- Packaging
- Adhesives
- Flavours and Fragrances

### 2023-24 Performance

In 2023-24, despite market volatility and price fluctuations, our Essential business demonstrated strength and robust performance. We maintained our leading market position in India and retained our status as a Tier-I supplier in Europe. Our focus remained on operational excellence, harnessing data analytics to optimise asset utilisation and other operational metrics.

### Financials (in ₹ Mn)

2023-24	19,818
2022-23	19,716
2021-22	21,307
2020-21	11,654

**30%**  
Contribution to Revenue in 2023-24

**33%**  
Contribution to Profits in 2023-24



## Specialties

Our Specialties business vertical specialises in downstream derivatives of ketene, diketene, fluorine intermediaries, and other chemicals requiring robust process and technical capabilities. With a strong track record of reliability and high-quality supplies, we have secured multiple long-term contracts with several global customers. Since the business started in 2011, we have expanded our product portfolio and production capacity, by moving up the value chain. Holding the largest market share in the domestic market, we are strategically positioned to capitalise on opportunities through strong integration and synergies.

### Key Products

- Ketene and Diketene Derivatives
- Esters
- Amides and Arylides
- Fluorospeciality Intermediates

### Competitive Advantage

- Backward integration and common raw materials with Acetyl Intermediates enable cost-efficient procurement
- World-class technology platforms
- Large addressable market of US\$ 3.5 Bn
- Innovation and a strong focus on R&D
- Captive power generation facilities, including renewable sources, provide cost efficiencies
- A strong focus on R&D leads to enhanced in-house product development capabilities

### Industry Applications

- Pharmaceuticals
- Agrochemicals
- Dyes & Pigments
- Paints and Coatings

### Performance in 2023-24

In our Specialties business, we have exemplified our dedication to innovation by making substantial investments in research & development. This commitment aims to broaden our product portfolio, ultimately enhancing customer value. With a robust product mix, we are steadily progressing in alignment with our strategic goals. Moreover, the upcoming launch of the Fluorine Intermediates business starting in 2024-25 will further expand our speciality product basket, ensuring sustained growth and diversification.

### Revenue (in ₹ Mn)

2023-24	8,427
2022-23	7,191
2021-22	7,510
2020-21	4,406

**70%**  
Contribution to Revenue in 2023-24

**67%**  
Contribution to Profits in 2023-24



Manufacturing

# EXPANDING MANUFACTURING HORIZONS

Laxmi Organic operates multiple manufacturing sites across India, strategically positioned near key ports. This placement enables cost-effective and efficient import of raw materials and export of products to international customers. Equipped with state-of-the-art infrastructure and cutting-edge technology, our facilities uphold high production standards, ensuring the timely delivery of our diverse product range.



Mahad, Raigad District



Lote Parshuram, Ratnagiri District



Dahej (Upcoming)

### Key Advantages

- 4 manufacturing facilities
- Responsible Care Certification by the Indian Chemical Council (ICC)
- Mahad plant's strategic location near Jawaharlal Nehru (Nhava Sheva) Port, JSW Port, and Mumbai Port, providing cost and logistical advantages
- Accreditation received for ISO 45001:2018, ISO 9001:2015, and ISO 14001:2015 standards
- 50% of the land is available for further expansion at the Lote site.
- 80% of the land will be available in Dahej after the first phase of expansion.
- Distilleries located close to sugar mills, ensuring ease of supply of molasses and reducing transportation costs
- Storage tanks in Rotterdam (Netherlands), Antwerp (Belgium), and Genoa (Italy) for the storage of finished products, enabling delivery on short notice

### Business Update

Our Lote capital expenditure of ₹ 5,500 Mn will be capitalised in 2024-25 and our spend on the Dahej manufacturing site, with investments amounting to ₹ 7,100 Mn, will start in 2024-25. These investments will not only grow our product portfolio and business diversity but also provide business continuity via infrastructure enhancement. While these projects focus on enhancing and augmenting our technology capabilities, there is also significant emphasis on Environmental, Health and Safety (EHS) standards.

Furthermore, significant progress has been achieved with our Miteni Technology integration at the Lote Plant, meeting quality standards and regulatory norms for the next important product utilising this technology in Q3 of 2023-24.

These strategic investments are in line with our overarching goal of diversifying our product portfolio, particularly in Specialties and Essentials chemicals, to effectively address the increasing demand in both domestic and international markets.



International Presence

# SERVING GLOBAL NEEDS

We have established a global presence in diverse markets, enabling us to effectively cater to a wide range of customers and industries worldwide. Leveraging our international presence, we have expanded our market reach, facilitated business growth, and solidified our standing as a trusted supplier of specialty chemicals and intermediates on a global scale.

**30%**

Exports Contribution to Overall Sales

**50+**

Country Presence

**34%**

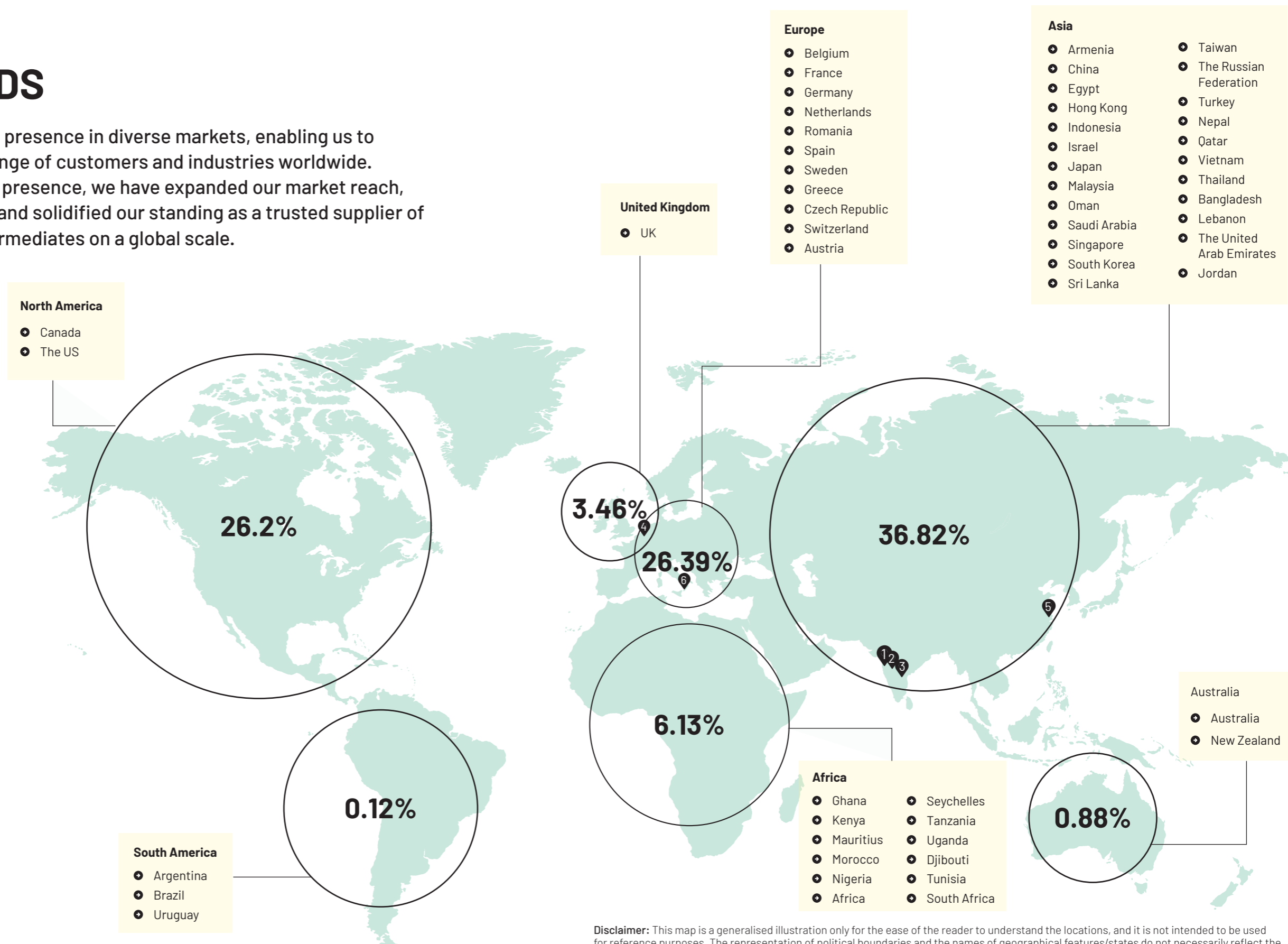
3-Year CAGR Growth in Exports

**680+**

Clients Served

Offices Around the Globe

- 1 Mumbai (India)
- 2 Pune (India)
- 3 Hyderabad (India)
- 4 Amsterdam (The Netherlands)
- 5 Shanghai (China)
- 6 Rome (Italy)



**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers, or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.



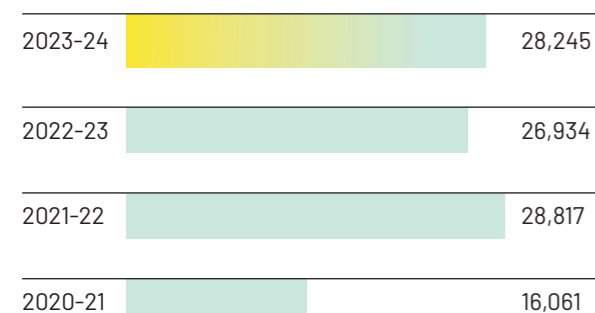
Financial Highlights

# EMPOWERING GROWTH THROUGH FINANCIAL MANAGEMENT

Our financial performance emphasises our commitment to driving long-term sustainable growth. Despite facing challenging market conditions, we have remained indomitable in our pursuit of operational excellence, portfolio optimisation, and strategic capital allocation. Our robust financial position empowers us to seize promising growth prospects while delivering value to our stakeholders through disciplined capital management and prudent investment strategies.



### Revenue from Operations (in ₹ Mn)



↑ 5% Y-o-Y

21% 3 year CAGR

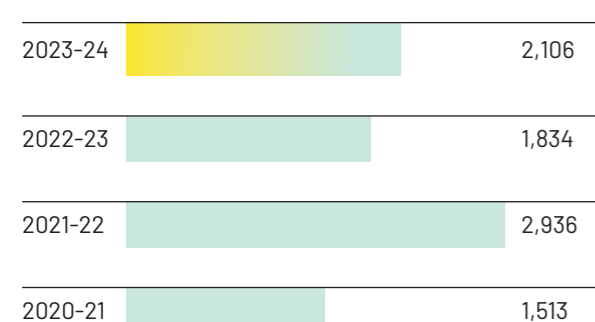
### EBITDA (in ₹ Mn)



↑ 11% Y-o-Y

10% 3 year CAGR

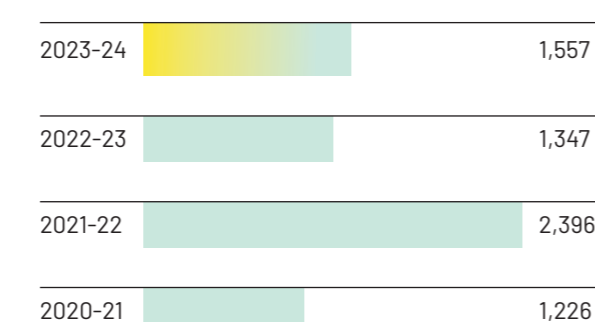
### PBT (in ₹ Mn)



↑ 15% Y-o-Y

12% 3 year CAGR

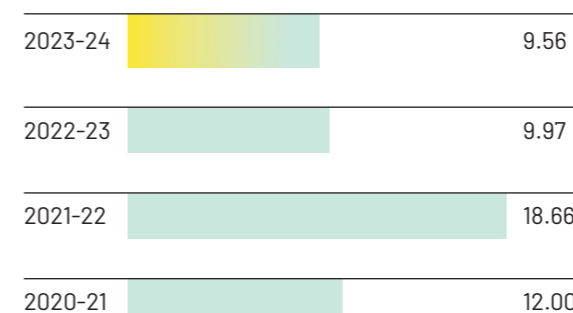
### PAT (in ₹ Mn)



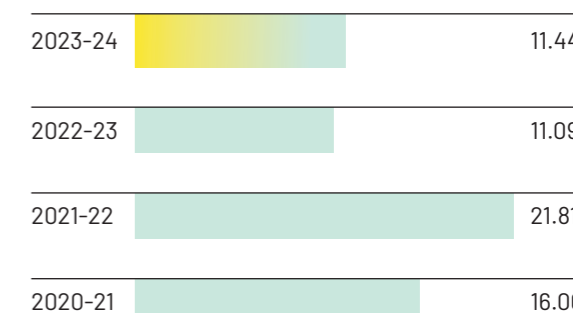
↑ 16% Y-o-Y

8% 3 year CAGR

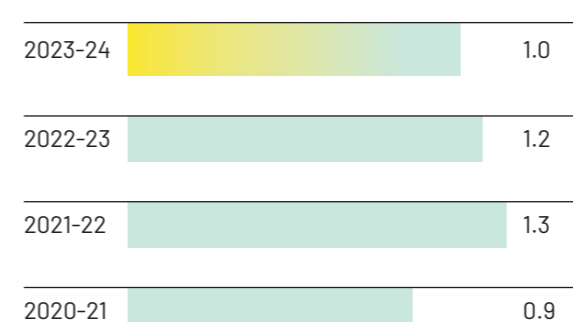
### ROE (%)



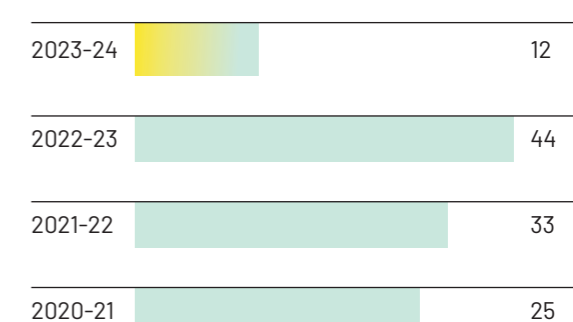
### ROCE (%)



### Asset Turnover (in X)

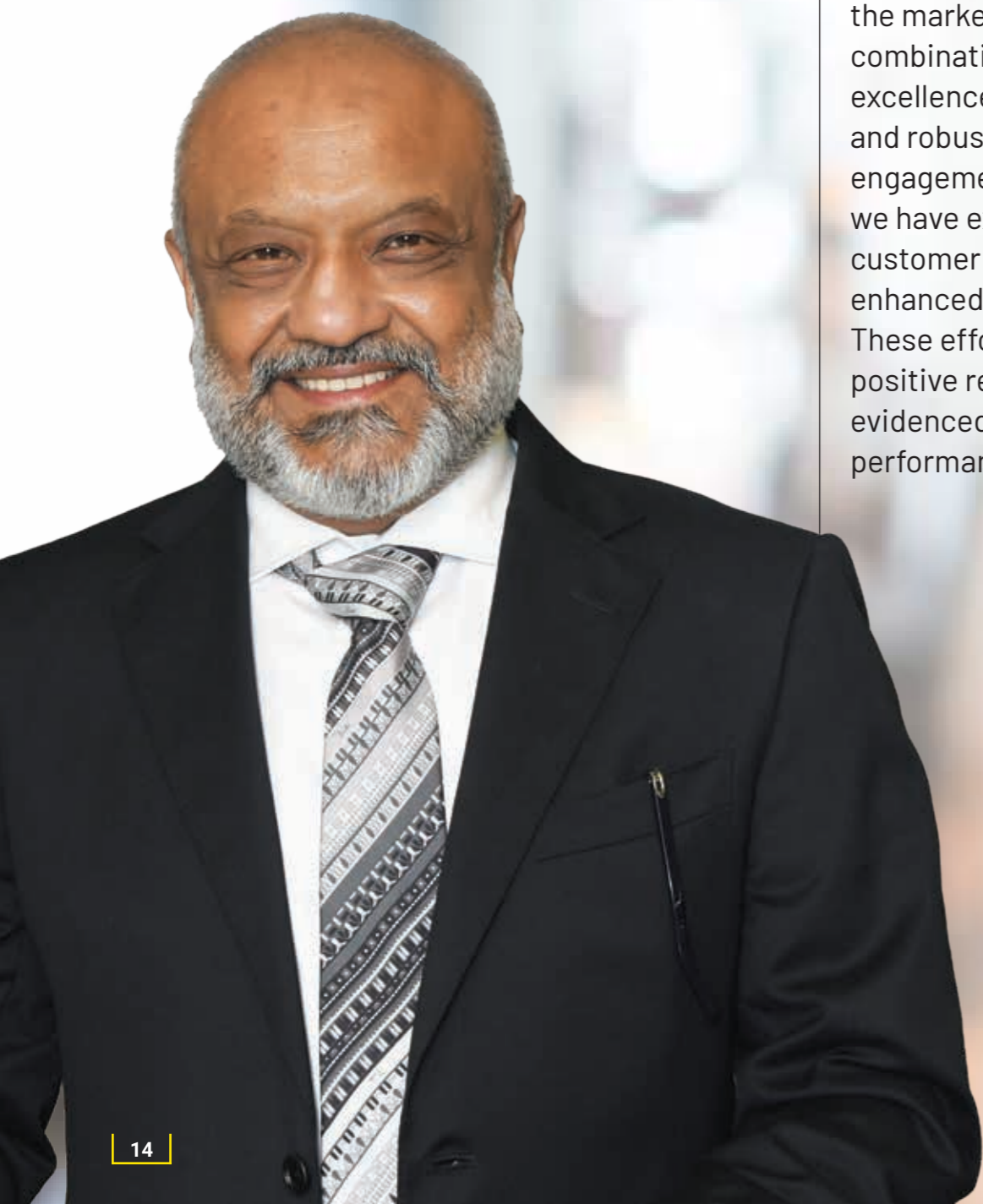


### Working Capital Days (in Days)



Message from the Chairman's Desk

# CHAIRMAN'S INSIGHTS



At Laxmi Organic, we are committed to maintaining and strengthening our competitive edge in the market. Through a combination of operational excellence, data analytics, and robust customer engagement initiatives, we have expanded our customer base and enhanced profitability. These efforts have yielded positive results, as evidenced by our financial performance.

**Dear Shareholders,**

With immense pleasure, I bring forth the Annual Report for 2023-24, highlighting Laxmi Organic's performance and strategic vision for the future. Despite the global economic headwinds, our team has worked with unflinching rigor and resilience to bring about 20% volume growth in these tough market conditions. This force has also been instrumental in delivering operational excellence, which is visible in our financial results for the year 2023-24.

**Remarkable Performance Despite Global Headwinds**

As the global economy progresses towards recovery, growth levels remain below pre-crisis standards. However, India's emergence as a standout growth country, showcasing strength and progress in these uncertain times is an opportunity in our growth journey. Despite subdued global chemical demand, we have observed a significant rebound from the third quarter of the year. Major markets like China and Europe have shown weakness, influencing demand dynamics across industries.

The pricing of essential raw materials, particularly acetic acid and ethanol that had increased in the year before, started to see a decline in the financial year 2023-24. Additionally, disruptions in global shipping, including the Red Sea crisis, have resulted in elevated shipment costs and delays, impacting logistics and pricing dynamics within our industry. Our proactive handling of these external factors has been crucial to sustaining our success.

**Positioning for Success**

At Laxmi Organic, we are committed to maintaining and strengthening our competitive edge. Using data analytics for operational excellence, we have increased throughput without capex and increased profitability. Robust customer engagement initiatives have helped expand our customer base, further diversifying our risk. These efforts have yielded positive results, as evidenced by our financial performance.

I am confident that our Company is poised for success in the upcoming year and beyond, embodying the spirit of 'Geared to Win'. We have meticulously established all the critical elements required for long-term prosperity, with particular focus on capitalising on the substantial market prospects ahead, particularly in the specialty chemicals space.



Our manufacturing footprint provides us ample capacity with our existing sites in Mahad as well as in Lote and the massive 86-acre land parcel we have secured in Dahej for future expansion. Our innovation pipeline is robust, with new products contributing around 20% to our sales annually, allowing us to serve customers with cutting-edge solutions across our Essentials and Specialty Chemicals portfolios.

Underpinning all this is our renewed focus on the core values encapsulated in the Laxmi Life Saving Rules, with detailed EHS targets cascading down the organisation, given our chemical industry footprint. We are also increasing our focus on renewable energy, with close to 20% of our power already coming from hydro, wind, and solar sources. Our hedged product portfolio, catering to diverse industries across geographies, and ongoing capex to serve our customer needs will all deliver future growth. We are gearing ourselves to drive positive change and create long-term value for all stakeholders.

**Positioning for Success**

Our strategy at Laxmi Organic has always been centred on maintaining and strengthening our competitive position in the market. We are firmly convinced that our Company is 'Geared to Win' not only in the coming year but also beyond. We have meticulously put in place all the critical elements required for sustained success.

Our robust manufacturing footprint provides us with ample capacity, encompassing our existing sites in Mahad and in Lote and avast 86 acre land parcel secured in Dahej for future expansion. Furthermore, our innovation pipeline is

**Our capital expenditure plans remain on track, with our fluorochemical project in Lote progressing well and poised to enhance our asset capabilities and product offerings. The Dahej project, focused on specialty and essential chemicals, awaits environmental clearances, and promises to significantly contribute to our asset turnover once operational.**

robust, with new products contributing around 20% to sales annually, enabling us to provide customers with cutting-edge solutions across our Fluorochemicals, Essentials, and Specialty Chemicals portfolios. Our hedged product portfolio caters to diverse industries across geographies, complemented by ongoing capital expenditure to meet our customer needs. We are actively gearing ourselves to drive positive change and create long-term value for all stakeholders.

### Financial Performance

In our business segments, we have successfully navigated varied challenges and utilised many opportunities. The CASE (Coatings, Adhesives, Sealants, Elastomers) segment is showing a promising demand pickup, indicating positive trends ahead. Despite a decline in export performance within the pharma segment, the robust domestic demand highlights the resilience of our local markets. In the agrochemical segment, there has been a gradual increase in demand. These occurrences emphasise the dynamic nature of our business segments, where we are strategically positioned to leverage opportunities and address challenges effectively.

Our capital expenditure plans remain on track, with our fluorochemical project in Lote progressing well and poised to enhance our asset capabilities and product offerings. The Dahej project, focussed on specialty and essential chemicals, promises to significantly contribute to our asset turnover once operational. The operating backdrop for the chemical industry continues to be challenging. In this environment, I'm happy and thankful to the entire Laxmi team that we have really delivered on a stand-alone basis, we have delivered year-on-year basis profitable growth.

For the year 2023-24, our stand-alone total income was ₹ 28,731 Mn, driven by our increased throughput enabled by the operational excellence program undertaken and a customer centric approach to sales. Our cost optimisation efforts have yielded profitability benefits and our improved product mix has significantly boosted profitability, with the stand-alone EBITDA reaching ₹ 3,190 Mn, marking a 17.1% year-on-year rise. The PAT for the quarter stood at 1,557 Mn, which is almost 15.5% higher year-on-year.

### Fostering Innovation for Future Growth

At Laxmi Organic, we place great importance on research & development as the cornerstone of our business growth. We are on a track to establish our Global Innovation Campus in Maharashtra, dedicated to fostering creativity and exploration in chemical innovation. This initiative will not only facilitate more efficient research on current chemistry platforms but also provide infrastructure for new platforms

and the scaling up of existing teams and technologies. Our research & development efforts are driven by customer requirements, and we regularly monitor industry trends to ensure our products and production techniques remain relevant in the evolving market.

### Charting a Course for Sustainable Growth

As global awareness of the impact of chemicals on the environment and human health increases, we are committed to becoming increasingly responsible and sustainable. Our manufacturing, handling, and transportation processes are continuously audited and benchmarked against national and international safety and quality standards. As a 'Responsible Care' company, Laxmi Organic plays a key role in the economic development of our nation by recognizing the urgent need for action on climate change, pollution control, resource conservation, and social responsibility.

Our Company has been proactive in adopting green energy solutions, with close to 20% of the energy consumed at our Mahad manufacturing facilities sourced from renewable resources like hydro, wind, and solar power.

Furthermore, we recently launched the Laxmi Life Saving Rules (LLRs) that complement our existing EHS (Environment, Health, and Safety) management system, procedures, and practices. Our sustainability efforts and

stringent safety protocols demonstrate our commitment to responsible business practices for a greener and safer future.

### Forging Ahead with Resilience

As we look ahead, the operating backdrop for the chemical industry continues to be challenging. Nonetheless, I am truly pleased and thankful to the entire Laxmi Organic team for delivering profitable growth. Our success can be attributed to our stronger customer engagement, optimised product mix, and manufacturing operational excellence driven by data analytics. We are determined to continue on this path, proactively adapting to market dynamics, leveraging our strengths, and seizing new opportunities for growth. This approach will enable us to fortify our competitive edge and create sustainable long-term value for all stakeholders.

Warm regards,

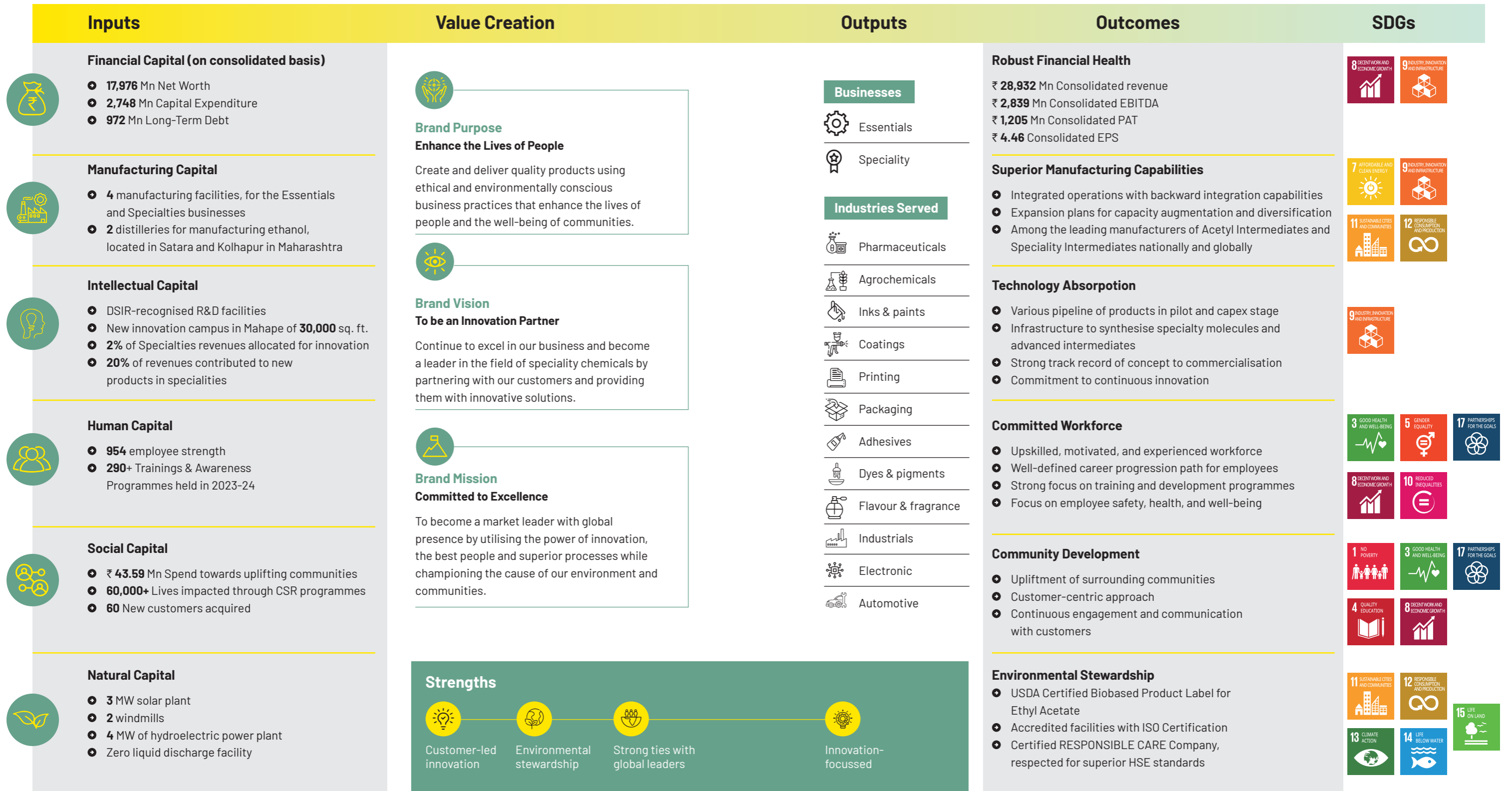
**Ravi Goenka**

Executive Chairman



Value Creation Model

# DELIVERING LONG-TERM VALUE



Growth Factors

# DRIVING GROWTH

Our Company is experiencing growth propelled by several key factors. India's emergence as a viable alternative route for chemical manufacturing has provided us with a competitive advantage and expanded market opportunities, particularly in exports. The rising demand for chemical products across diverse sectors further drives the Company's growth trajectory. Additionally, Government initiatives aimed at promoting manufacturing and industrial development have created a conducive environment for our expansion and investment. Together, these factors contribute to our optimistic outlook and reinforce our position as a significant player in the chemical industry.

## Key Trends

### India as a Key Chemical Manufacturing Hub

India is emerging as a viable alternative for chemical manufacturing, driven by the China+1 and Europe+1 strategies. The country's robust infrastructure, skilled workforce, and favourable business environment are attracting global chemical companies seeking to diversify their supply chains and reduce dependence on a single region.

### Growth in Domestic Consumption

India is expected to contribute significantly to global chemical consumption, accounting for over 20% of incremental consumption in the next two decades. Domestic demand is projected to reach US\$ 850 Bn to US\$ 1,000 Bn by 2040, indicating a substantial growth trajectory.

(Source: <https://www.mckinsey.com/industries/chemicals/our-insights/india-the-next-chemicals-manufacturing-hub>)

### Export Opportunities

India's chemical industry offers substantial export opportunities, with a wide range of over 80,000 commercial products valued at US\$ 220 Bn. The industry is projected to grow at a rate of 9-12% per annum, aiming to reach US\$ 300 Bn, highlighting its significance in the global market.

(Source: <https://www.trade.gov/country-commercial-guides/india-chemicals>)

### Increasing Demand across Sectors

The chemical industry is witnessing rising demand across various sectors, driven by transformative trends such as data-driven innovation, green hydrogen, ESG-driven initiatives, and sustainability-focussed practices. The industry plays a crucial role in the energy transition, albeit with challenges related to emissions and reliance on hydrocarbons for raw materials.

(Source: <https://www.pwc.com/gx/en/industries/energy-utilities-resources/chemicals.html>)

### Government Support & Initiatives

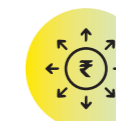
The Indian Government is actively promoting investment and expansion within the chemical industry through initiatives like Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIRs) and Special Economic Zones (SEZs). These efforts are expected to attract significant investment, with the PCPIR policy aiming to bring in US\$ 280 Bn by 2035. Additionally, special incentives provided via PCPIRs or SEZs are further boosting industry growth. The Government's focus on promoting domestic chemical consumption is also contributing to the industry's upward trajectory, with the Indian Chemical Council (ICC) playing a key role in attracting foreign investment and fostering industry growth.

## Capitalising on Growth



### Focus on Specialty Chemicals

At Laxmi Organic, we have successfully executed our strategic shift towards the specialty intermediates vertical. Through the prudent reinvestment of cash flow from our Essentials business into Specialty business, we have fortified our capacity to seize new opportunities and deliver enhanced value to our customers.



### Export Market and Diversification

We have strategically broadened and strengthened our customer base by focussing on export markets. By targeting new geographies and clients, we have expanded our global footprint and enhanced our export revenues. Our subsidiaries in foreign markets such as Europe and China, ensure timely and reliable supply to international clients.



### Research & Development

We reaffirm our commitment to innovation through substantial investments in research & development. With over 2% of our Specialties revenue allocated to R&D activities, we aim to develop new products and processes. This will allow us to scale up our operations and emerge as a key player in the specialty intermediates market.



### Long-Term Client Relations

Through our strategic collaborations with prominent names in the chemical industry, we have nurtured enduring partnerships built on long-term contracts and joint innovation ventures. These alliances have widened our market scope and reaffirmed our position as the supplier of choice, strengthening our market share and influence.



### Strategically Located Manufacturing Facilities

Our manufacturing facilities, strategically located near major ports in Maharashtra offer logistical advantages, streamlining the import and export processes for raw materials and finished products. Furthermore, their proximity to key pharmaceutical manufacturing hubs in western and southern India enhances logistical and operational efficiencies. As part of our strategic growth plans, we are expanding capacities and diversifying geographically, with new facilities slated for establishment in Lote Parshuram and Dahej, Gujarat.



Moving Forward

# ADVANCING WITH CONFIDENCE

Our journey is guided by three essential pillars that shape our progress—Leadership, Ambition and Leverage. These pillars inspire innovation and enhancement, nurturing a culture of bold initiatives and strategic risk-taking. Together, they form a dynamic framework that propels us forward, prepared to thrive in a rapidly evolving environment.

## Leadership



### Global Leadership in Our Range of Products

- Leading Supplier of Essentials in India and amongst top 3 players globally (ex. China)
- Leading supplier of Specialties in India and amongst top 5 players globally



### Cost Leadership across the Technology Platforms

- Acquired Clariant Chemicals' ketene/diketene business, integrating 16 products
- Optimisation of production processes through different chemistry platforms reduces raw material and production costs



### Well-Diversified Customer Industries and Geographies

- High-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and others
- Presence across 50+ countries



### Large-Scale, Flexible, and Safe Operations

- Quality control measures
- A wide range of processes, technologies, chemicals, and equipment to choose from
- Implementation of EHS, and Laxmi Life Saving initiatives for safe operations



### Multiple Sites for Expansion and Business Continuity

- 30 acres of Lote Plant with expandable capacity
- 86 acres of Dahej Plant with expandable capacity



### Trusted Partners for Our Customers with a Differentiated Business Model

- Diversified sales model through short-term contracts, annual contracts and multi-year contracts based on customers preferences and value propositions

## Ambition



### Top 5 in Our Segments Globally

- Among the top 5 players in specialty



### Continued Leading Cost Positions

- Strategically located across the ports for reduced cost and logistics advantage
- Common raw materials for essentials and specialty, giving economies of scale



### Healthy Balance of Exports and Domestic Sales

30%

Exports

70%

Domestic Sales



### Continued Trusted Partner of Choice for Our Customers

- Year-on-year increase in volumes purchased by key customers in different buckets
- Periodic customer satisfaction surveys

## Leverage



### Deepening Innovation & Leveraging Chemistries and Technology Absorption

- Current R&D centre at Rabale, Navi Mumbai
- R&D facility to synthesise specialty molecules and advanced intermediates
- DSIR-certified R&D centres, have set up Kilo Labs and Pilot Plants



### Addition of Downstream and Value-Added Products

- Backward integrated site that manufactures derivatives right from diketene to the downstream product
- Biobased product label for Ethyl Acetate



### Fluorospecialty Intermediaries and In-House R&D beyond Miteni Technology

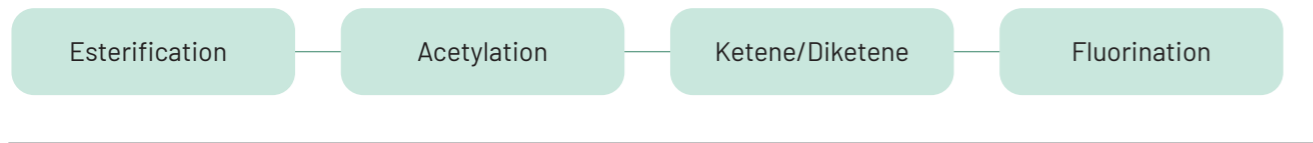
- Commissioned the first phase of the Lote Facility, where the fluorochemistry assets of Miteni have been rehoused
- Revenue of the fluorochemistry products to start from 2024-25
- Commercial products started in 2023-24

Research & Development

# DRIVING R&D FORWARD

Our robust research & development initiatives continuously push us to driving breakthrough discoveries and pioneering solutions that address complex challenges. Drawing upon the expertise of our team of scientists, engineers, and experts, we foster a culture of creativity and collaboration. This approach positions us as a key player in the development of technologies and specialised products designed to fulfil market demands.

## Our Technology Platforms



### Innovation

At Laxmi Organic, we are committed to fostering creativity and entrepreneurship. In March 2024, we launched a startup campus spanning 30,000 sq. ft. in Mahape, Maharashtra. This campus serves as a hub for innovation, enabling collaboration and expediting the development of new technologies. These initiatives reflect our determination to drive continuous growth and maintain a culture of innovation.

Startup Campus Spanning  
**30,000**  
sq. ft. in Mahape, Maharashtra

### Infrastructure

We have created infrastructure that includes kilo labs and pilot facilities including ones where we can test the upcoming Fluorine Intermediate technologies. This strategic approach allows us to efficiently optimise resources and infrastructure. Through this approach, our objective is to validate and scale innovative solutions, thereby improving operational efficiency and speeding up the development of new products and processes.

**Fluorine Intermediate Technology**  
Acquired from an Italy-Based company

### Investment

To uphold our commitment to innovation, we allocate 2% of our speciality revenues to R&D. This strategic allocation highlights our dedication to driving continuous improvement and developing cutting-edge solutions. By prioritising investment in innovation, we seek to nurture creativity, facilitate research & development endeavours, and propel the advancement of new technologies and products in the speciality sector.




**2%**  
of Our Specialties Revenues towards R&D

### New Products

We boast a robust pipeline of new products currently undergoing pilot testing and capital expenditure (capex) approval stages. This strong pipeline exemplifies our dedication to innovation and expansion. By advancing these products through pilot testing and securing capex approval, we demonstrate our proactive approach to introducing new offerings and strengthening our market position.

**11 Products**  
in the Pilot and Capex Approval Stages

### Consumer-Focused Projects Innovation

-  **Developed**  
Ethylene Oxide chemistry from laboratory - gram to commercial - on scale for a global innovator
-  **Scaled**  
Absorbed and scaled up mercaptan chemistry for an industry-leading agrochemicals innovator
-  **Innovated**  
Innovated on a Route of Synthesis of a key starting raw material to enhance the purity of the end product for a global pharma company

### Revenue

Our goal is to achieve a revenue contribution exceeding 20% from new products within our speciality segment. This ambitious target emphasises our focus on innovation and diversification. By introducing and successfully commercialising new products, we aim to expand our revenue streams and strengthen our market position.

**20%**  
of Revenue from New Products Contributed for the Specialties Segment

**2,100 Sq. Mtrs.**  
Total Land Area of the Facility

**65+**  
Number of Scientists

**2**  
Total Number of Facilities

**DSIR-Certified**  
R&D Centres, Kilo Lab and Pilot Plants

Environment

# NURTURING OUR PLANET

## Ecovadis Certification – Together for Sustainability Responsible Care Certification – Our Commitment to Sustainability

At Laxmi Organic, we are committed to environmental protection through diligent efforts to enhance energy efficiency, recycle and reuse wastewater, responsibly manage materials and waste, and optimise resource utilisation. These initiatives not only drive operational excellence but also minimise our impact on the environment. We are dedicated to continuously improving our environmental performance and transparently communicating our progress.

To effectively address emissions and discharge, safeguard nature, and reduce water consumption and its impact on water resources, we have adopted external standards and principles outlined by the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC), and Sustainable Development Goals (SDGs). These established frameworks guide our environmental strategies and ensure our contribution to a sustainable future.

### Key Initiatives Undertaken

#### Energy Management

Efficient and effective use of energy brings agility and resilience to our operations, maximises value creation for our stakeholders, and improves competitiveness. Hence, we focus on managing and optimising our systems and processes to enhance operational efficiency and minimise specific energy consumption.

Investments in renewable energy sources for captive use, including hydroelectric power at Yedgaon and wind power have allowed us to reduce our carbon footprint and improve energy and cost efficiency. Additionally, a co-gen power plant investment generates steam for the Acetyl Intermediates vertical and power for the Specialty Intermediates vertical.

#### Our Renewable Energy Investments

- 2 windmills with a 1.25 MW capacity located in Maharashtra and Karnataka.
- 4 MW hydro-electric power project at Yedgaon in Maharashtra
- 3 MW solar power plant

- ~20% of the total consumption from renewable power facilities



#### Reducing CO<sub>2</sub> and Air Emissions

We are actively making efforts to reduce air pollution, carbon footprint and promote environmental sustainability. In order to minimise the carbon intensity of our operations, we have devised near-term plans to reduce our coal consumption. Furthermore, we are using a coal-bio-briquette mixture in our coal-based boilers and installing natural gas-based boilers wherever feasible.

#### Our Initiatives

- Replacing coal and F.O. as fuel with cleaner fuel (C9)
- Installing ESP on our boilers to improve air quality and reduce emissions
- Employing mechanical seals instead of glands
- Installing bulk storage tanks of solvents with vent condensers
- Implementing closed-loop operations
- Utilising a digital display board for monitoring consented parameters



#### Water Quality & Wastewater Management

To reduce water consumption for industrial purposes and enhance effective water management, we have implemented several initiatives. Our facility expansions, designed to meet increasing product demands and prescribed liquid discharge norms from the outset. In our distillery, we have achieved a significant reduction in freshwater usage, against the standard 10 KL of alcohol produced. This accomplishment showcases our commitment to sustainable practices and resource efficiency.

Our wastewater treatment system goes beyond conventional biological treatment, offering an effective and efficient solution.

- Volute Sludge Dewatering System
- Multiple Effect Evaporator (MEE)
- Provision of Stripper to Improve Condensate Quality
- Low Temperature Evaporator (LTE)
- Agitated Thin Film Drier (ATFD)



#### Waste Management

Our waste management practices follow a well-established procedure for the collection and storage of both hazardous and non-hazardous wastes. We adopt a waste-to-energy approach by using high-calorific waste generated during operations as fuel for heat recovery. This method enhances safety and reduces our environmental impact.

#### Our Motto

- Prevention
- Re-Use
- Recycling
- Recovery
- Disposal

#### Flood Control

Our proactive approach to preventing and mitigating flooding risks involves the implementation of robust systems, procedures, practices, and infrastructure. These measures are aimed at protecting people, communities, plants, and assets from the adverse effects of flooding.

#### Process Safety Management

We have integrated Process Safety Management Elements (PSM) into our Integrated Management System (IMS), ensuring the allocation of technical, human, and financial resources to enhance risk controls in our manufacturing processes. Some key PSM initiatives implemented include:

- Upgrading software for prompt updating of Safety Data Sheets for our products
- Revalidating existing Process Hazard Analysis (PHA) studies
- Conducting Quantitative Risk Assessment (QRA) studies for all new facilities to implement prevention and mitigation measures for plant emergencies
- Reviewing and revising operating procedures as necessary and providing retraining for all operating personnel to ensure the required level of EHS competence



Social

# EMPOWERING OUR COMMUNITIES



Our stakeholders have been instrumental in our success story, with our people being among the most significant contributors. They consistently demonstrate a profound commitment to environmental and social responsibility, inspiring us to amplify our sustainable purpose. Their dedication empowers our efforts to integrate sustainability in all our actions, enabling us to create shared value.

## Building a Vibrant Workforce

### Diversity & Inclusion

We are renowned for our indomitable commitment to ethical practices and core values. At Laxmi Organic, we foster a culture of integrity, transparency, and respect, empowering and valuing our employees. Our aim is to be a leading employer for gender diversity in the Indian chemical industry, enhancing the professional success and overall satisfaction of women at our Company. We have achieved several key milestones in this endeavour:

- Launched the 'Woman of Laxmi Council' to serve as a resource group.

- Assigned Diversity and Inclusion (D&I) goals to each leader with leadership sponsorship, accounting for more than 10% weightage.
- Raised awareness among our manufacturing plants about inclusive behaviours

# 22%

Women at Managerial Positions



### Talent Management

At Laxmi Organic, we have established a robust talent management system. This commitment is embodied in our Code of Conduct for Board and Senior Management, which underscores the importance of legal compliance, ethical conduct, and transparency in all our activities.



### Making Laxmi Organic a Better Place to Work

At Laxmi Organic, employee engagement is one of our primary focus areas. We also prioritise gender diversity through a three-pronged approach: identifying positions that focus on diversity, improving the work environment for women, and promoting awareness and sensitivity across the organisation. Our commitment to the fundamental principles of labour law, including diversity, inclusion, and equal opportunity, ensures the prevention of discrimination based on disability.

# 954

Total Number of Employees

# 290+

Total Number of Trainings & Awareness Programmes in 2023-24

### Healthcare and Safety Management

We prioritise the health and safety of our employees and are fully committed to upholding these values. Both contractual and directly hired employees participate in monthly departmental Environmental, Health, and Safety (EHS) meetings to discuss and address concerns specific to their departments. Actions taken to address these concerns are communicated to ensure compliance with safety standards. Additionally, each site hosts a Central Safety Committee meeting to review Corrective and Preventive Actions (CAPA) and assess the need for additional human, technological, or financial resources to meet safety requirements effectively.

# Zero

LTIFR

# 100%

Employees Covered under Health Insurance



# EMPLOYEE SAFETY THROUGH EHS ACTIVITIES

Our Company ensures employee safety through robust Environment Health & Safety (EHS) activities. We have implemented a comprehensive EHS framework that allows us to proactively identify and mitigate workplace hazards, prioritising the health and safety of our workforce and creating a secure work environment. Additionally, we maintain a strong focus on emergency response preparedness through regular drills, ensuring our teams are well-equipped and trained to handle unforeseen situations effectively.

## Plan

### EHS Planning

- EHS Policies, Business Principles and Rules
- Responsible Care
- EHS Risk Management
- Legal compliance

## Do

### Implementation and Execution

- Organisation Structure
- Resource Allocation
- Roles, Responsibilities, Accountability
- EHSS Competence
- Stakeholder Engagement
- EHS Procedures & Practices
- Reward and Recognition Implementation
- Documentation, Data Control, Records

## Check

### EHSS Assurance

- Incident Management
- Internal & External Inspections
- Internal & External Audits
- Measuring & Monitoring EHS Performance

## Act

### Management Reviews

- Provide Direction and Review Resources
- Implement Continuous EHS Improvements
- Collaborative Decision-Making
- Leveraging Insights

## EHS Principles

### EHS as Value

EHS is the harmony behind every choice and action, integral to our approach at every stage. EHS considerations are embedded in new product development (NPD), from research and product design to project execution, pre-commissioning, commissioning, and plant start-up. We ensure safer operations of our plants through the implementation of both proactive and reactive monitoring mechanisms, underscoring our commitment to safety and sustainability in all our endeavors.

- EHS Protocols for NPD
- Management of Change (MOC)
- Implementing Process Safety Management (PSM) Practices

### Learning and Resilient Organisation

Sustaining our commitment to safety and environmental stewardship, we focus on preventing injuries, incidents, and irreversible environmental impacts. We actively develop, review, and update emergency planning, preparedness, and response strategies. Additionally, we have established mechanisms for continuous learning and improvement, ensuring that our practices evolve to meet the highest standards of safety and environmental protection.

- Risk Assessments & Implementation
- On-Site & Off-Site Emergency Plans and Drills
- Develop, Implement, Share, and Track Insights

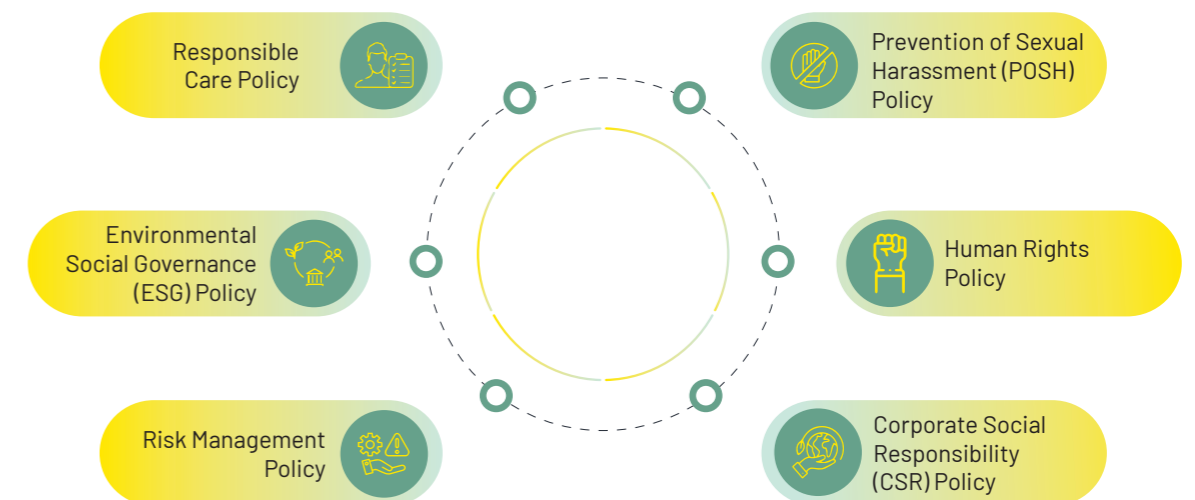
### Stakeholder Engagement

Collaborating with internal and external stakeholders to continuously enhance our EHS performance through timely actions.

- Consultation and Participation
- Membership with Govt. & Non-Govt EHS Institutions.



## EHS Policies



### Process Safety Management (PSM) Initiatives

- Develop and Implement Reactive Chemical Hazards Management Guidelines
- Mandate Chemical Reactivity Studies for New Products
- Require Powder Safety Data and Placard Display
- Implement Progressive EHSS Violations Discipline
- Conduct Vent Dispersion and Fire & Gas Mapping Studies
- Enhance Process Safety Information
- Update Chemwatch MSDS and Color Coding System
- Update Critical Alarms and Interlock Lists & Testing
- Revise MOC and PSSR Procedures & Tracking
- Engage in Weekly EHS Walkthroughs and Monthly Management Reviews
- Establish Incident Communication Protocol for Reporting and Investigation

### Occupational Health Center (OHC) Practises

Our Occupational Health Center (OHC) stands as a pillar of employee well-being, providing round-the-clock ambulance services for prompt mobilisation of casualties and ensuring expert medical care for occupational injuries or illnesses. With qualified male and female nurses and a Factory Medical Officer (FMO) always available, the OHC also conducts essential occupational health surveillances, including pre-employment, periodic, and special medical examinations for both direct employees and contractors, ensuring a safe and healthy working environment for all.



### Building a Culture of Safety: Targeted EHS Training Programmes

Hazardous Chemicals Handling (Do's and Don'ts)	Operation of Chlorine and Ammonia Kits	Fire and Safety Drills (SCBA, Fire Fighting, First Aid, Hose, Extinguisher, and Rescue Drills)
Basic Safety Refresher Training	Emergency Management (First Responder/ERT)	SOP Training and Communication Briefing
Material Safety Data Sheets (MSDS)	Work Permit System	Personal Protective Equipment (PPE) Awareness
Material Handling	On-the-Job Training for Management of Change (MoC) Implementation, SOP Changes, Operation & Maintenance	

### Emergency Planning Preparedness and Response (EPPR)

#### On-Site Emergency Management



Fire hydrant capacity upgraded with 410 m3 pumping capacity



Dedicated water storage tank for fire fighting



Sprinkler provision for Oleum storage tank



Wind sock is designed to glow in the dark for enhanced visibility



Diketene storage tank with a water curtain for added safety



Sprinkler provision for methanol storage tank safety

#### Emergency Drills



Recognition of emergency scenarios through HIRA, QRA, and Hazop studies



Development of emergency procedures and training for individuals and contractors



Conducting emergency drills every three months



Random witnessing of drills by MARG, MIDC Fire Station, Police, and DISH Authorities

### National Level Safety Awards from National Safety Council (NSCI) of India, 2023



Unit II has achieved prestigious 'Prashansa Patra' Award from the National Safety Council of India.

### State Level Safety Award from Government of Maharashtra, Directorate of Industrial Safety and Health 2023



The appreciation is a testimony of the vision of Laxmi to make it the safest company to work in & is the first step in this journey going ahead.

We prioritise employee health and safety by recognising and rewarding exemplary adherence to safety protocols and practices. Our approach is to foster a culture of safety and well-being in the workplace.

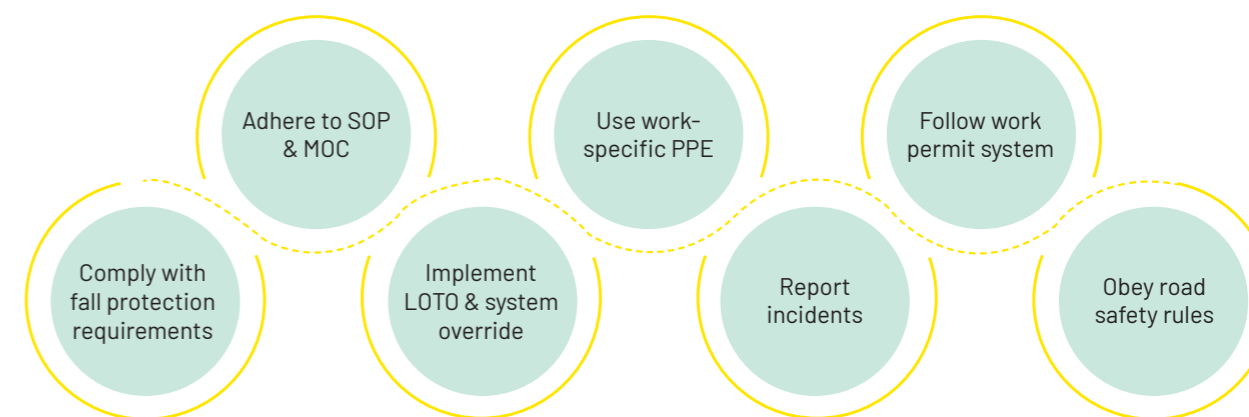


### Laxmi Life Saving Initiative

We have introduced Laxmi Life Saving Rules (LLSR) across all Laxmi enterprises. These LLSR are straightforward, precise, and ensure safe operations while also safeguarding the Right to Operate. Life Saving Rules reinforce existing procedures ensuring that everyone follows them and gets home safely.



### Laxmi's Life Saving Rules



### Customer Centricity

Our client-centric approach and focus on product stewardship have fuelled growth and solidified our customer base. By adopting customer-focussed practices, we have developed distinctive business strategies, maintaining a competitive edge over time. Our Company regularly conducts customer satisfaction surveys to collect feedback and improve our services. These surveys cover three key areas: product quality, packaging, and customer service. Moreover, this approach allows us to actively listen to our customers and continuously enhance our offerings.

Our structured Customer Complaint Management System meticulously records and investigates complaints from customers or distributors concerning quality, packaging, logistics, and documentation, among other issues. It sets clear deadlines for addressing complaints and providing feedback to customers. Throughout the reporting period, we have received 13 complaints from customers, successfully resolving all of them.

### Customer satisfaction is continuously evaluated using various parameters.

- Percentage of customers rating product quality as good or excellent
- Customer retention rate
- Year-on-Year increase in volume purchased by key customers across different categories



# FOSTERING CORPORATE SOCIAL RESPONSIBILITY

The Chemical Industry plays a significant role in shaping the environment and the lives of people residing near manufacturing sites. Our Company acknowledges this impact and strives to maintain a balance between its business operations and ethical values. By demonstrating a commitment to sustainable development, we aim to empower and inspire local communities through various voluntary social initiatives, such as micro-enterprises and self-help groups. Recognising the community as a major stakeholder, the Company identifies their needs and addresses their concerns to ensure a better quality of life.

## Our Objectives

The objective of Laxmi's Corporate Social Responsibility (CSR) Policy is to achieve the following:

- Enhance the quality of life for the communities living in proximity to the Company's manufacturing units
- Promote best environmental practices and maintain ecological balance to contribute to sustainable development
- Be a responsible and responsive corporate citizen by providing welfare measures and creating a safe, harmonious, and ecologically balanced environment for its members and the wider community
- Maintain a commitment to quality, health, and safety in all aspects of the business and for people

₹ **43.59 Mn**  
Total CSR Amount Spent

**60,000+**  
Total Beneficiaries

**3**  
Total Number of CSR Meetings



## Our CSR Thrust Areas

<p><b>Sustainability</b></p> <p>As part of our Sustainability initiative, we collaborated with the villages of Dhamandevi and Songaon in Khed taluka to install 100 solar lights. This project aims to enhance lighting and ensure the safety of villagers during night travel, especially in the geographically challenging locations of these villages.</p>	<p><b>Health</b></p> <p>We have continued to build and expand Mobile Health Units (MHUs) in locations where our manufacturing plants are situated. We have collaborated with the Health Departments in Mahad, Khed, and Chiplun taluka to improve the health and quality of life for villagers through these MHUs. Each MHU is a mobile clinic setup (van) equipped with a qualified doctor, nurse, community mobiliser, and driver, providing door-to-door health services free of cost along with basic medication. The focus areas include diagnosis, consultation, treatment, and referral for chronic diseases. The service covers 50+ villages in Mahad, Khed, and Chiplun taluka, which have poor access to health services.</p>	<p><b>Water</b></p> <p>Under our water initiative, we have undertaken projects to improve access to drinking water in various villages. In Nadagaon village from Mahad taluka, we installed a solar-based water pump to provide a reliable drinking water supply. Additionally, we are working on constructing an open well in Kusumwadi village from Khed taluka. This well, the sole source of drinking water for the villagers, collapsed due to heavy rain during the last rainy season. The construction of the new well will restore the drinking water supply and benefit around 700 villagers.</p>	<p><b>Education</b></p> <p>We are focussed on creating a holistic education infrastructure. We have begun building a primary school in Parsule (Mahad-Poladpur region), providing 7 classrooms, 2 washrooms, and bathrooms. This project is in collaboration with the district education body and is currently in progress. We have also upgraded the infrastructure of a school in Mahad Taluka. Additionally, we are working with district education authorities to introduce semi-English medium education. The school is expected to open for beneficiaries in the second quarter of 2024-25.</p>	<p><b>National Apprentice Promotional Scheme</b></p> <p>Under the National Apprentice Promotional Scheme (NAPS), we are committed to skilling the first-time industrial workforce. Currently, we have engaged with 130+ NAPS trainees across the organisation. The objective of this programme is to develop job-ready skills and create a diverse workforce that meets the demands of the market.</p>
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## Outcomes








<ul style="list-style-type: none"> <li>● 100 Solar Lamps in 2 Villages</li> <li>● 10,000+ Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>● 2 MHU Units</li> <li>● 36,000+ People Benefitted from Mobile Health Units (MHU)</li> <li>● 12,000 Patients Covered</li> <li>● 50 Villages</li> </ul>	<ul style="list-style-type: none"> <li>● Solar Pump installation for smooth water supply &amp; open well construction for safe drinking water</li> <li>● 4,000+ beneficiaries</li> <li>● Substantial savings in electricity bill for the beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>● Reconstruction of school</li> <li>● Upgradation of school infrastructure</li> <li>● 100+ primary school students benefitted</li> </ul>	<ul style="list-style-type: none"> <li>● 69 trainees have received full-time employment</li> <li>● Created a 30% gender diversity pool</li> <li>● 600 family members benefitted</li> <li>● 30% gender diversity pool</li> </ul>
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Governance

# LEADING WITH INTEGRITY



The Company adheres to a strong corporate governance philosophy, emphasising the highest standards of efficiency, responsibility, transparency, and integrity in all business practices. We prioritise sound corporate practices grounded in transparency, accountability, and a high level of integrity to enhance long-term value for shareholders and stakeholders. The Board of Directors ensures strategic and operational excellence, prioritising the best interests of all stakeholders.

 Audit Committee	 Nomination and Remuneration Committee	 Nomination and Remuneration Committee
 Risk Management & ESG Governance Committee	 Corporate Social Responsibility Committee	 Finance Committee
 Chairman		

**Mr. Ravi Goenka - Executive Chairman**



Mr. Ravi Goenka holds a Bachelors' degree in Chemical Engineering from Bangalore University. He has been associated with our Company since inception, and brings approximately 32 years of experience in the chemicals and paper industries, 18 years in the education industry, and 23 years in the power industry. He is a Director on the Board of International Knowledge Park Private Limited, which established the Ecole Mondiale World School and Russell Square International College. He was also an Ex-Trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and the former President of the Executive Committee of the Indian Chemical Council.

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**Dr. Rajan Venkatesh - Managing Director & Chief Executive Officer**



Dr. Rajan holds a Master's degree in Chemistry from ICT-Mumbai, an M.Phil. in Polymer Science and Technology from the University of Manchester, and a Ph.D. in Polymer Chemistry from Eindhoven University of Technology in the Netherlands. His professional journey has exposed him to diverse cultures and markets, including 19 years at BASF. During his tenure at BASF, Dr. Rajan led various business functions and large-scale projects across Germany, Singapore, India, and Hong Kong. Before joining the Company, he served as Senior Vice President, Care Chemicals, Asia Pacific at BASF, overseeing P&L, customer relations, sales, marketing, HR, and more across markets like Greater China, ASEAN, South Asia, Japan, Korea, and ANZ.

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**Mr. Harshvardhan Goenka - Executive Director, Strategy and Business Development**

Mr. Harshvardhan Goenka holds a Bachelor's degree in science from Babson College, Boston, USA. With over 12 years of experience in the chemicals industry, he is responsible for driving the growth agenda and establishing new ventures at Laxmi Organic. He is an active member of the Entrepreneurs Organisation, Mumbai, and the Babson Alumni Club. Since his appointment to the Board in November 2020, Mr. Goenka has played a key role in shaping our Company's strategic direction.

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**Mr. Rajeev Goenka - Non-Executive Director**

Mr. Rajeev Goenka holds a Master's degree in Business Administration from Lehigh University, Pennsylvania. With over 28 years of extensive experience in the chemicals industry, he brings his valuable expertise to the Board. He has also accumulated 22 years of experience in the renewable energy sector and 18 years in the education sector. In addition to his role at Laxmi Organic, Mr. Goenka serves as a member of the Board of Directors of Maharashtra Aldehydes Chemicals Limited and is a founding member of International Knowledge Park Private Limited.

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**Mr. Manish Chokhani - Independent Director**



Mr. Manish Chokhani holds an MBA degree from London Business School, University of London. He is an associate of the Institute of Chartered Accountants of India and has been admitted as a fellow of the All India Management Association. He has been associated with our Company since March 30, 2012 and has 17 years of experience in the industry. He was the director of Enam Securities Private Limited from 2006 to 2019. He served as the Managing Director and Chief Executive Officer of Axis Capital Limited from 2012 to 2013, as the Chairman of TPG Growth India during 2015-2016, and as a Senior Advisor to TPG Growth during 2013 to 2019. He currently holds the position of Independent Director on the Boards of various companies including Shoppers Stop Limited, Landmark Cars Limited and Welspun Corp Limited. He also serves on the Governing Board of Flame University. He is a member of the Young Presidents' Organisation. He has also served as a member of SEBI's Alternative Investment Policy Advisory Committee.

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**Mr. Omprakash V. Bundellu - Independent Director**



Mr. Omprakash Bundellu holds a Master's degree in 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. He has also completed the 152<sup>nd</sup> session of the Advanced Management Programme, the International Senior Managers Programme conducted by the Harvard University Graduate School of Business Administration, and Part I of the Associate Examination conducted by the Indian Institute of Bankers. He has been associated with our Company since February 21, 2011 and has approximately 39 years of experience in the banking industry. In the past he was associated with Indian Bank as a Manager, and with IDBI Bank Limited as Whole-Time Director (designated as Deputy Managing Director).

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# LEADERSHIP COUNCIL



**Ms. Sangeeta Singh** - Independent Director

Ms. Sangeeta Singh holds a Bachelors' degree in Arts from Wilson College, University of Bombay. She has successfully completed the 'Strategic Human Resource Management' programme by the Harvard Business School. She has been associated with our Company since September 4, 2017. In the past, she was associated with KPMG as an Executive Director, heading Human Resources in India.



**Dr. Rajeev Vaidya** - Independent Director



Dr. Vaidya holds a Bachelors' degree of technology in Chemical Engineering from Indian Institute of Technology, Mumbai, and a Doctorate degree from The University of Southern Mississippi. He has approximately 32 years of experience in the chemicals industry and around seven years of experience in investment advisory services. He is presently associated with Alpha Investments and Services LLC as its initial member. In the past, he has been associated with Dupont Specialty Products USA, LLC and has held varied capacities within the Dupont business divisions and companies, ranging from Research Engineer to Global President for the DuPont Building Innovations business.



**Dr. Rajiv Banavali** - Independent Director



Dr. Banavali holds Bachelor's and Master's degrees in Chemistry from the Institute of Science, Mumbai, and a Doctorate degree in Organic Chemistry from The University of Missouri. With over 37 years of experience in the chemicals industry, including 22 years in leading innovative research organisations, Dr. Banavali offers extensive expertise in material sciences and research to the Board. He is currently Senior Vice President, Science & Innovation at WestRock Corporation in the US. In the past, he has been associated with Rohm & Haas Texas Incorporated, Honeywell, and Huntsman.



**Mr Arun Tadarwal** - Independent Director



Mr. Arun Tadarwal is a Fellow Member of the Institute of Chartered Accountants of India and has been practising as a Chartered Accountant for more than 40 years. During his years of practice, he has handled various professional assignments including Management Consultancy, Statutory Audits, Internal Audits, Management and Systems Audits, Due diligences, Succession planning for businesses and families, Family offices, Taxation, International Taxation, etc. in India, Dubai and several other countries. He is well-versed in Tax matters and has travelled abroad on several occasions to deliver talks on Indian Taxation as well as Investments in India. He has carried out professional assignments in more than 25 countries. Mr. Tadarwal has also been the Global Chairman of IAPA International, a leading global association of independent accounting, audit, tax, legal, advisory, financial, immigration and technology services firms. The association has more than 200 Chartered Accountants in more than 70 countries around the world. He has been an independent director in several companies and over his tenure has helped companies in strengthening their corporate governance structure, compliances, risk assessment and plans to mitigate them as well as implementation of recommendations given by the auditors on strengthening the controls and processes of companies.



**Dr. Rajan Venkatesh** - Managing Director & Chief Executive Officer



Dr. Rajan holds a Master's degree in Chemistry from ICT-Mumbai, an M.Phil. in Polymer Science and Technology from the University of Manchester, and a Ph.D. in Polymer Chemistry from Eindhoven University of Technology in the Netherlands. Joining Laxmi Organic in April 2023, his professional journey has exposed him to diverse cultures and markets, including 19 years at BASF. During his tenure at BASF, Dr. Rajan led various business functions and large-scale projects across Germany, Singapore, India, and Hong Kong. Before joining Laxmi Organic, he served as Senior Vice President, Care Chemicals, Asia Pacific at BASF, overseeing P&L, customer relations, sales, marketing, HR, and more across markets like Greater China, ASEAN, South Asia, Japan, Korea, and ANZ.

**Mr. Harshvardhan Goenka** - Executive Director, Strategy and Business Development



Mr. Harshvardhan Goenka holds a Bachelor's degree in Science from Babson College, Boston, USA. With over 12 years of experience in the chemicals industry, he is responsible for driving the growth agenda and establishing new ventures at Laxmi Organic. He is an active member of the Entrepreneurs Organisation, Mumbai, and the Babson Alumni Club. Since his appointment to the Board in November 2020, Mr. Goenka has played a key role in shaping our Company's strategic direction.

**Ms. Tanushree Bagrodia** - Chief Financial Officer



Ms. Tanushree Bagrodia holds a Bachelor's degree in Computer Engineering from Vivekananda Education Society's Institute of Technology, along with an MBA from INSEAD. Her professional journey started as an investment banker in London and Mumbai, where she collaborated with prestigious American, European, and Indian investment banks. In 2013, she transitioned into the industry, becoming one of the youngest female CFOs of a listed company in India. Over her two-decade career, Ms. Bagrodia has accumulated extensive experience across diverse geographies and sectors, spanning financial services, automotive, and start-ups. This varied background has endowed her with a unique depth of business acumen, competencies, and leadership skills, enabling her to effectively lead businesses at various stages of growth. Currently, she serves as a Nominee Director of the International Finance Corporation (IFC) and sits on the Board of Regency Healthcare, Kanpur. Additionally, she serves as a Trustee of an English medium school catering to 400 students in rural India.

**Mr. S. Daipayan Bora** - Chief Transformation Officer



Mr. S. Daipayan Bora holds a Master's degree in Personnel Management & Industrial Relations from Tata Institute of Social Sciences. With over 21 years of experience in human resource management and related areas, Mr. Bora joined the Company in October 2017 as the Chief Transformation Officer.



**Mr. Jitendra Agarwal** - President, Essentials BU

Mr. Jitendra Agarwal is an Associate member of the Institute of Chartered Accountants of India. With over 30 years of experience in finance, accounts, global procurement, supply chain, sales and marketing, operations, industrial relations and business management, Mr. Agarwal has been associated with our Company since June 2018.



**Mr. Salil Mukundan** - Chief Technology Officer

Mr. Salil Mukundan is a BTech (Chemical) from IIT, Bombay with 34 years of experience in Companies like Dorfketal Chemicals India Private Limited, Deepak Nitrite Limited, IPCA Laboratories Limited, Arch Pharmed Labs Limited, and Apte Amalgamations Limited.



**Mr. Virag Shah** - Executive Vice President, Speciality BU

Mr. Virag Shah serves as the Executive Vice President of Speciality Intermediates. He holds Master's degrees in Applied Chemistry and Business Administration from Maharaja Sayajirao University of Baroda. With more than 23 years of expertise in marketing, sales, and business development for speciality chemicals, Active Pharmaceuticals Ingredients and pharmaceutical intermediates. Mr. Shah joined Laxmi Organic in July 2019.



**Mr. Uday Vaishampayan** - Sr. Vice President (EHS)

Mr. Uday Vaishampayan is a qualified Environment, Health and Safety Professional & Practitioner having 36+ years of experience in managing EHS risks at various high-hazard industries including speciality chemicals.



**Dr. Ajay Audi** - Executive Vice President, Research & Development

Dr. Ajay Audi holds the position of Executive Vice President of Research & Development. He earned his Doctorate in Science in Organic Chemistry from the University of Mumbai. With over 35 years of experience in process development and scale-ups of agro-chemicals, pharma APIs and specialty chemicals, Dr. Audi has been part of our team since December 2012.



**Mr. Prashant Patil** - Executive Vice President, Manufacturing

Mr. Prashant Patil holds the position of Executive Vice President of Manufacturing for Specialty Intermediates (SI). He earned his Bachelor's degree in Chemical Engineering from Mumbai University and a Post-Graduate Diploma in Materials Management from Welingkar Institute. With over 31 years of experience in manufacturing, projects, and process engineering in specialty chemicals, Mr. Patil has been part of our team since November 2016.

### Skills And Expertise of the Board

Our Board of Directors boasts a diverse array of backgrounds, qualifications, skills, and experiences. Their collective expertise uniquely positions them to steer Laxmi Organic's strategy and oversee our operations in today's rapidly evolving business landscape.

	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. Manish Chokhani		✓			✓	✓	✓	✓								
Dr. Rajeev Vaidya		✓					✓	✓								
Ms. Sangeeta Singh		✓				✓										✓
Mr. Omprakash V. Bundellu		✓			✓	✓	✓	✓							✓	
Dr. Rajiv Banavali		✓		✓		✓	✓	✓		✓		✓				
Dr. Rajan Venkatesh	✓	✓		✓							✓		✓	✓		
Mr. Arun Tadarwal					✓	✓		✓					✓			



### Keys:

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

### Board Experience

**10**  
Members with 10+ Years

**9**  
Member with 25+ Years

**6**  
Members with 30+ Years

**4**  
Members with 35+ Years

### 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

**6**  
Independent Directors

**1**  
Female Directors

### Governance Policies: Upholding Standards

At Laxmi Organic, we uphold the highest standards of corporate governance, ensuring fairness and transparency in our operations. Our robust mechanism, guided by evolving laws and our corporate philosophy, supports our sustained success. Aligned with our core values, it informs our decisions and drives responsible growth. Compliance with regulations, codes, and policies is paramount, guiding our business conduct and norms. Our governance policies ensure proactive adherence to labour, environmental, and diversity standards, enhancing our commitment to sustainability.

### Some of the Major Policies of the Organisation are Given below:



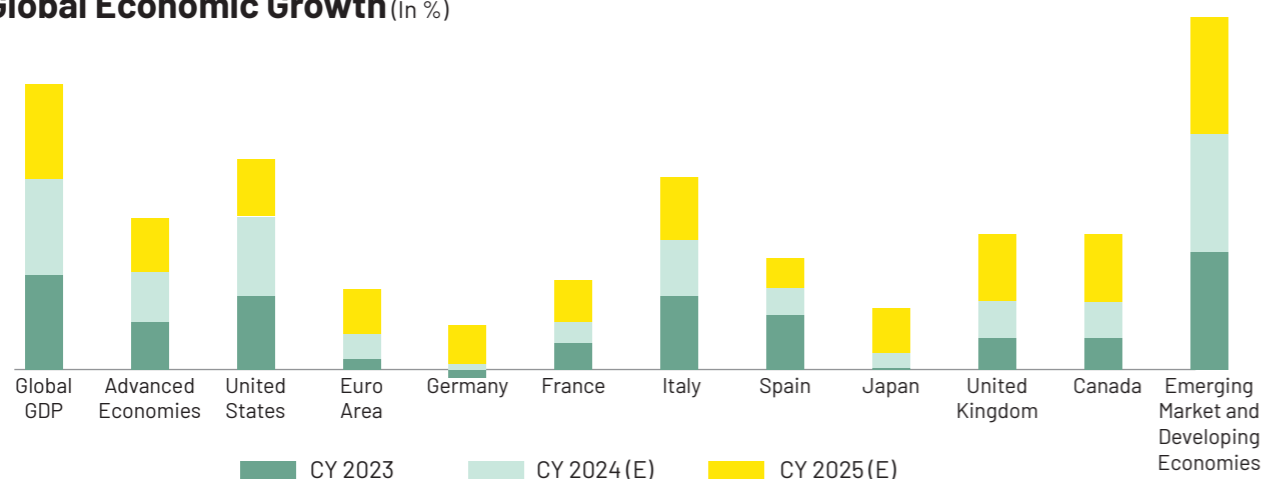
# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economic Review

In 2023, the global economy exhibited resilience amid challenges such as geopolitical tensions. Headline inflation peaked in 2022 and is gradually receding, mitigating its impact on employment and economic activity. This positive trend is attributed to supply-side improvements and proactive central bank measures.

Global growth projections remained stable at 3.2% and forecasts indicate that this stability would persist into CY 2024 and CY 2025. This resilience is supported by stronger-than-expected performances primarily in the United States and major emerging markets. Demand in Europe and China continues to be subdued. However, growth projections fall below the historical average due to factors like elevated central bank rates, sluggish productivity growth and imbalance between supply and demand dynamics.

## Global Economic Growth (In %)



(Source: International Monetary Fund (IMF), World Economic Outlook (WEO) Projections, April 2024)



## Reduction in Food Prices

The World Bank's food price index weakened throughout CY 2023, averaging for the year as a whole 9% lower than CY 2022. The decline, reflecting robust harvests, unfolded despite the non-renewal of the Black Sea Grain Initiative, some trade restrictions, and the ongoing El Niño. Global food prices are expected to ease further, by 2% in CY 2024 and by 3% in CY 2025, as the global supply outlook continues to improve. Despite recent declines, inflation-adjusted food prices in CY 2023 remained at levels comparable to the food price spikes of CY 2008 and CY 2012.

## Outlook

Global growth is expected to remain stable, with inflation pressure concentrated in the business sector. Despite disinflationary trends and steady growth, the risk of a severe economic downturn has diminished. However, challenges such as geopolitical tensions and disruptive fiscal measures could impact growth. Policymakers face the task of navigating inflation and fiscal consolidation while enhancing productivity growth and ensuring debt sustainability. The trajectory of economic rebound in 2025 hinges on central banks' actions to alleviate economic constraints, particularly in the US and the Euro Area. Prolonged high rates could dampen economic activity, exacerbating mild recessions.

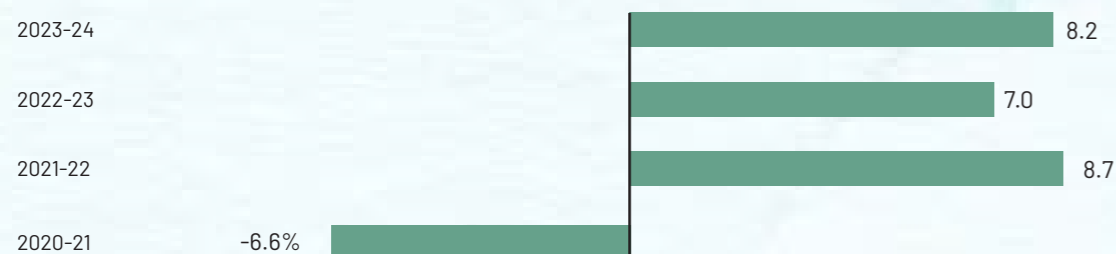
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)



## Indian Economic Review

India has solidified its position as one of the fastest growing economies due to its sustained growth trajectory, with GDP expected to grow by 8.2% in 2023-24, marking the third consecutive year of over 7% growth. This growth is driven by various factors, including narrowing gaps between rural-urban consumption and private-public capital expenditure. It is bolstered by a favourable Rabi harvest, sustained profitability in manufacturing, resilience in services, and anticipated improvements in household consumption and private investment cycles.

### Growth of the Indian Economy



(Source: Press Information Bureau – Indian Economy Estimates)

### Inflation Easing & Interest Rates Remain Unchanged

As of March 2024, inflationary pressures eased with declines observed in both food and core inflation. It has now remained within RBI's tolerance level for six consecutive months. The Government's recent measures to control food prices are expected to further alleviate inflationary trends. Moreover, the prospects of El Nino fading away and forecasts of a normal monsoon season suggest a favourable outlook for improved kharif sowing, which bodes well for inflation mitigation.

The Reserve Bank of India (RBI) has kept the repo rate unchanged at 6.50% for the sixth consecutive time, as announced in its bi-monthly policy review on February 8, 2024. The RBI's decision to keep the repo rate unchanged is primarily due to retail inflation remaining above the 4% target. Retail inflation rose to 5.55% in November 2023. The RBI forecasts a 4.5% retail inflation rate for 2024-25. The MPC's decision to maintain the repo rate is aimed at ensuring that inflation progressively aligns with the target while supporting growth. The RBI's focus on maintaining inflation within target levels reflects its concern about the evolving food inflation outlook and the potential impact of adverse weather events on food prices.

### Energy Consumption and Demand

With the rapid industrial growth, the demand for energy has increased over the last decade and will continue to increase in the near future. In order to meet the energy requirements of our nation, the Government has undertaken several initiatives to scale up domestic coal production. S&P Global Commodity Insights said that LPG and gasoil/diesel recorded

the highest year-on-year growth. Household consumption remained robust amid cooler weather in the north, while diesel consumption increased in line with the receding winter and increasing mobility. This remarkable uptick in demand was attributed to erratic rainfall patterns across the nation, which bolstered factory activity and facilitated increased mobility. India's Petroleum Ministry estimated that India's fuel demand would continue growing and increase by 2.7% in the 2024-25 fiscal year.

(Source: Press Information Bureau, Reserve Bank of India, S&P Global Commodity Insights)

### Outlook

The Government's prudent capital expenditure, combined with structural reforms, stable domestic demand, and expanding private consumption and investments, is expected to drive sustained growth. India aims to become a US\$ 5 Tn economy within the next three years and a US\$ 7 Tn economy by 2030, positioning itself as the third-largest economy globally. This growth trajectory is further supported by broad-based credit expansion, improved capacity utilisation, and efforts to reduce trade deficit and inflation. Furthermore, significant infrastructure investment is expected to enhance competitiveness by reducing logistics costs and facilitating quicker product transfer, benefiting various sectors and boosting exports. However, potential risks such as commodity price surges from geopolitical tensions, supply disruptions, or persistent inflation in developed economies could lead to extended tight monetary conditions.

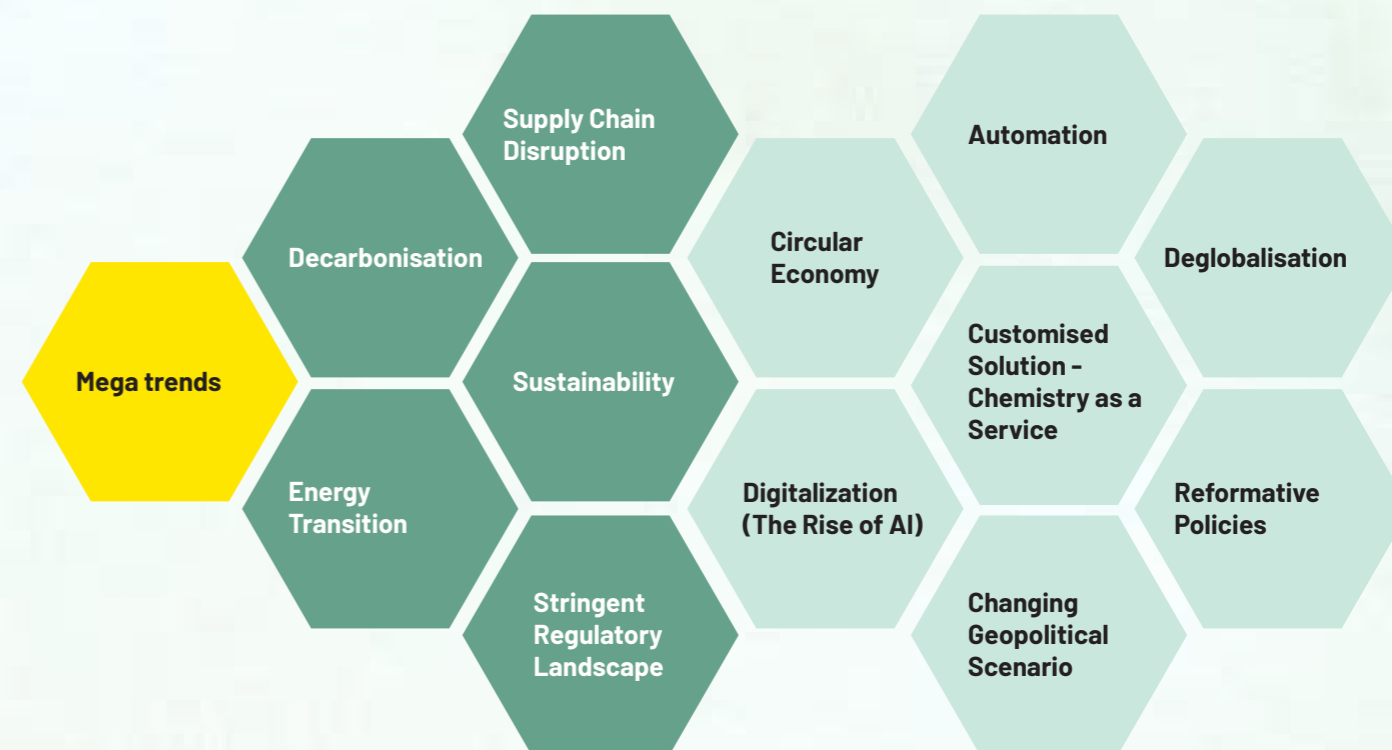
(Source: Press Information Bureau, Reserve Bank of India, S&P Global Commodity Insights)

## Global Chemical Market

In CY 2023, the global chemical industry grappled with sluggish demand, overcapacities in China and lower output, with chemical output growing less than 1% year-over-year in the first eight months. Factors like the recession in Europe, inflation in the US, and a smaller-than-expected rebound in Chinese demand, coupled with over-ordering in CY 2022 leading to high inventory levels, contributed to this challenge.

Despite fears of an economic downturn in the US fading, the underlying weakness in demand and overcapacity for some products persisted. However, the energy transition drove chemical demand, with new government policies spurring investment in clean energy technologies like EVs, lithium-ion batteries, and solar panels. The industry supports over 75% of emissions reduction technologies needed for net-zero goals by 2050, with over 100 projects expected online in CY 2024.

### Key Trends Driving the Global Chemical Industry in 2024

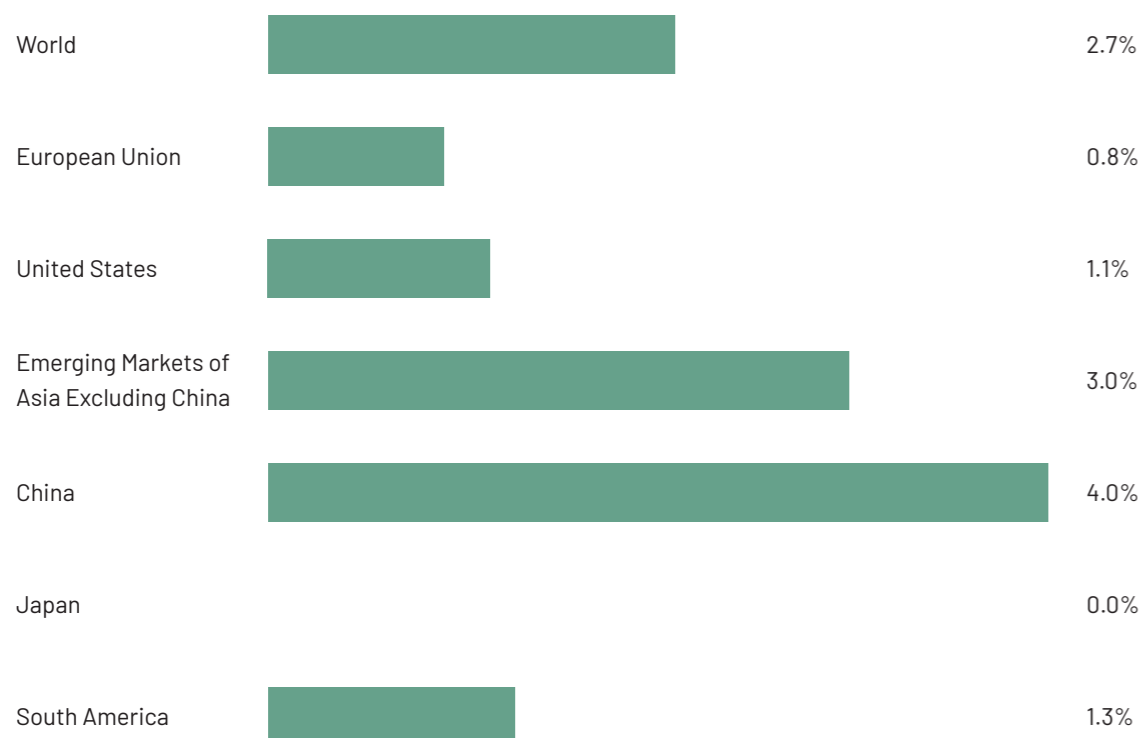


(Source: <https://www.marketsandmarkets.com/PressReleases/global-chemical-industry-outlook.asp>)

Regional dynamics significantly impacted the landscape, with energy market volatility, evolving policies, and supply chain disruptions raising de-industrialisation concerns in Europe. The US and the Middle East benefited from relatively cheap domestic energy sources like natural gas, LPG, and oil, China continues to depend on coal as a key energy source and gas trade with Russia. Digitalisation and AI played a crucial role, with companies accelerating integration efforts and adopting AI technologies for optimization, innovation, and decision-making, despite digital investment drops in 2023. The circular economy gained momentum, with

increased investments in plastics recycling as brands aimed to use more recycled content. Advanced recycling technologies were scaled up, and lithium-ion battery recycling garnered attention, expected to grow from 2024 onwards. Bio-based feedstocks showed promise in displacing plastics, while still lacking economies of scale. Chemical companies around the globe are likely to enter the year with utmost caution, keeping their focus more on reducing overall costs and improving process efficiencies to offset the losses incurred during the past years.

## Outlook for Chemical Production 2024 (Excluding Pharmaceuticals)



(Source: <https://www2.deloitte.com/content/dam/Deloitte/br/Documents/energy-resources/2024%20chemicals%20industry%20outlook.pdf>, <https://report.basf.com/2023/en/combined-managements-report/forecast/economic-environment/chemical-industry.html>)

## Outlook

The macro chemical industry outlook remains positive, driven by pharmaceutical innovation, sustainability trends, and revival of end-use sectors. However, short term challenges like economic uncertainties, overcapacities in China and supply chain issues persist. Companies will prioritise cost optimisation, digitalisation, and eco-friendly solutions to fuel growth. Strategic investments in R&D, collaborations, and operational efficiencies will be key to maintaining a competitive edge. Overall, the industry's adaptability and essentiality position it for steady expansion while navigating evolving market dynamics with an agile approach

(Source: <https://www2.deloitte.com/content/dam/Deloitte/br/Documents/energy-resources/2024%20chemicals%20industry%20outlook.pdf>)



## Industry Overview

### Pharmaceutical

The pharmaceutical chemicals market is driven by the increasing demand for advanced drugs and active pharmaceutical ingredients. The global pharmaceutical market was valued at US\$ 1,559.53 Bn in CY 2023 and is projected to surpass US\$ 2,832.66 Bn by CY 2033, expanding at a CAGR of 6.15% from CY 2024 to CY 2033. Key growth factors include aging populations, rising healthcare expenditure, advancements in biotechnology and personalized medicine, and the increasing prevalence of chronic, and lifestyle diseases. The sector comprises multinational companies, biotechnology firms, generic drug manufacturers, and contract research organizations. Emerging applications of pharmaceutical chemicals offer lucrative opportunities for major players. The development of new drugs coupled with evolving markets is a major trend boosting the growth of the pharmaceutical chemicals market. Furthermore, increasing healthcare spending in emerging markets is influencing business strategies due to high profitability potential, leading to investments and launches of advanced products globally.

(Source: <https://www.precedenceresearch.com/pharmaceutical-chemicals-market>)

### Dyes and Pigments

The global dyes and pigments market witnessed remarkable growth, primarily driven by its widespread use in key end-use industries such as textiles, construction, and plastics. The market is projected to expand at a 5% CAGR between CY 2023 and CY 2033. The textile industry is among the largest consumers of dyes and pigments, utilizing them for the production of clothing, home textiles, and other textile-based products. The construction industry also significantly contributes to the demand for dyes and pigments through their applications in architectural coatings, automotive coatings, and other industrial coatings. Additionally, the plastics industry is a significant end-user of pigments, employing them in the manufacturing of plastic products such as packaging, consumer goods, and industrial components. The dyes and pigments market's growth is expected to continue, fuelled by the increasing demand from these diverse end-use sectors.

(Source: <https://www.grandviewresearch.com/sector-report/dyes-pigments-industry-data-book>)

### Agrochemicals

The agrochemical industry plays a crucial role in ensuring food security by protecting crops from pests, diseases, and weeds. Approximately 25% of global crop yields are lost annually due to these threats, highlighting the importance of agrochemicals in enhancing crop productivity. The global agrochemical market is projected to experience substantial growth, expanding from US\$ 243.55 Bn in 2023 to US\$ 296.32 Bn by 2028, with a compound annual growth rate

(CAGR) of 4%. This growth can be attributed to the increasing awareness about the benefits of crop protection chemicals, which have not only led to increased usage of pest control products but have also raised awareness about the potential for more profitable opportunities with minimized crop losses. Furthermore, the global agrochemicals industry has witnessed a surge in patent filings and product registrations, contributing to the wider adoption of these products in agriculture, thereby driving market growth.

(Source: <https://www.indianchemicalnews.com/agrochem-summit-2024/#:~:text=According%20to%20reports%2C%20the%20global,use%20of%20crop%20protection%20products.>)

### Flexible Packaging

The flexible packaging market is poised for substantial growth, with production volume expected to rise from 34.67 Mn tonnes in 2024 to 40.94 Mn tonnes by 2029, reflecting a CAGR of 3.38%. This growth is driven by increasing demand for convenient, lightweight, and sustainable packaging solutions across various sectors, particularly food and beverage, cosmetics, and healthcare. The growth of the flexible packaging adhesive market is closely tied to the demand from the medical, food, and cosmetic packaging sectors. The need for improved shelf life and product protection, facilitated by advancements in packaging technology, further fuels market expansion. Concurrently, the global industrial chemical packaging market is poised for positive growth, driven by the increasing demand for chemicals used in the food and pharmaceutical industries. The surge in demand for organic chemicals and various additives is propelling the sales of sustainable packaging solutions, as manufacturers and exporters seek high-quality industrial packaging for safe transit of their high-value goods.

(Source: <https://www.mordorintelligence.com/industry-reports/flexible-packaging-market>)

### Industrial Solutions

Industrial chemicals are developed for use in industrial processing and production processes, as well as ingredients in consumer products. The Global Coatings, Adhesives and Sealants, and Elastomers (C.A.S.E.) Market is expected to grow from US\$ 207.7 Bn in 2022 to US\$ 277.76 Bn in 2030, with a CAGR of 3.7%. This growth is driven by the rapid expansion of building and construction activities, infrastructure development projects, and the transportation sector's demand for coatings, adhesives, sealants, and elastomers to prevent oxidation and corrosion. The Asia-Pacific region holds a significant share in the market due to its economic growth and surging production in industries like construction, textile, and automotive. Furthermore, partnerships between tire manufacturers and adhesive and sealant producers to develop sustainable sealants are expected to create lucrative opportunities for market growth.

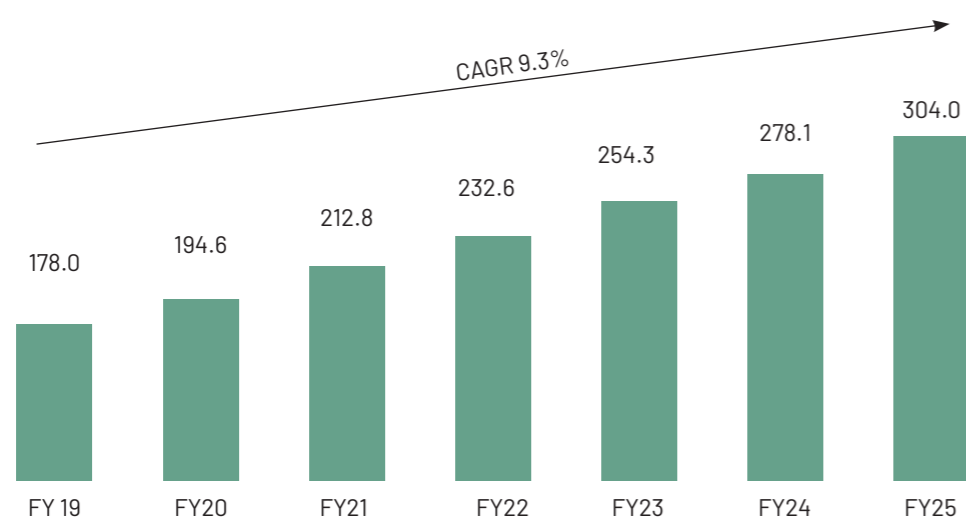
(Source: <https://ipen.org/toxic-priorities/industrial-chemicals>, <https://www.marketsanddata.com/industry-reports/coatings-adhesives-and-sealants-and-elastomers-market>)

## Indian Chemical Market

With a 7% share in the country's GDP and a diverse portfolio of over 80,000 commercial products, the Indian Chemicals industry is a cornerstone for both agricultural and industrial progress. It provides essential materials for downstream sectors such as pharmaceuticals, paints, textiles, and paper. Encompassing bulk chemicals, speciality chemicals, agrochemicals, petrochemicals, polymers, and fertilizers, India's chemical sector holds a prominent global position.

The Indian chemical sector was valued at US\$ 278.1 Bn in 2023-24 and is projected to experience substantial growth, reaching US\$ 304 Bn by 2024-25 and a staggering US\$ 1 Tn by 2040, fuelled by a growing demand from end-user industries such as construction, automotive, and consumer goods.

### Chemical Industry Market Size (US\$ Bn)



(Source: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/01/chemicals-value-chain-transition.pdf>  
[https://www.spglobal.com/\\_assets/documents/ratings/research/101591895.pdf](https://www.spglobal.com/_assets/documents/ratings/research/101591895.pdf)  
<https://www.ibef.org/industry/chemical-industry-india>)

## Chemical Industry

### Basic Chemicals

India's basic chemicals industry exhibits substantial growth potential, with efforts underway to reduce reliance on imported raw materials by exploring alternative feedstock options such as coal gasification, syngas, and pet coke. This move is expected to facilitate capacity expansion among downstream chemical producers, particularly in petrochemicals, which have seen significant investment commitments of approximately US\$ 100 Bn by 2030. This expansion aims to address India's petrochemical intermediate supply deficit, supporting the production of higher-value-added speciality chemicals necessary for end-user goods.

(Source: <https://www.emis.com/php/search/docpdfchapters?dcid=799299941&keyword=India%20Chemicals%20Sector>)

### Speciality Chemicals

The speciality chemicals sub-sector stands out as one of the fastest-growing segments in the Indian manufacturing sector, experiencing remarkable expansion. The ongoing shift in global supply chains is driven by the 'China+1' strategy, coupled with renewed domestic end-user demand. This growth is fuelled by favourable demand dynamics and expanding penetration opportunities, particularly evident in categories such as paints, textiles, adhesives, and personal and home care products. With domestic chemical consumption relatively low, there exists substantial scope for further development. The Indian speciality chemical export market is poised for significant growth, with its market share projected to rise to 6% by 2026 from 3-4% in fiscal 2021. This expansion is driven by increased access to export markets, while China's export market is impacted by environmental regulations, positioning India advantageously.

## Agrochemicals and Fertilisers

The agrochemicals and fertilisers sector in India is currently grappling with immediate challenges arising from global conflicts and disruptions in the supply chain. Geopolitical tensions and trade route disturbances have led to a surge in fertiliser prices, posing significant obstacles for the industry. India's dependence on imports from nations such as China further exacerbates these challenges. While the Government's 'One Nation One Fertiliser programme' endeavours to enhance fertiliser quality and accessibility, it may strain manufacturers' profit margins. Striking a balance between ensuring fertiliser affordability and addressing food security concerns necessitates careful policy navigation. Initiatives like subsidised fertilisers under the 'Bharat' brand and the establishment of Kisan Samruddhi Kendras aim to alleviate these challenges over the long term.

(Source: <https://www.ibef.org/industry/chemical-industry-india>  
<https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/01/chemicals-value-chain-transition.pdf> <https://drive.google.com/drive/folders/1qCCfcrugYmvprHJ6bxkJaFlvlezuYf7b>)

## Global Ethanol Market

The ethanol market, valued at US\$ 94.6 Bn in 2023, is estimated to grow at a robust CAGR of 5.3% from 2024 to 2034, reaching US\$ 166.6 Bn by the end of 2034. The market's growth is primarily driven by the increasing use of ethanol as a biofuel and the rising demand for alcoholic beverages. Ethanol, a colourless and flammable liquid, finds applications in multiple industries, including cosmetics, fuel, beverages, and industrial solvents. Ethanol is primarily made from various plant materials, collectively known as biomass, with sugary crops like wheat, corn, and sugarcane serving as excellent sources. The demand for biofuels like ethanol is being driven by government initiatives for environmental pollution control, as ethanol is considered a clean energy alternative and helps reduce air pollution by improving engine combustion.

Leading companies in the ethanol sector are investing in business expansion through various strategies, such as mergers and acquisitions, partnerships, and new product launches. These companies are launching new products to enhance their product portfolios and meet consumer demands. Moreover, manufacturers are adopting sustainable production methods to reduce carbon emissions and meet sustainability standards.

(Source: <https://www.transparencymarketresearch.com/ethanol-market.html>)

## Global Acetic Acid Market

The global acetic acid market size reached US\$ 11.9 Bn in 2023. It is expected to reach US\$ 19.5 Bn by 2032, exhibiting a growth rate (CAGR) of 5.5% during 2024-2032. Acetic Acid is utilized in the manufacturing of coatings, greases, polyesters, and sealants, which finds application in different industry verticals, such as electronics, automobiles, textiles, and packaging, is favoring the growth of the market. The increasing use of acetic acid as a feedstock in the production of various chemicals, including vinyl acetate, acetic anhydride, and acetate esters, in confluence with significant growth in the chemical industry, represents one of the major factors strengthening the market growth around the world.

(Source: <https://www.imarcgroup.com/acetic-acid-technical-material-market-report>)

## Policy Support for Chemical Industry

The Union Government, with a clear vision of increasing the manufacturing sector's contribution to 25% of the GDP by 2025, plans to significantly enhance domestic production, reduce imports, and attract investments. To achieve this goal, the Government plans to introduce a production-linked incentive scheme for the chemical sector and foster an end-to-end manufacturing ecosystem through cluster growth. Some of the key initiatives towards the implementation of this vision include:

- Under the Interim Union Budget 2023-24, the Government allocated ₹ 173.45 Crores (US\$ 20.93 Mn) to the Department of Chemicals and Petrochemicals.
- The Government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.
- The chemicals sector permits 100% Foreign Direct Investment (FDI) under the automatic route, with exceptions for hazardous chemicals. Between April 2000 and June 2023, FDI inflows in the chemicals sector, excluding fertilisers, totalled US\$ 21.48 Bn.
- The Department of Chemicals & Petrochemicals plans to introduce a Production Linked Incentive (PLI) scheme in the chemical & petrochemical sector.
- The dedicated integrated manufacturing hubs under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of ₹ 20 Tn (US\$ 276.46 Bn) by 2035.

(Source: Press Information Bureau, <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/01/chemicals-value-chain-transition.pdf> <https://drive.google.com/drive/folders/1qCCfcrugYmvprHJ6bxkJaFlvlezuYf7b>)

## Growth Drivers

**Large Headroom:** India's chemical consumption per capita stands at just 10% of the global average, signaling ample room for an increase in domestic consumption. Rapid urbanization and the expanding middle class are expected to further exacerbate the need for capacity expansion in the chemical sector.

**Geographic Advantage:** India's extensive coastlines and waterways, facilitate trade and offer substantial import substitution opportunities. Additionally, India's proximity to the Middle East, a major source of petrochemicals feedstock globally, provides it with significant economies of scale.

**Rising Labour Costs:** The escalation of labour costs presents a significant growth driver for the chemical industry. Rising labour expenses create opportunities for chemicals to substitute manual labour in various sectors. For instance, in agriculture, where herbicide use is limited due to reliance on low-wage seasonal workers for manual weed removal, there is potential for increased adoption of herbicides as labour costs rise and awareness about agrochemicals grows among farmers.

**Dominance in Generic Market:** India's leadership in generics, biosimilars, and vaccine production contributing over 50% of the global vaccine supply which, significantly boosts demand for chemicals across industries. For instance, in 2020, around US\$ 4.1 Bn in agrochemicals went off-patent, allowing Indian generics producers to gain market share. This dynamic fosters growth and innovation in the chemical sector, presenting lucrative opportunities in specific niches.

**Demand for Speciality Chemicals:** Increased demand from end-user sectors like food processing, personal care, and home care is fuelling the growth of various segments within India's speciality chemicals market.

**Robust Policy Support:** The Department of Chemicals and Petrochemicals aims to position India as a premier chemicals and petrochemicals manufacturing hub. As India steadily progresses towards achieving self-reliance in the chemical sector, supportive policies provide a robust tailwind for this endeavour.

**Technological Advancements:** Implementation of digital technologies to optimise processes and the development of new materials, such as bio plastics, self-healing materials, and grapheme, have the potential to create new markets and applications.

## Constraints

**Infrastructure Gap:** India faces a significant infrastructure deficit, requiring substantial investments to bridge the gap, estimated at US\$ 4.5 Tn over the next 25 years. This shortfall impacts the supply chain, hindering the delivery of affordable chemicals to end-user industries, particularly when distances between producers and consumers are vast.

**Market Fragmentation:** The speciality chemicals segment in India suffers from excessive fragmentation, limiting economies of scale and hindering competitiveness against larger regional players. The lack of consolidation also hampers investment in research and development, crucial for entering higher value-added market niches.

**Competitive Raw Material Availability:** The industry suffers from fluctuations in raw material prices, such as recurrent supply cuts from the Organization of the Petroleum Exporting Countries (OPEC) of crude oil and thereby its derivatives for petrochemicals, which can significantly affect the profitability and operational efficiency of chemical manufacturers. Dependence on imports for key building blocks (viz. crude oil, natural gas, coal, LPG, etc.) remains an area to work upon.

**Regional Competition and Free-Trade Agreements:** Intense competition from regional players, notably China, poses challenges for Indian chemical producers. China's protective measures and subsidies for its chemical industry, coupled with India's free trade agreements with other countries, contribute to import surges, impacting domestic producers' market share and competitiveness. For instance, India's agreement with Japan led to increased imports of caustic soda, affecting alumina producers in East India.

## Outlook

India has the potential to become the consumption and manufacturing engine of the global chemical industry. It is witnessing rapid economic growth, is home to a rising middle class, and requires lower capital and operating expenses. However, numerous challenges still persist including limited domestic feedstock availability, delayed regulatory approvals, and scarcity of skilled R&D talent. These enablers and obstacles have influenced the spectrum of chemical subsegments falling in the consideration pool, in terms of both market attractiveness and cost-competitiveness. Global chemical companies interested in entering or expanding their presence in India should consider these factors in their investment decisions.

## Company Overview

In 35 years of its history, Laxmi Organic Industries Limited (the Company), has carved a leading global position for itself, catering to diverse customer industries and markets with a comprehensive range of products. The range of the Company's products in the Essentials business unit has been growing at nominal capex while the Specialties business unit, backed by DSIR-certified R&D centres has seen a significant enhancement of the product portfolio. In 2023-24, the Company embarked on its journey of Geared to Win, prioritising growing with customer needs while continuing to ensure customer satisfaction, ensuring safe operations, building on technology cost leadership and leveraging R&D. The cornerstones of the Company's 'Geared to Win' Strategy encompass customer centricity, a strategically located manufacturing footprint with room for planned expansion, a diversified and de-risked business model, and a track record of innovation through technology absorption and in-house developments. Furthermore, the Company's strengths lie in its depth and breadth of talent, coupled with a well-defined value system. While over more than three decades, the Company's performance has established a track record of resilience. Going forward, the Company has clearly defined the goals of excellence that have been set to ensure that all stakeholders are aligned. The commitment towards EHS has also been enhanced from FY 2023-24 onwards with the creation of Laxmi Life Saving Rules and focusing on leading indicators, which not only ensures that the business is operated with safety as a top priority but the entire Laxmi family also follows safety as a part of their daily lives. The 'Industrial Safety and Health Award 2023' has been a great evidence to this commitment.

## Essential Chemicals

Essential chemicals, also known as essential products, are fundamental components necessary for various industries. These products play a crucial role in manufacturing processes or end products across a range of industries. Esterification is a chemical reaction that converts an acid into an ester by reacting it with an alcohol in the presence of a catalyst, typically a strong acid such as sulfuric acid or phosphoric acid. This process is vital in the production of various esters used in different industries.

Acetylation is another important chemical process that Laxmi Organic Industries specialises in. Leveraging Swedish technology, the Company has achieved a prominent global position, in the area of these products. It ranks number one domestically and third worldwide (excluding China) in this segment, with over 30% market share in India.

The portfolio expansion diversification of the product portfolio of Essentials is done with nominal capex and ensuring extremely efficient cost curve. These essentials products find applications across various industries such as pharmaceuticals, agrochemicals, flexible packaging, auto coatings, printing inks, personal care, and cosmetics. With a best-in-class cost of production, the Company enjoys stable returns over the cycle, maintaining its cash-generative status. The portfolio diversification journey is meaningfully diversifying the revenue contribution of products which also helps improve the business resilience over cycles.

(Source: <https://www.marketsandmarkets.com/Market-Reports/solvent-market-1325.html>)

**12 US\$ Bn**  
Essentials Market Size



## Specialty Chemicals

Established with German Swiss technology, the Company has witnessed strong growth in ketene/diketene downstream derivative chemicals, expanding over 10 times in the last decade. With a portfolio of over 40 products serving diverse sectors from pharmaceuticals to coatings, the Company continues its leadership in the Indian markets with about 50% market share. The capital expenditure completed in 2022-23 added to the revenue and profitability of the business. With the fluorine intermediate assets beginning to contribute revenues from 2024-25 onwards, this business will see further diversification of products and customer industry base.

(Source: <https://www.persistencemarketresearch.com/market-research/diketene-derivatives-market.asp>)

### Diketene Specialties

The Company stands out globally with an extensive backward integrated portfolio from Diketene to downstream derivatives, having applications in Agrochemicals, Pharmaceuticals, Nutraceuticals, Pigments and Dyes, Adhesives, coatings, papermaking chemicals, and more. We are the leading manufacturer of diketene derivatives in India with a market share of approximately 53% of the Indian diketene derivatives market in terms of revenue as of 2022-23 and one of the largest portfolios of diketene products. The global diketene derivatives market is forecast to expand at a CAGR of 6.4%, increasing from a projected value of US\$ 485.7 Mn in CY 2024 to US\$ 749.8 Mn by the end of CY 2031.

### Fluorospecialty Intermediates (FI)

The global fluorochemicals market reached US\$ 24.3 Bn in CY 2023 and is projected to reach US\$ 35.7 Bn by CY 2032, exhibiting a CAGR of 4.3% during 2024-2032. The Company operates in a large market, and the relevant market segment for the Company is about US\$ 2.5 Bn within the Pharmaceutical, Agrochemical, and Industrial segments. The technology acquired from Miteni is aimed at delivering more specialized products that do not fall into the category of refrigerants and surfactants. This business complements Laxmi's specialty business, offering an opportunity to leverage best in class technology and established customer relationships. As revenues from the commissioned assets grow, the diversification of the Company's business will also increase.

(Source: <https://www.imarcgroup.com/fluorochemicals-market>)

**3.5 US\$ Bn**  
Specialties Market Size



## Risk Management

The Company's Risk Management & ESG Governance Committee diligently identifies, assesses, and prioritises potential risks and threats, establishing effective mitigation measures to soften any potential impact on the Company. The key risks identified and prioritised during 2023-24 include:

Risk	Description	Mitigation
Regulatory Risk	Adherence to evolving regulatory standards and environmental norms can pose challenges and may require substantial investments in compliance measures.	The Company stays updated on regulatory changes and ensures adherence to all regulations.
Raw Material Risk	Dependency on imported raw materials and fluctuations in prices of key inputs like, crude oil derivatives can affect profitability and operational efficiency.	The Company has a diversified supplier base and continuously explores alternative sources to mitigate the risk of raw material shortages and also hedges against price volatility through all viable routes to stabilise costs.
Supply Chain Risk	Disruptions in the supply chain due to factors such as transportation constraints, geopolitical tensions, or natural disasters can impact production schedules and delivery commitments.	The Company has contingency plans and alternate sourcing options to mitigate the impact of supply chain disruptions.
Technology Risk	Failure to adopt and invest in emerging technologies may lead to inefficiencies, reduced competitiveness, and loss of market share over time.	The Company monitors industry trends and invests in R&D to stay ahead of technological obsolescence.
Health & Safety Risk	Ensuring a safe working environment for employees and mitigating risks associated with handling hazardous chemicals is crucial to prevent accidents and legal liabilities.	The Company implements stringent safety protocols, provides regular training, and conducts regular audits to ensure compliance. Laxmi Life Saving Rules designed in FY 2024 further this mitigation.
Market Risk	Intense competition from domestic and international players can exert pressure on pricing and market share.	The Company is committed to investing 2% of the Specialties revenue in R&D. Further the focus on customer centricity has been further enhanced by setting up of marketing teams under the two business units which will strengthen customer relationships and enhance customer servicing.
Economic Risk	Fluctuations in macroeconomic factors such as exchange rates, interest rates, and GDP growth rates can impact demand, investment decisions, and overall business performance.	The Company has prudent financial operations with an unleveraged balance sheet, high credit rating and almost 50% unutilised working capital limits. The flexible cost structures and diversified revenue streams further mitigate economic uncertainty.
Brand Risk	Negative publicity due to environmental incidents, product recalls, or non-compliance with quality standards can damage the Company's reputation and erode customer trust.	The Company has robust quality control measures, risk management processes, and communicates transparently to protect its reputation.
Cybersecurity Risk	Vulnerabilities in IT infrastructure and data security systems expose the Company to risks of cyberattacks, data breaches, and intellectual property theft.	The Company has adequate cybersecurity measures, regularly updates software and systems to address vulnerabilities.
Geopolitical Risk	Political instability, trade disputes, and changes in government policies or regulations can disrupt business operations and affect market access and profitability.	The Company monitors geopolitical developments, diversifies operations and markets, and assesses potential impacts to mitigate geopolitical risks.

## ESG

Recognising the profound impact businesses have on communities and society, the Company upholds the highest Environmental, Social, and Governance (ESG) standards. Committed to employee safety, environmental stewardship, and fostering inclusive growth, the team actively engage with local communities. The Company's comprehensive BRSR report combined with the Company's first Sustainability report showcases the emphasis on ethical governance, environmental initiatives, and social impact. Continuously striving for growth and improvement, the Company remains dedicated to driving long-term value for shareholders, communities, and the environment. Today almost 15% - 17% of the power consumed comes from renewable sources, with the capacity already in place to ramp this up to 25% and this is an area of focus for the Company.



## Human Resource Management

Acknowledging the pivotal role of its workforce in driving our growth & significant emphasis is placed on fostering the personal and professional development of employees. Diverse training and development initiatives are regularly conducted to upskill staff and broaden their knowledge base. Throughout the year, the Company has maintained harmonious relations with its employees, expressing gratitude for their invaluable contributions to operational growth and commending them for their proactive initiatives. As of March 31, 2024, the Company boasts a workforce of 954 permanent employees.

In FY2024 there was a conscious effort to increase the gender diversity in the workforce. The ratio of women employed at the Company has increased from 4% to 8%.



## Performance Review

Financial Ratio	2023-24	2022-23	Difference (%)	Reason for Deviation
Debtors' Turnover	4.89	4.62	5.69	The Y-o-Y sales has increased ca. 5%, driven by higher volume while the average accounts receivable reducing ca. 2%. This has led to a small increase in the Trade Receivables Ratio.
Inventory Turnover	7.81	6.30	24.00	The volumes have increased 20% Y-o-Y thus increasing the COGS. The average inventory Y-o-Y has actually reduced driven by active inventory management.
Interest Coverage Ratio	11.66	10.93	6.71	Lower utilisation of short term borrowings and repayment of Long term rupee loan reduced interest cost, along with margins led to improvement in Interest Coverage Ratio.
Current Ratio	1.68	1.52	11.00	The Current Assets of the Company have increased almost 30% on the back of QIP funds raise which are currently awaiting deployment. The higher Current Assets is driving the improvement in Current Ratio.
Debt Equity Ratio	0.07	0.26	(71.42)	The Company has only rupee term loan outstanding which was drawn in FY23. As there has been repayment of the same in FY24 the long term debt has reduced. Higher import procurement has led to lower fund based borrowings thus improving short term borrowings. The QIP funds raise have increased the shareholder's equity. Both factors have led to a lower Debt Equity Ratio.
Operating Profit Margin (%)	8.24%	7.51%	9.64	Improved product mix has led to better profitability thus leading to an improved profitability.
Net Profit Margin (%)	5.57%	5.01%	11.02	Improved product mix has led to better profitability (ca. 16% increase in PAT) thus leading to an improved profitability.

## Quality Assurance

Committed to delivering superior products and services, the Company ensures customer satisfaction and loyalty, fostering repeat business. The team consists of dedicated professionals across various functions, supported by state-of-the-art infrastructure and effective processes to optimise quality output. Additionally, a stringent supplier quality evaluation process guarantees that received materials meet internal standards and specifications, aligning with customer requirements. In FY2024 customer complaints reduced 14% YoY.

## Internal Control Systems and Their Adequacy

Governance relies on robust systems and controls, with the ERP system serving as a cornerstone. Teams receive comprehensive training to effectively utilise this system, ensuring seamless operations. The Information Technology function maintains process uptime, connectivity, and hardware and software integrity, facilitating enhanced engagements and collaborations. Financial controls are

aligned with operations, with internal audits conducted periodically by a reputable firm of Chartered Accountants and reports submitted to the Audit Committee of the Board. Continuous improvement and digitalization efforts remain ongoing within the Company IT team, reflecting industry standards.

## 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 Government regulations, tax laws and other statutes and incidental factors.





## Corporate Information

### OUR BOARD OF DIRECTORS:

#### Executive Chairman

Ravi Goenka

#### Executive Directors

Dr. Rajan Venkatesh (w.e.f April 03, 2023)

Harshvardhan Goenka

Satej Nabar (Till April 02, 2023)

#### Non-Executive Director

Rajeev Goenka

#### Independent Director

Manish Chokhani

Omprakash V. Bundellu

Sangeeta Singh

Dr. Rajeev Vaidya

Dr. Rajiv Banavali

Arun Todarwal (w.e.f. April 1, 2024)

#### Chief Financial Officer

Tanushree Bagrodia

#### Company Secretary & Compliance Officer

Aniket Hirpara

#### Statutory Auditors

#### Deloitte Haskins & Sells LLP

Chartered Accountants

### COMMITTEES OF BOARD

#### Audit Committee:

Omprakash V. Bundellu (Chairman)

Sangeeta Singh

Ravi Goenka

Mr. Arun Todarwal (w.e.f April 1, 2024)

#### 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

Dr. Rajan Venkatesh

Harshvardhan Goenka

#### Finance Committee:

Omprakash V. Bundellu (Chairman)

Ravi Goenka

Dr. Rajan Venkatesh

Tanushree Bagrodia

Arun Todarwal (w.e.f April 1, 2024)

#### 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

**Corporate Office**

Chandermukhi Building,  
2<sup>nd</sup> and 3<sup>rd</sup> Floor, Nariman Point,  
Mumbai – 400 021  
Tel: +91-22-49104400

**MANUFACTURING LOCATIONS****Mahad Site I**

A-22/2/1, A-22/2/3, MIDC,  
Mahad, Raigad – 402 309  
Maharashtra, India

**Mahad Site I**

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

**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

**Lote Site (Fluoro Chemical Unit)**

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

**Dahej Site:**

Village Jolva & Vadadala,  
Taluka Vagra, District Bharuch,  
Gujarat, 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, 2024.

### 1. STANDALONE FINANCIAL RESULTS:

	Year Ended March 2024	Year Ended March 2023
Revenue from operation	28,244.77	26,905.98
Profit before depreciation, interest and tax	3,190.01	2,723.47
Finance Cost	197.49	184.72
Depreciation	886.92	704.60
<b>Profit before tax (PBT)</b>	<b>2,105.60</b>	<b>1,834.15</b>
Tax	549.09	486.76
<b>Net profit</b>	<b>1,556.51</b>	<b>1,347.39</b>

(₹ in Mn)

### 2. DIVIDEND:

The Directors are pleased to recommend a Dividend of 30% (₹ 0.60 per equity share) on the face value of ₹ 2/- per share of the Company for the financial year ended March 31, 2024. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result in an outflow of approximately ₹ 165.92 Mn.

The dividend payout for the year under review is in line 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 5.0% to ₹ 28,244.77 Mn against ₹ 26,905.98 Mn of the previous year.
- Earnings before interest tax depreciation and amortisation (EBITDA) increased by 17.1% to ₹ 3,190.01 Mn against ₹ 2,723.74 Mn of the previous year.
- Profit Before Tax (PBT) increased by 14.8% to ₹ 2,105.60 Mn against ₹ 1834.15 Mn of the previous year.
- Net Profit increased by 15.5% to ₹ 1,556.51 Mn from ₹ 1,347.39 Mn 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:

During the year under review, there is no change in the Authorised share capital of the Company. However, the Issued, Paid-Up & Subscribed Share Capital has been increased from ₹ 530.35 Mn consisting of 26,51,76,208 equity shares ₹ 2 each to ₹ 551.56 Mn consisting of 27,57,80,785 equity shares ₹ 2 each due to the following reasons:

- a. The Company has successfully completed a Qualified Institutional Placement (QIP) offer, whereby the Company has issued 96,25,579 Equity Shares of face value of ₹ 2 at an issue price of ₹ 269.20 per share and raised ₹ 2591.21 Mn.

## Directors' Report (Contd.)

- b. The Company has issued 9,78,998 equity shares pursuant to the exercise of Options by the employees under Employee Stock Option Scheme – 2020 ("ESOP-2020").

### 7. EMPLOYEE STOCK OPTION SCHEMES:

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

Laxmi - Employee Stock Option Plan -2020:

Pursuant to the resolutions passed by the Members on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for the issue of employee stock options ("ESOPs") or thank you grants or restricted stock units ("RSUs") to eligible employees up to 6,750,000 options, which may result in the issue of not more than 6,750,000 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 complies with the SEBI (Share Based Employee Benefits) Regulations, 2014.

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, 2024 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, the Indian Rupee depreciated by 1.198 % from ₹ 82.2169 on April 01, 2023, to ₹ 83.3739 on March 31, 2024. The USDINR pair moved in the range of ₹ 81.6526 – 83.3950 with an annual realised volatility of 2.03% as against the volatility of 4.95% for the previous financial year.

### 9. CREDIT RATING:

The Company's financial prudence, discipline and performance are 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-/Positive
Fund-based working capital facility	Ind AA-/Positive/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 not only help in identifying and managing business risks but also ensure the highest standards of corporate governance. Our internal financial controls are well-documented and seamlessly integrated into our business processes. Thorough rigorous testing conducted throughout the year, we are happy to announce that no significant weaknesses were observed in either the design or operation of these controls.

We derive assurance on the effectiveness of our internal financial controls through various means, including monthly management reviews, control self-assessments, continuous monitoring by functional experts, and rigorous testing by our internal auditors. It is worth noting that our Internal Auditors report directly to the Audit Committee of the Board, ensuring independence in their evaluations. They not only assess the adequacy of internal controls but also audit the majority of transactions in terms of value.

In our commitment to further strengthen compliance processes, we have implemented an internal compliance tool that automates processes and generates timely alerts for statutory compliance. We firmly believe that these systems collectively provide reasonable assurance that our internal financial controls are effectively designed and operating as intended.

Furthermore, in compliance with Listing Regulations, we have constituted a dedicated Risk Management & ESG Governance Committee, responsible for preparing



## Directors' Report (Contd.)

the Risk Management Plan. Details regarding the constitution, authority, and terms of reference of this committee are outlined 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:

Employees represent the cornerstone of our Company, constituting our most valuable asset. Our unwavering commitment lies in attracting, nurturing, and retaining top talent. We steadfastly maintain an environment characterized by openness, camaraderie, and positive industrial relations, ensuring a conducive workplace for our employees.

During the year under review, we have introduced several new initiatives on the Human Resource front, aimed at further enhancing our employees' experiences and fostering their professional growth.

- i) **Leadership Development Program:** LEAP is an 8 months-long leadership development intervention that had been designed keeping in mind the 70:20:10 development model. For this, we collaborated with panel of Leadership development experts for designing and implementing the program. LEAP is based on cohort learning. Immersions were conducted where external leaders and organisations were experienced to create an 'Outside In' perspective and finally to encourage the application of the competencies learned in the workshops, and group coaching was enabled. This program will be an ongoing feature for Leadership Development in the Company.
- ii) **Internal Communication:** An internal communication platform has been created to improve communication within the organisation.

This is championed by an editorial team composed of employees from different functions. Impromptu is now published in both English & Marathi to provide a glimpse of important events taking place in different parts of the organisation. To further improve internal communication a Town Hall format has also been initiated and it is done every quarter. Through Townhall employees are updated with Business updates, Operational aspects including Quality, EHS etc. Exciting organisation-wide initiatives are also announced and updates are given to employees.

- iii) **Vision, Mission & Values:** Our goal was to have Vision, Mission and Core Values to guide the organisation and align all business decisions that we make. Several Light house interviews were conducted across leadership teams, employee pools and customers to arrive at insights around Company's brand essence, the competitive landscape and the DNA of the organisation. All these findings were then used to craft the Vision, Mission and Values of the organisation. A leadership workshop was undertaken to derive Vision, Mission & Values using stakeholder insights, competitive landscape & Company's brand essence. We launched our Vision, Mission and Values Orientation across all locations covering more than 80% of our population.
- iv) **Make Your Mark:** Make Your Mark, Laxmi's Rewards & Recognition program has undergone a stellar transformation. The core values of Innovation, Sustainability, Customer Centricity, and Integrity are now the guiding behaviors, shaping the Make Your Mark program. This marks the beginning of a new era where excellence aligned with Laxmi's values takes center stage in our recognition initiatives.
- v) **Competency Framework Development & Orientation:** The Competency Framework was developed using seven strategic intents derived from light house interviews. The Competency Framework looks at competencies across several levels of the organisation by proficiency. Orientation has been done through interactive workshops covering people managers across all the locations. Going forward all major HR processes will be based on the Competency Framework.
- vi) **Employee Engagement:** To strengthen the culture of continuous feedback and to enhance employee engagement, we are launching

## Directors' Report (Contd.)

an automated continuous listening process throughout the lifecycle of an employee which will cover Onboarding, Tenure, Moments-that-Matter and Exit. This will be done by asking employees relevant questions based on their professional milestones and personalised conversations will provide seamless experience to employees with a chat interface. Through this chat interface, aim is to highlight the employees who are at the risk of dis-engagement or potential attrition using AI and sentiment analysis. This will also provide actionable insights to HR team via real time analytics and help them stay ahead of the curve.

**vii) Total Rewards Mindset:** To build a strong base for this mindset it is essential to understand the external market. A basket of 24 plus Chemical sector companies were handpicked based on revenue, size, focus of work amongst other parameters and benchmarked for compensation and other best practices. This activity helped us to have a robust compensation philosophy which hinges on the pillars of 'Pay for performance' and being 'Open, fair and consistent'.

**viii) Human Resources Information System Initiatives:** This year policy implementation was undertaken through HRIS. E.g Flexi working days and hours. Continuous performance evaluation methodology-Checkins; was implemented through HRIS for senior employees. Other process flows have been optimized as per evolving processes of recruitment.

**ix) National Apprentice Promotional Scheme:** At the organisational level, we have created and implemented a high-quality talent pool through the National Apprentice Promotional Scheme Program for entry-level positions. The objective of this program is to improve bench strength, reduce the resourcing turnaround time, quality of trained talent, improve gender diversity, and provide employment opportunities to entry-level talent. At the moment, we have engaged more than 140 NAPS trainees across the organisation

and more than 54 NAPS trainees have been onboarded in 2023-24 and 69 trainees since program introduction. These 54 onboarded trainees translate close to 65% hiring against available positions of 5.2C & 5.2D in mfg and close to 23% at the organisation level across grades for 2023-24. The program has helped us to bring down manufacturing grade 5 attrition by 2.93% over historical attrition and a 27% reduction in a number of employees leaving within 0-1 year service between pre & post-NAPS deployment. NAPS acted as a feed to " Build model" for manufacturing and other functions for developing a gender diversity pool. More than 60% diversity hired from the NAPS pool of total diversity hired across the organisation in 2023-24.

**x) Gender Diversity:** Improving gender diversity in the Company is a key goal. We have this year created a three-pronged approach to improving Diversity –

**1) Leadership Sponsorship:** It is sponsored by each Senior leadership team member who carries specific D&I goals with > 10% weightage.

**2) Women of Laxmi Council:** A council has been formed with its preamble to guide actions on how to improve the inclusion and lives of women in Laxmi.

**3) Sensitization:** A year-round program management to sensitise on issues that create impediments.

A series of actions have been implemented to improve gender diversity at Laxmi such as creating and developing a talent pool through the NAPS Program, workforce sensitisation through "Nukkad Natak" & POSH workshops, women of Laxmi council workshops and initiatives on women employee safety working in shifts, especially in manufacturing and women-friendly policy development, etc. We have moved up on gender diversity from 4% to 8% in 2023-24.



## Directors' Report (Contd.)

**13. SUBSIDIARIES & JOINT VENTURE:**

The details of the subsidiaries and the joint ventures as on March 31, 2024 is given as under:

Sr. No.	Name & Country of Incorporation	Category
1.	Laxmi Organic Industries (Europe) BV, Netherlands (LOBV)	Wholly Owned Subsidiary
2.	Cellbion Lifesciences Private Limited, India (CLPL)	
3.	Viva Lifesciences Private Limited, India (VLPL)	
4.	Laxmi Speciality Chemicals (Shanghai) Co. Limited, China (LSCSCL)	
5.	Yellowstone Fine Chemicals Private Limited, India (YFCPL)	
6.	Yellowstone Speciality Chemicals Private Limited, India (YSCPL)*	
7.	Laxmi USA LLC	
8.	Laxmi Italy s.r.l	Step Down Subsidiary
9.	Saideep Traders, India (ST)	Step Down Partnership Firm
10.	Cleanwin Energy One LLP, India (CEOLLP)	Associate Company
11.	Radiance MH Sunrise Seven Private Limited	Associate Company

\*Applied for strick-off of the name

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, Laxmi Lifesciences Private Limited, a Wholly Owned Subsidiary of the Company, incorporated in India, has been Struck off with effect from September 21, 2023 vide certificate issued by Ministry of Corporate Affairs. The Company is also in the process of striking-off of the name of the one other wholly owned subsidiaries namely, Yellowstone Speciality Chemicals Private Limited.

The annual accounts of Subsidiary Companies are available for inspection by any Member at the registered office of the Company and interested Member 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>

During the year under review, Laxmi Organic Industries (Europe) BV has been identified as Material Subsidiary in accordance with Regulation 16 of Listing Regulations. However, none of the subsidiary has been identified as Material Subsidiary in accordance with Regulation 24 of Listing Regulation. The 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:**

During the year, Mr. Satej Nabar (DIN: 06931190), the Executive Director & Chief Executive Officer (ED & CEO) of the Company, tendered his resignation, opting to pursue personal interests beyond the organisation. His resignation took effect as of the close of business hours on April 02, 2023. Consequently, Mr. Satej ceased to hold the position of Key Managerial Personnel (KMP) within the Company, effective the same time. To fill this vacancy, the Board appointed Dr. Rajan Venkatesh (DIN: 10057058) as the Managing Director & Chief Executive Officer (MD & CEO) for a term of five years, commencing April 03, 2023, and extending until March 31, 2028. Dr. Rajan has also been appointed as a Key Managerial Personnel of the Company, effective April 03, 2023. Additionally, as part of these changes, Mr. Ravi Goenka (DIN: 00059267), the current Chairman and Managing Director, relinquished his role as Managing Director effective April 03, 2023. However, he was appointed by the Board as a Whole-time Director, designated as Executive Chairman of the Company, with effect from the same date, for the remainder of his tenure. The Company secured Member's approval for the aforementioned appointments and changes in designation through a postal ballot.

At the Board Meeting convened on March 12, 2024, Mr. Arun Tadarwal (DIN: 00020916) was appointed as an Independent Director of the Company for a three-year

## Directors' Report (Contd.)

term, commencing from April 01, 2024, to March 31, 2027, based on the recommendation of the Nomination & Remuneration Committee. Member approval for these appointments and changes in designation was obtained via postal ballot.

The tenure of Mr. Omprakash Bundellu (DIN: 00032950) as an Independent Director is set to conclude on the date of the forthcoming Annual General Meeting. Consequently, Mr. Bundellu will be relieved from his duties as an Independent Director immediately upon the conclusion of the Annual General Meeting.

Similarly, Mr. Manish Chokhani's (DIN: 00204011) tenure as an Independent Director also concludes on the date of the ensuing Annual General Meeting. However, based on the recommendation of the Nomination & Remuneration Committee at the Board Meeting held on May 21, 2024, Mr. Chokhani has been appointed as a Non-Executive Non-Independent Director, subject to retirement by rotation, effective from July 31, 2024. Therefore, Mr. Chokhani will transition from his role as an Independent Director to a Non-Executive Non-Independent Director upon the conclusion of the Annual General Meeting and will continue serving on the Board in this capacity.

Mr. Ravi Goenka (DIN: 00059267) is scheduled for retirement by rotation at the forthcoming Annual General Meeting and is eligible for reappointment. Following a comprehensive performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board proposes his reappointment. Furthermore, in line with the Nomination & Remuneration Committee's recommendation during the Board meeting held on May 21, 2024, Mr. Ravi Goenka, whose current tenure as Whole-time Director designated as Executive Chairman concludes on August 31, 2024, has been re-appointed by the Board as a Whole-time Director designated as Executive Chairman, subject to retirement by rotation, for a tenure of five years, effective from September 01, 2024, to August 31, 2029. The Company is currently in the process of seeking approval from the Members for the aforementioned appointment at the upcoming Annual General Meeting.

At the Board Meeting on July 1, 2024, another Independent Director, Mr. Vijay Ratnaparkhe (DIN: 03211521), was appointed for a three-year term, commencing from July 1, 2024, to June 30, 2027, based on the recommendation of the Nomination & Remuneration Committee. The Company is currently in the process of seeking Member approval for these appointments and changes in designation at the upcoming Annual General Meeting.

Throughout the reviewed period, apart from Mr. Rajeev Goenka, who serves as a promoter director, none of the other non-executive directors of the Company had any significant financial dealings or transactions with the Company. Their involvement was limited to receiving sitting fees, any applicable commissions, and reimbursement of expenses associated with attending Board or Committee meetings.

Details of the Directors seeking appointment / reappointment, including profiles of these Directors, are provided in the Notice convening the 35<sup>th</sup> Annual General Meeting of the Company.

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 164(2) of the 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, 2023:

- a. Mr. Ravi Goenka – Executive Chairman
- b. Dr. Rajan Venkatesh – Managing Director & CEO
- c. Ms. Tanushree Bagrodia – CFO
- d. Mr. Aniket Hirpara – Company Secretary & Sr. Vice President (Legal and Secretarial)

Mr. Satej Nabar resigned from the post of Executive Director & CEO w.e.f. April 02, 2024 and Dr. Rajan Venkatesh was appointed as Managing Director & CEO w.e.f. April 03, 2024.

### 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





## Directors' Report (Contd.)

on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

### d. Board Evaluation:

The details relating to the Board's Performance evaluation are in the Corporate Governance Report.

### 14. FIXED DEPOSITS

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

### 15. INSURANCE:

All the assets of the Company, including the building, plant & machinery and stocks at all locations, have been adequately insured.

### 16. CONTRACTS & ARRANGEMENTS WITH RELATED PARTY:

During the year under review, all related party transactions were conducted at arm's length and within the normal course of business operations. The Company did not engage in any materially significant related party transactions with Promoters, Directors, Key Managerial Personnel, or other designated individuals that could potentially conflict with the Company's broader interests.

All such Related Party Transactions undergo scrutiny by the Audit Committee for approval and are presented to the Board for acknowledgment or approval, as per the Company's Materiality of Related Party Transaction policy. Annual omnibus approvals from the Audit Committee and Board are sought for anticipated and repetitive transactions. These pre-approved transactions are regularly reviewed, and a comprehensive statement detailing all related party transactions, along with an Arm's Length Certificate provided by an Independent Chartered Accountant, is presented to the Audit Committee and the Board of Directors for their periodic review on a quarterly basis. The details of contracts executed during the year are provided in Form AOC-2, enclosed as **Annexure "C"**. Additionally, members are directed to Statement B of the Audited Standalone Financial Statement, which outline related party disclosures in accordance with Ind AS.

Apart from Mr. Ravi Goenka, Mr. Harshvardhan Goenka, and Mr. Rajeev Goenka, none of the other Directors has any pecuniary relationships or transactions with the Company.

### 17. AUDITORS AND AUDITORS REPORT:

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), has been appointed as Auditors of the Company to hold office till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in the financial year 2027-28. In accordance with the Companies Amendment Act, 2017, ratification of Deloitte Haskins & Sells LLP is not required at the ensuing Annual General Meeting.

The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

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

### 18. SECRETARIAL AUDIT AND SECRETARIAL STANDARDS:

The Board of Directors has on the recommendation of the Audit Committee, appointed M/s GMJ & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report for the financial year ended March 31, 2024 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.

## Directors' Report (Contd.)

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

### 19. COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost audit record maintained by the Company is required to be audited. The Board of Directors has on the recommendation of the Audit Committee, appointed M/s. B.J.D. Nanabhoy & Company, a firm of Cost Auditors for conducting the audit of such records and for preparing Compliance Report for the Financial Year 2024-25.

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

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

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

### 20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company upholds a steadfast commitment to enriching local communities through CSR initiatives, focusing on key thematic areas such as Health, Education, Water, and sustainability. Throughout the year, we have actively pursued and implemented a variety of CSR initiatives. Below are some highlights of our efforts:

**a) Mobile Health Unit:** Under the Health initiative, we continued to build and expand Mobile Health Initiatives in locations where manufacturing plants are situated. We continued to work with Mahad, Khed, and Chiplun taluka Health Department to improve the health and quality of

life of villagers through Mobile Health Units. It comprises of mobile clinic setup (van) along with a qualified doctor, nurse, community mobiliser, and driver. Through this initiative, door-to-door health services are delivered free of cost along with basic medication. The MHU focuses on the diagnosis, consultation, treatment, and referral in case of chronic diseases. A total of 50 + villages from Mahad, Khed, and Chiplun taluka which have poor access to health services have been targeted through the MHU service. The initiative benefits around 30000 + villagers. To date, around 12800 patients have been covered and more than 36600 treatments have been given since the launch of MHU at Mahad, Khed, and Chiplun taluka.

**b) Water:** Under the Water initiative, we have worked with Nadagaon village from Mahad taluka wherein we have installed solar based water pump to provide drinking water supply to the village. This has helped to overcome the challenge of electricity availability and thereby continuous drinking water supply to the village. Around 3000 villagers are getting benefited. Another water project that we are working on to build a well in Kusumwadi village from Khed taluka. This well is the only source of drinking water for the villagers, during the last rainy season, due to heavy rain it collapsed. we are constructing the well to restore the drinking water supply. The project will benefit around 700 villagers.

**c) Education:** we have initiated work on building the primary school at Parsule (Mahad – Poladpur region). Under this initiative, we are providing 7 classrooms, 2 washrooms, and bathrooms. The initiative is a work in progress. Upon completion, more than 100 primary school students will be benefited. This is done in collaboration with the district education body. Further, we are working with district education authorities to introduce English medium education. The school building work is in the last stage and should be open for beneficiaries in the second quarter of 2024-25. Further, we have upgraded the infrastructure of one of the schools at Mahad Taluka.

**d) Sustainability:** We worked with two villages (Dhamandevi & Songaon) from Khed taluka and installed 100 solar lights. Around 10000 villagers have been benefited across 10 clans from these two villages. The installation of solar lights has provided better lighting during the dark and



## Directors' Report (Contd.)

ensured the safety of villagers during night travel as the villages are located geographically in little challenging location.

For more details on CSR please refer page no 36. The Annual Report on CSR Activities as on March 31, 2024, is annexed herewith as **Annexure "F"**.

### 21. OTHER DISCLOSURES:

#### a. Meetings:

The details of various meetings of the Board and its committees are given 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 aforesaid. 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. The same will be and is available for view under the investor section on the Company's website <https://www.laxmi.com/investors/investor-information>.

#### 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:

The 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.

## Directors' Report (Contd.)

### j. Significant and Material Orders passed by the Regulators or Courts:

There are no significant material orders passed by 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.

## 22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Securities Exchange Board of India (SEBI) through a notification dated May 05, 2021 has made amendments to certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). As per the amendment, the listed entities are required to submit a new report on ESG parameters, namely Business Responsibility and Sustainability Report (BRSR) in the prescribed format. Since your Company is one of the top 1000 listed entities as on March 31, 2024, the Company, as in the previous years, has presented its BRSR for the Financial Year 2023-24, which is presented in a separate section, forming part of the Annual Report.

## 23. CORPORATE GOVERNANCE REPORT:

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

## 24. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. that in the preparation of the annual financial statements for the year ended March 31, 2024, 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, 2024 and of the profit of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual financial statements have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
6. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 25. ACKNOWLEDGEMENT:

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

By Order of the Board  
For **Laxmi Organic Industries Limited**

Date : July 1, 2024  
Place : Mumbai

**Ravi Goenka**  
Executive Chairman



## 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, 2024:

**A. RELEVANT DISCLOSURES IN TERMS OF THE 'GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME:**

Members may refer to the Standalone Audited Financial Statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2023-24.

**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, 2024, is ₹ 5.72 calculated in accordance with Ind-AS 33 (Earnings per Share).

**C. DETAILS RELATED TO ESOP-2020:**

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

Particulars	ESOP-2020
<b>Date of Member's Approval</b>	ESOP-2020 was earlier approved by the Members 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 Members at the 32 <sup>nd</sup> Annual General Meeting held on July 26, 2021.
<b>Total number of options approved</b>	6,750,000 options
<b>Vesting requirement</b>	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.
<b>Exercise Price or Pricing Formula</b>	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.
<b>Maximum term of option granted</b>	Three years
<b>Source of shares (Primary, secondary or combination)</b>	Primary
<b>Variation in terms of options</b>	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 recognised 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 --

## Annexure A (Contd.)

**4. Option movement during the year:**

Particulars	ESOP-2020
Number of options outstanding at the beginning of year	33,37,255
Number of options granted during the year	14,06,250
Number of options forfeited / lapsed during the year	5,65,049
Number of options vested during the year	11,48,504
Number of options exercised during the year	9,78,998
Number of shares arising as a result of exercise of options	9,78,998
Money realised by exercise of options (₹ in Mn)	84.46
Number of options outstanding at the end of the year	31,99,458
Exercisable at the end of the Period	15,99,409

**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 73,73,575 options (comprising of 59,28,645 employee stock options at exercise price of ₹ 100 per Option, 1,143,266 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 ₹ 80.80 /- and weighted average Fair Value is ₹ 117.49.

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

- a. Senior managerial personnel as defined under Regulation 16(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name	Designation	No of Options Granted	Exercise Price
Dr. Rajan Venkatesh	Managing Director & CEO	14,06,250	₹ 100/-

- b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: None except as disclosed at sr. no. 6(a) above
- c. Identified employees who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: NIL

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

Refer Note 32 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**

1. Name of the Subsidiary**#	LOBV	CLPL	ST	VLPL	YFCPL	LSCSCL	LISRL	LUSLLC
2. Financial Period as on	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar	31-Mar
3. Reporting Currency	EUR	₹	₹	₹	₹	CNY	EUR	USD
4. Exchange Rate (in ₹)	89.88	N/A	N/A	N/A	N/A	11.48	89.88	
5. Capital	2.02	0.10	31.58	0.10	53.84	0.30	0.08	
6. Reserves	3.28	1.86	(34.41)	(14.87)	1,389.54	0.69	(0.06)	
7. Total Assets	10.25	1.97	106.30	100.86	5,764.53	3.68	0.01	Incorporation is completed.
8. Total Liabilities	10.25	1.97	106.30	100.86	5,764.53	3.68	0.01	However capital is
9. Details of investment	-	1.83	-	-	6.81	-	-	infused is not
10. Net Turnover	14.73	-	71.50	67.67	15.42	11.02	-	yet done till
11. Profit before taxation	(0.78)	(33.73)	(33.51)	1.09	(335.72)	0.78	(0.00)	date.
12. Provision for taxation	(0.19)	-	-	2.98	(44.90)	0.03	-	
13. Profit after taxation	(0.59)	(33.73)	(33.51)	(1.89)	(290.82)	0.74	(0.00)	
14. Proposed dividend	-	-	-	-	-	-	-	
15. % of Share Holding	100%	100%	95%	100%	100%	100%	100%	100%
16. Country of Incorporation	Netherlands	India	India	India	India	Shanghai	Italy	USA

**Note:** From the above, CLPL, VLPL, LISRL and LUSLLC yet to commence operations.

# Yellowstone Speciality Chemicals Private Limited (**YSCPL**) has applied for stick-off of the name from the Registrar of Companies;

\* Laxmi Organic Industries (Europe) BV (**LOBV**); Cellbion Lifesciences Private Limited (**CLPL**); Saideep Traders (**ST**); Viva Lifesciences Private Limited (**VLPL**); Yellowstone Fine Chemicals Private Limited (**YFCPL**); Laxmi Speciality Chemicals (Shanghai) Co. Limited (**LSCSCL**); Laxmi Italy Srl (**LISRL**); Laxmi USA LLC (**LUSLLC**)

## Annexure B (Contd.)

## Part B: Associate &amp; Joint Ventures

Name of Associate	Cleanwin Energy One LLP	Radiances MH Sunrise Seven Private Limited
1. Latest Audited Balance Sheet Date	March 31, 2024	March 31, 2024
2. Capital Contribution in Associate Company by the Company as on the year end  Amount of Investment in Associate  Extend of %	₹ 12.50 Mn  26%	₹ 15.20 Mn  26%
3. Description of How there is a significant influence	The Company holds 26% of the Partner's capital in the Associate LPP.	The Company holds 26% of the Issued capital in Associate Company.
4. Reasons why associate is not consolidated	N.A.	N.A.
5. Net Worth attributable to Shareholding as per latest Audited Balance Sheet	26%	26%
6. Profit/Loss for the year		
i. Considered in Consolidation	NIL	NIL
ii. Not considered in consolidation	NIL	NIL





## Annexure C

### Particulars of Related Party Transactions

#### FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

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

There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2024 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, 2024 are as follows:

(in ₹ Mn)

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.)	01/04/23 till 31/03/24	2.50	12/05/23	NIL	NA
2	Maharashtra Aldehydes and Chemicals Limited	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machinery 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	01/04/23 till 31/03/24	200.00	12/05/23	NIL	NA
3	Smt. Laxmidevi Nathmal Goenka Charitable Trust	Payment of donation to undertake CSR Activities as approved by CSR Committee pursuant to Section 35 of the Companies Act, 2013	01/04/23 till 31/03/24	2.50	12/05/23	NIL	NA
4	Laxmi Organic Industries (Europe) BV	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machinery 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	01/04/23 till 31/03/24	4,000.00	12/05/23	NIL	NA

## Annexure C (Contd.)

(in ₹ Mn)

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:
5	Laxmi Speciality Chemicals (Shanghai) Co. Limited	<ol style="list-style-type: none"> <li>Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc.</li> <li>Availing and providing any kind of consultancy, technical, R &amp; D, logistical or any other kind of services.</li> <li>Payment of Commission for sale/ purchase</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	1,000.00	12/05/23	NIL	NA
6	Saideep Traders	<ol style="list-style-type: none"> <li>Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc.</li> <li>Availing and providing any kind of consultancy, technical, R &amp; D, logistical or any other kind of services, including leave &amp; license or lease of property.</li> <li>Payment of Commission for sale/ purchase</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	500.00	12/05/23	NIL	NA
10	Viva Lifesciences Private Limited	<ol style="list-style-type: none"> <li>Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc.</li> <li>Availing and providing any kind of consultancy, technical, R &amp; D, logistical or any other kind of services, including leave &amp; license or lease of property.</li> <li>Payment of Commission for sale/ purchase</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	100.00	12/05/23	NIL	NA
11	US Subsidiary (Unnamed)	<ol style="list-style-type: none"> <li>Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machinery or movable assets etc.</li> <li>Availing and providing any kind of consultancy, technical, R &amp; D, logistical or any other kind of services.</li> <li>Payment of Commission for sale/ purchase</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	250.00	12/05/23	NIL	NA



## Annexure C (Contd.)

(in ₹ Mn)

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:
12	Cleanwin Energy One LLP	<ol style="list-style-type: none"> <li>Purchase of Electricity</li> <li>Payment of electricity and other incidental charges</li> <li>Investment as capital contribution or as loan.</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	100.00	12/05/23	NIL	NA
13	Laxmi Foundation	Payment of donation to undertake CSR Activities as approved by CSR Committee pursuant to Section 35 of the Companies Act, 2013	01/04/23 till 31/03/24	2% of the ANP	12/05/23	NIL	NA
14	Yellowstone Fine Chemical Private Limited	<ol style="list-style-type: none"> <li>Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc.</li> <li>Availing and providing any kind of consultancy, technical, R &amp; D, logistical or any other kind of services, including leave &amp; license or lease of property.</li> <li>Payment of Commission for sale/purchase</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	2,000.00	12/05/23	NIL	NA
15	Radiance MH Sunrise Seven Private Limited	<ol style="list-style-type: none"> <li>Purchase of Electricity</li> <li>Payment of electricity and other incidental charges</li> <li>Investment as capital contribution or as loan.</li> <li>Reimbursement/recovery of expenses</li> </ol>	01/04/23 till 31/03/24	100.00	12/05/23		

## Annexure D

### Secretarial Audit Report

#### FORM NO.MR-3

#### FOR THE FINANCIAL YEAR ENDED March 31, 2024

(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 authorised 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, 2024** 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, 2024, 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 and Sweat Equity) Regulations, 2021;
- 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 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.



## Annexure D (Contd.)

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- There are adequate systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- Adequate notice is given to all directors to schedule the Board Meetings and wherever necessary consent for shorter notice was given by Directors, Board Committee

Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the Audit period:

1. The Company has made an application under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements), 2015 for reclassification of the status of few individuals from Promoter group to Public Shareholder and the application is pending with BSE Ltd. and National Stock Exchange Ltd.
2. The Nomination and Remuneration Committee of the Board of Directors of the Company has in accordance with the terms of Employee Stock Option Plan ("ESOP – 2020"), allotted 9,78,998 equity shares of face value ₹2/- each in the share capital of the Company to the eligible employees of the Company who exercised their stock options under ESOP-2020 and the Fund raising Committee of the Board of Directors of the Company has allotted 96,25,579 equity shares of face value ₹2/- each in the share capital of the Company to the eligible qualified institutional buyers.

As informed, the Company has responded appropriately to notices received from the statutory/regulatory authorities including by taking corrective measures wherever found necessary.

For **GMJ & ASSOCIATES**

Company Secretaries

ICSI Unique Code P2011MH023200

**Mahesh Soni**

Partner

FCS: 3706 COP: 2324

Peer Review Certificate No.: 647/2019

UDIN: F003706F000433047

**Place:** Mumbai

**Date:** May 21, 2024

**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 D (Contd.)

**Annexure A to the Secretarial Audit Report****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

ICSI Unique Code P2011MH023200

**Mahesh Soni**

Partner

FCS: 3706 COP: 2324

Peer Review Certificate No.: 647/2019

UDIN: F003706F000433047

**Place:** Mumbai**Date:** May 21, 2024



## Annexure E

### Secretarial Compliance Report

#### FOR THE FINANCIAL YEAR ENDED March 31, 2024

(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

Raigad, Maharashtra, 402309.

We **M/s. 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, 2023 to March 31, 2024 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, 2023 to March 31, 2024 ("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 and Sweat Equity) Regulations, 2021;
  - 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: -

## Annexure E (Contd.)

- I. (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.	1	2
<b>Compliances Requirement (Regulations/circulars/guidelines including specific clauses)</b>	SEBI (Listing Obligations and Disclosure Requirements), 2015.	SEBI (Listing Obligations and Disclosure Requirements), 2015.
<b>Regulation / Circular No.</b>	Regulation 31A(8)	Regulation 36(5)
<b>Deviations</b>	Application for reclassification of status as promoter group to Public Shareholder is submitted by the Company to Stock Exchanges on August 31, 2023 but was not disseminated to stock exchanges within 24 hours of from the occurrence of the event.	The disclosures as required under this sub-regulation for appointment of Statutory Auditors of the Company are not given in the Explanatory Statement to the Notice of Annual General Meeting dated May 12, 2023.
<b>Action taken by</b>	Stock Exchange	PCS
<b>Type of Action</b>	Clarification	Advisory
<b>Details of violations</b>	Delay in filing within stipulated time.	Required Details not mentioned in Explanatory Statement.
<b>Fine Amount</b>	NA	NA
<b>Observations/ Remarks of the Practicing Company Secretary</b>	The Company failed to intimate to the Stock Exchanges within 24 hours' time frame on August 31, 2023; however the same was intimated on April 03, 2024.	The disclosures as a part of the explanatory statement to the notice where the statutory auditor(s) is/are proposed to be appointed/re-appointed was not mentioned.
<b>Management Response</b>	There was an inadvertent mistake due to oversight and as a result, the Company failed to submit the announcement under 24 hr timeframe. The same was done good later.	There was an inadvertent mistake due to oversight.
<b>Remarks</b>	The Company is taking active steps for avoiding such non-compliances.	The Company is taking active steps for avoiding such non-compliances.

- (b) The observations made by us in the Secretarial Compliance Report for the financial year ended March 31, 2023 have not been brought forward, since the Company had taken sufficient steps to address the concerns raised for the said year.
- II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 was not applicable to the Company during the Review Period.
- III. We hereby report that during the review period the compliance status of the listed entity is appended as below:





## Annexure E (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observation / Remarks by PCS
1	<b>Secretarial Standard</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	YES	None
2	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>	YES	None
3	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents / information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/section of the website</li> </ul>	YES	None
4	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	YES	None
5	<b>To examine details related to Subsidiaries of listed entities:</b> <ul style="list-style-type: none"> <li>(a) Identification of material subsidiary companies.</li> <li>(a) Requirements with respect to disclosure of material as well as other subsidiaries</li> </ul>	NA YES	None
6	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	YES	None
7	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	YES	None
8	<b>Related Party Transactions:</b> <ul style="list-style-type: none"> <li>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</li> <li>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit committee</li> </ul>	YES NA	None

## Annexure E (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observation / Remarks by PCS
9	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	There were two instances for violation of code of conduct by the designated persons of the Company the same was disseminated to stock exchanges and the disciplinary committee had issued warnings to the respective designated persons.
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	None
12	Resignation of statutory auditors from the listed entity or its material subsidiaries:	NA	None
13	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	YES	None

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **GMJ & ASSOCIATES**

Company Secretaries

ICSI Unique Code P2011MH023200

**Mahesh Soni**

Partner

FCS: 3706 COP: 2324

Peer Review Certificate No.: 647/2019

UDIN: F003706F000433179

**Place:** Mumbai**Date:** May 21, 2024



# Annexure F

## Annual Report on Corporate Social Responsibility (CSR) Activities

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Company recognises 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:

- To help enrich the quality of life of the community of the neighbouring areas of the manufacturing units of the Company.
- 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.
- 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.

- To maintain commitment to quality, health and safety in every aspect of the business and people.
- To promote equality of opportunity and diversity of workforce through its business operations.
- To commit for creating social value and also allow individual employees to contribute in the various programs.
- To provide vocational training to improve skills of people in the primarily unorganised sector.

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

- By Company directly.
- Through Laxmi Foundation, which is Company's own dedicated CSR Trust.
- Through Laxmidevi Nathmal Goenka Charitable Trust (LNGCT) which is a registered trust having track record of more than 3 years.
- In collaboration with other Companies undertaking project in CSR activities.
- Contributions/donations to Organisations 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:

Sl. No.	Name of Director	Designation	CSR Committee Meetings held in 2023-24	CSR Committee Meetings attended in 2023-24
1.	Ravi Goenka	Executive Chairman	3	3
2.	Sangeeta Singh	Independent Director	3	3
3.	Rajeev Goenka	Non-Executive Director	3	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>

## Annexure F (Contd.)

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	NIL
6. Average net profit of the Company as per section 135(5).	₹ 2,169.70 Mn
7. (a) Two percent of average net profit of the Company as per section 135(5)	₹ 43.39 Mn
(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	NIL
(d) Total CSR obligation for the financial year (7a+7b- 7c).	₹ 43.39 Mn

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

Total Amount Spent for the Financial Year. (₹ In Mn)	Amount Unspent (₹ in Mn)				
	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)		
	Name of he				
	Amount	Date of transfer	Fund	Amount	Date of transfer
₹ 43.59	NIL	NA	NA	NA	NA

## (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 Project (in ₹ Mn).	Amount spent in the current financial Year (in ₹ Mn)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Mn)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Mn).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Education Support	Promoting Education	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	6.74	Yes	NA	NA
2	Welfare Measures	Reconstruction Activities	Yes	Maharashtra	Mahad, Raigad	0.15	Yes	NA	NA
3	Animal Welfare	Animal Welfare	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	0.02	Yes	NA	NA



Annexure F (Contd.)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Mn).	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency																			
				State	District			Name	CSR registration number																		
4	Solar lights & Tree Plantation	Environmental Sustainability	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	10.53	Yes	NA	NA																		
5	Safe Drinking Water	Safe Drinking Water	Yes	Maharashtra	Mahad, Raigad	1.09	Yes	NA	NA																		
6	Health Care Support	Promoting Healthcare	Yes	Maharashtra	Mahad, Raigad	0.50	Yes	NA	NA																		
7	Promoting Sports	Promoting Sports	Yes	Maharashtra	Mahad, Raigad	0.17	Yes	NA	NA																		
8	NEAPS Training	Skill Development	Yes	Maharashtra	Mahad, Raigad	21.98	Yes	NA	NA																		
9	Community Development	Community Development	Yes	Maharashtra	Mahad, Raigad	2.40	Yes	NA	NA																		
<b>Total</b>						<b>43.59</b>																					
(d) Amount spent in Administrative Overheads (₹ In Mn)				NIL																							
(e) Amount spent on Impact Assessment, if applicable				NIL																							
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)				₹ 43.59 Mn																							
(g) Excess amount for set off, if any				<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th>Amount ₹ in Mn</th> </tr> </thead> <tbody> <tr> <td>i.</td> <td>Two percent of average net profit of the Company as per section 135(5)</td> <td>43.39</td> </tr> <tr> <td>ii.</td> <td>Total amount spent for the Financial Year</td> <td>43.59</td> </tr> <tr> <td>iii.</td> <td>(Shortfall)/Excess amount spent for the financial year [(ii)-(i)]</td> <td>0.19</td> </tr> <tr> <td>iv.</td> <td>Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any</td> <td>NIL</td> </tr> <tr> <td>v.</td> <td>Amount available for set off in succeeding financial years [(iii)-(iv)]</td> <td>0.19</td> </tr> </tbody> </table>						Sl. No.	Particulars	Amount ₹ in Mn	i.	Two percent of average net profit of the Company as per section 135(5)	43.39	ii.	Total amount spent for the Financial Year	43.59	iii.	(Shortfall)/Excess amount spent for the financial year [(ii)-(i)]	0.19	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)]	0.19
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v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.19																									

1. (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 ₹ in Mn)	Amount spent till last Financial Year (₹ in Mn)	Amount spent in the reporting Financial Year (in ₹ in Mn)	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 ₹ in Mn)
					Name of the Fund	Amount (in ₹ in Mn)	Date of transfer.	
1	2021-22	10.78	2.51	2.25	NIL	NIL	NIL	6.02
2	2021-22*	2.30	2.30	NIL	NIL	NIL	NIL	NIL
3	2022-23	10.07	NIL	2.85	NIL	NIL	NIL	7.22

\* Unspent Account of Yellowstone Chemicals Private limited which got merged into the Company.

## Annexure F (Contd.)

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

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹ in Mn).	(7) Amount spent on the project in the reporting Financial Year (in ₹ Mn).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹ Mn)	(9) Status of the project - Completed /Ongoing.
1	NA	Mobile Health Units (MHU) in Lote	2021-22	3 Years	13.24	2.25	7.72	Ongoing
2	NA	Installation of Solar Water Pump and Solar Streetlights in Mahad*	2021-22	2 Years	2.30	2.30	2.30	Completed
3	NA	Mobile Health Units (MHU) in Lote	2022-23	3 years	11.61	1.90	4.40	Ongoing
4	NA	Re-Building & Infrastructure of Primary School	2022-23	3 Years	8.53	0.95	4.21	Ongoing
5	NA	Solar project for Water Supply	2022-23	3 Years	2.38	0.09	2.38	Completed
6	NA	Community Hall	2022-23	2 Years	5.32	2.40	5.32	Completed

\*This project is of Yellowstone Chemicals Private limited which got merged into the Company.

2. 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). **NIL**
- Date of creation or acquisition of the capital asset(s).
  - Amount of CSR spent for creation or acquisition of capital asset
  - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
3. 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**

#### 4. 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, 2024.

#### 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 operated mainly on extraction mode to have better power cost to generate power based on steam requirement and avoided power generation in condensation mode.
2. To increase the Renewable Power generation, 3MW Solar power plant installed & it was commissioned at the end of Mar-23. So Renewable power consumption increased from 13.0MU to 18.7MU.
3. Energy Monitoring system installed at site-1, site-2 and site -3. The software of Energy Monitoring system is complied with the ISO 50001 Certification.
4. Energy Saving: During the year review of energy consumption we have got an energy saving opportunity through power saving by upgradation of cooling tower, increasing the uptime of ethyl acetate (ETAC) plants, the Company has been able to maintain specific electrical energy consumption per MT of ETAC of 71 kw/MT using 95% alcohol against 99% alcohol.
5. The steam norms per ton of Etac has been reduced from 2.57 MT/MT pf ETAC to 2.39 MT/MT of Etac
6. During the year under review the Brine System has been revamped with

- o EVAPCO Systems from the conventional Shell & Tube Heat exchangers
- o Evaporator Replacement with Higher capacity
- o Motor Replacement with IE4

The above resulted in increased throughput of Refrigeration and resulted in Specific Power consumption reduction from 2381 units per MT in 2022-23 to 2240 Units per MT in 2023-24.

7. The Company has continued focus on Through Put Improvement & by Debottlenecking in the Brine system we could increase the acetic acid feed to furnace from 5500kg per hour to 5800 kg /hr resulting in energy reduction per ton of production.
8. These Two (7 &8) initiatives together have resulted in power reduction by 6% YOY.
9. By Implementation of Coal Screening Automation the transport of coal internally has reduced resulting in reduction of Diesel Consumption by 45 L per Month.
10. Company installed the Steam Condensate system in the plant and by better utilisation of Steam Condensate resulted in 49 MT of Coal Saving .
11. The Company is planning to undertake ISO-50000 in this 2024-25.

##### 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: - ₹ 732.4 Mn

##### d) Power & Fuel Consumption:

For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended March 2024	Year ended March 2023
<b>1. Electricity</b>			
Unit	KWH	911,726,51	873,446,66
Total Amount	₹ in Mn	783.48	774.65
Rate/Unit	₹/Unit	8.59	8.87
<b>2. Coal</b>			
Quantity	MT	159,541	143,650
Total Amount	₹ in Mn	1,531.56	1789.71
Rate/Unit	₹/Mt.	9,600	12,459
<b>3. C-9 Plus</b>			
Quantity	MT	220	424
Total Amount	₹ in Mn	12.06	27.35
Rate/Unit	₹/Mt.	54,847	64,570

## Annexure G (Contd.)

## I.

## 1. Power generated from Alternative Energy Sources:

Generated by Wind Mills in:

<b>a. Karnataka*</b>			
Total Units	KWH	-	63,684.00
Value	₹/Unit	-	0.21
<b>b. Maharashtra#</b>			
Total Units	KWH	1,850,459	1,848,502
Cost	₹/Unit	1.78	2.86

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

# The units generated in 2023-24 was captively consumed by the Company through the open access permission.

## II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products		Year ended March 2024	Year ended March 2023
<b>I. Acetyls</b>			
(a) Electricity	Kwh/Mt.	59	71
(b) Coal	Kg/Mt.	0	0
(c) Steam (From CPP)	Kg/Mt.	2,389	2,470
<b>II. Speciality</b>			
(a) Electricity	Kwh/Mt.	1,976	2,254
(b) Coal	Kg/Mt.	407	387
(c) Steam	Kg/Mt.	5,760	5,755
<b>III. Special Denatured Spirit</b>			
(a) Molasses	Kg/Ltr.	-	2,744

## B. TECHNOLOGY ABSORPTION

## (a) Research &amp; Development (R&amp;D):

## 1. Major efforts made towards technology absorption:

Our Company remains steadfast in its commitment to technological advancement, investing in cutting-edge innovations to drive business growth. With a keen focus on sustainability and market competitiveness, we have made significant strides in R&D initiatives aimed at introducing newer, greener technologies across various scales of operation.

## Key Initiatives:

- Investments:** Our dedication to innovation is evident through our substantial R&D investments, representing approximately 2% of our revenue from Specialties Business Unit and 15% of our total work force dedicated to R&D. These investments are directed towards developing products and technologies that optimise processes, diverging from traditional commercial routes to achieve superior quality and better control

over final products. Our goal is to bolster our innovation pipeline and target a 20% contribution in specialty revenue from new products.

- R&D Achievements:** Over the past year, our R&D team has successfully developed new platforms through systematic chemical manipulations, leveraging existing and upcoming competencies. The establishment of a Kilo lab at our upcoming Lote site and the successful validation of specialised reactions have paved the way for accelerating our new product development pipeline. Additionally, advancements in high-pressure amination and continuous Balz Schiemann processes demonstrate our readiness for commercialisation on a larger scale.
- Fluorination Technologies:** Our R&D efforts have also focused on enhancing fluorination technologies, with new products poised for scale-up in the upcoming year. These advancements will further strengthen our position in the fluoro business and cater to diverse sectors.





## Annexure G (Contd.)

**4. Analytical Capabilities:** Our R&D analytical team has developed advanced capabilities to establish new analytical methods, enabling us to address quality-related challenges effectively and sustainably navigate growing market complexities.

### Key Focus Areas:

Our R&D initiatives are strategically aligned with the following key areas:

- **Process Absorption:** Our approach to process absorption entails actively collaborating with business partners to assess and integrate new technologies into our operations. Through these partnerships, we aim to validate the efficacy of these technologies, enhancing our capabilities across diverse business segments.
- **Process Intensification:** In our pursuit of operational efficiency, we prioritise process intensification initiatives aimed at optimizing resource utilisation and minimizing environmental impact. By implementing enhancements such as streamlined workflows, resource recycling, and emissions reduction measures, we not only improve operational efficiency but also reduce costs and enhance overall productivity and product quality. These initiatives underscore our commitment to sustainable practices and responsible manufacturing.
- **Product Optimisation:** Our product optimisation efforts revolve around ensuring the robustness and reproducibility of our manufacturing processes. From initial route selection to final commercialisation, we undertake comprehensive development activities aimed at refining and optimizing every aspect of the production process. By employing rigorous testing and validation protocols, we ensure that our products meet the highest quality standards while remaining cost-effective and commercially viable.
- **Product Design and Commercialisation:** At the heart of our product design and commercialisation strategy lies the emphasis on efficiency and scalability. We meticulously design plant layouts and processes to facilitate seamless scale-up from pilot to commercial production. By integrating state-of-the-art equipment and technologies, we optimise resource utilisation and maximise production throughput. Our focus on efficient commercialisation ensures that we deliver products to market in a timely and cost-effective manner, driving value for both our Company and our customers.

- **New Product Development:** Central to our innovation strategy is the proactive identification of customer needs and market trends. We continuously engage with customers to understand their evolving requirements and preferences, informing our product development initiatives. From lab-scale experimentation to full-scale commercial production, we follow a systematic approach to new product development, ensuring alignment with market demand and customer expectations. By staying agile and responsive to market dynamics, we remain at the forefront of innovation, delivering value-added solutions that address emerging challenges and opportunities. To leverage the existing talent pool within India, R&D team continually interacts with academia and sponsors projects in National laboratories, premier Indian universities and CSIR institutes to accelerate our product and process development cycle.

### Derived Benefits:

These strategic R&D initiatives have yielded significant benefits for the Company:

- **Market Advantage:** Indigenously developed technologies provide preferential entry to markets, enhancing our competitiveness and market share.
- **Capacity Enhancement:** Introduction of new chemistries and production processes has increased our technical capabilities and production capacities.
- **Quality Assurance:** Production of superior quality products in sectors such as agro, pharma, and high performance pigments reinforces our commitment to excellence.
- **Market Expansion:** Improved manufacturing processes and new product developments strengthen our position in both domestic and export markets. Green processes and import-substituted products contribute to environmental sustainability and reduce reliance on foreign exchange.
- **Customer Confidence:** Success in R&D instills confidence in customers and fosters opportunities for future collaborations and projects.

In conclusion, our unwavering dedication to technological innovation and strategic R&D investments continue to drive sustainable growth, enhance competitiveness, and position us as a leader in the industry.

## Annexure G (Contd.)

## 2. Information regarding imported technology (Imported during last three years): Not Applicable

The Company has incurred following expenditure on R&D:

(₹ in Mn)		
Particulars	March 2024	March 2023
a) Capital	36.70	5.79
b) Recurring	152.03	121.53
<b>Total ( a + b )</b>	<b>188.73</b>	<b>127.32</b>
<b>Total R&amp;D Expenditure as % of Total Turnover</b>	<b>0.7%</b>	<b>0.5%</b>

(b) Technology Absorption, Adoption & Innovation: NIL

(c) Foreign Exchange Earning and Outgo:

(₹ in Mn)		
Particulars	March 2024	March 2023
Foreign Exchange Earnings (In flow)	8,470.44	9,790.32
Foreign Exchange (Out go)		
a. Chemicals	14,096.59	10,049.58
b. Capital Goods	21.35	9.98
c. Expenses	176.66	99.90



## 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 Mn)	% increase in Remuneration*	Ratio of Directors remuneration to Median Remuneration
<b>Executive Director</b>			
Mr. Ravi Goenka	103.23	5.0%	200.81
Dr. Rajan Venkatesh	86.58	5.0%	168.42
Mr. Harshvardhan Goenka	29.21	5.0%	56.82
<b>Non-Executive Director<sup>§</sup></b>			
Mr. Rajeev Goenka <sup>#</sup>	-	-	-
Mr. Manish Chokhani	2.06	No Change	4.01
Mr. Omprakash Bundellu	2.06	No Change	4.01
Ms. Sangeeta Singh	2.06	No Change	4.01
Dr. Rajeev Vaidya	2.06	No Change	4.01
Dr. Rajiv Banavali	2.06	No Change	4.01
<b>Key Managerial Personnel</b>			
Ms. Tanushree Bagrodia	27.24	6.0%	52.99
Mr. Aniket Hirpara	7.64	9.40%	14.86

<sup>§</sup>Non-Executive Directors remuneration represents Commission payable for 2023-24. The increase in Commission to Non-Executive Directors has been worked out annually.

<sup>#</sup>Being Promoter Director, Mr. Rajeev Goenka is not receiving any Commission.

\* For Executive Directors only fixed pay (CTC) plus Performance Linked Incentive (PLI) & Directors Commission is considered for calculating % increase in remuneration. For Non-Executive Directors only the 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 2023-24	7.28%
2	Number of permanent employees on the rolls of the Company	954
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 10.34% while the average increase in Managerial Remuneration was 6.4% 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 core belief in Corporate Governance is epitomised by the principle of "Achieving the Right Results Through Ethical Means." This guiding principle impels us to conduct business with unwavering integrity, transparency, and accountability, ensuring that our actions reflect our commitment to responsible practices. For us, Corporate Governance is not merely about adhering to regulations; it permeates every aspect of our organisation, serving as a guiding force in our operations.

We firmly assert that cultivating a culture of transparency, accountability, and integrity is essential for advancing the long-term interests of both our Members and stakeholders. This necessitates maintaining a delicate balance between our Members' needs and our corporate objectives, thereby ensuring the efficient management of our business affairs and fulfilling our obligations to all stakeholders.

At the helm of this commitment stands our Board of Directors, entrusted with the crucial responsibility of overseeing our corporate governance endeavours. They steer the Company towards strategic and operational excellence, always mindful of the best interests of our stakeholders. To provide clarity and direction, the Board has formalised its role and responsibilities through a comprehensive Board charter, serving as a blueprint for governance practices.

We are dedicated to upholding the highest standards of governance and disclosure, ensuring the timely and accurate dissemination of information regarding our financial status, performance, ownership structure, and governance framework. We firmly believe that robust Corporate Governance practices are indispensable for fostering sustainable corporate growth and creating enduring value for our Members and stakeholders.

## BOARD OF DIRECTORS:

As on March 31, 2024, the Company's Board consists of nine (9) Members. The composition of the Board, as on March 31, 2024, conforms 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 35<sup>th</sup> Annual General Meeting of the Company.

## Composition:

SR. NO.	CATEGORY OF DIRECTOR	NAME OF DIRECTOR
1	PROMOTER & PROMOTER GROUP	1. *MR. RAVI GOENKA, EXECUTIVE CHAIRMAN
		2. MR. HARSHVARDHAN GOENKA, EXECUTIVE DIRECTOR (BUSINESS DEVELOPMENT & STRATEGY)
		3. MR. RAJEEV GOENKA, NON-EXECUTIVE DIRECTOR
2	PROFESSIONAL	4. <sup>§</sup> DR. RAJAN VENKATESH, MANAGING 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 in Serial No. 3 above fall within the expression of "Independent Directors" as mentioned in Regulation 16(1)(b) of the Listing Regulations, 2015.
- (2) Mr. Arun Todarwal has been appointed as Independent Directors effective April 01, 2024.
- (3) \*The Designation of Mr. Ravi Goenka has been changed from "Chairman & Managing Director" to "Executive Chairman" w.e.f April 03, 2023.
- (4) <sup>§</sup> Dr. Rajan Venkatesh has been appointed in place of Mr. Satej Nabar w.e.f. April 03, 2023.
- (5) Mr. Satej Nabar resigned from the office of Executive Director & CEO w.e.f. April 02, 2023.



## CORPORATE GOVERNANCE REPORT (Contd.)

**Board Meeting & Agenda:**

The Board enjoys comprehensive access to all necessary information vital for fulfilling its supervisory responsibilities and making informed decisions on matters within its purview. Typically, the Board convenes once a quarter to meticulously review various aspects, including the Company's quarterly performance and financial results. Moreover, periodic compliance reports pertaining to relevant laws are presented to the Board for scrutiny.

To facilitate effective decision-making, agenda papers containing essential information and documents are provided to the Board well in advance of meetings. In instances where it's impractical to include certain information in the agenda

papers, such details are tabled during the meeting, and presentations are made accordingly. The Board ensures compliance with the disclosure requirements outlined in Regulation 17(7) of the SEBI Listing Regulations, 2015, and adheres to Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), ensuring that requisite information is regularly furnished for discussion and consideration.

Furthermore, the Board has implemented an efficient post-meeting follow-up mechanism. Action Taken Reports from preceding meetings are presented at subsequent gatherings, allowing Board members to stay informed about the progress on previously discussed matters.

**Meeting and attendance:**

Throughout the fiscal year, the Board of Directors convened for a total of six (6) meetings on the following dates: April 20, 2023, May 12, 2023, July 28, 2023, October 26, 2023, January 24, 2024, and March 12, 2024. Below is a summary of the Directors' attendance at these Board meetings as well as their participation in the last Annual General Meeting held on August 03, 2023:

Name of the Director	Designation	Category	No. of Board Meetings attended	Attendance at the last AGM
Mr. Ravi Goenka	Executive Chairman & Whole-time Director	Executive	6	Yes
Dr. Rajan Venkatesh	Managing Director & CEO	Executive	6	Yes
Mr. Harshvardhan Goenka	Executive Director (Business Development & Strategy)	Executive	6	Yes
Mr. Rajeev Goenka	Non-Independent	Non-Executive	6	Yes
Mr. Manish Chokhani	Independent	Non-Executive	6	Yes
Mr. Omprakash V. Bundellu	Independent	Non-Executive	6	Yes
Ms. Sangeeta Singh	Independent	Non-Executive	6	Yes
Dr. Rajeev Vaidya	Independent	Non-Executive	6	Yes
Dr. Rajiv Banavali	Independent	Non-Executive	6	Yes

**Details of Directorship(s) and Committee membership(s) in Companies as on March 31, 2024:**

(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	12	NIL	NIL	NIL
Dr. Rajan Venkatesh	NIL	1	NIL	NIL	NIL
Mr. Harshvardhan Goenka	NIL	6	NIL	NIL	NIL
Mr. Rajeev Goenka	NIL	19	NIL	NIL	NIL
Mr. Manish Chokhani	3	3	1	NIL	1. Shoppers Stop Limited (Independent Director) 2. Welspun Corp Limited (Independent Director) 3. Landmark Cars Limited (Independent Director)

## CORPORATE GOVERNANCE REPORT (Contd.)

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. Omprakash V. Bundellu	NIL	NIL	NIL	NIL	NIL
Ms. Sangeeta Singh	4	4	0	3	1. Alkem Laboratories Limited (Independent Director) 2. Accelya Solutions India Limited (Independent Director) 3. Shaily Engineering Plastics limited (Independent Director) 4. Shreyas Shipping & Logistics Limited (Independent Director)
Dr. Rajeev Vaidya	NIL	NIL	NIL	NIL	NIL
Dr. Rajiv Banavali	NIL	NIL	NIL	NIL	NIL

\*only the Audit Committee and Stakeholders Relationship Committee are considered. #only Indian Companies are considered.

#### 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, 2024 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	NIL
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

#### Familiarisation Programme for Board Members:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise themselves 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, and 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 the familiarisation of independent directors is formed and is available under the investor section on the Company's website [www.laxmi.com/investors/policies](http://www.laxmi.com/investors/policies)

During the year under review, the Company has undertaken a familiarisation programme for Independent Directors, a summary of the same is available under the investor section on the Company's website <https://www.laxmi.com/investors/familiarization-programmes>



## CORPORATE GOVERNANCE REPORT (Contd.)

**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. *Dr. Rajan Venkatesh	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

\*Dr. Rajan Venkatesh has been appointed in place of Mr. Satej Nabar w.e.f. April 03, 2023.

**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 has 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, or its management during the Financial Year 2023-24 which in the judgment of the Board may affect the independence of judgment of 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 complies 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 a whole-time director in any listed Company (as specified in Regulation 17A of SEBI (LODR) Regulations). None of the Executive Directors are serving as Independent Directors 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.

## CORPORATE GOVERNANCE REPORT (Contd.)

**Review of Legal Compliance Reports:**

During the year under review, the Board periodically reviewed compliance reports concerning 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 the 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	Executive Chairman & Whole-time Director	Member

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

The Audit Committee met six (6) 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, 2024:

Members	Audit Committee Meetings during 2023-24					
	April 20, 2023	May 12, 2023	July 28, 2023	October 26, 2023	January 24, 2024	March 12, 2024
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sangeeta Singh	No	Yes	Yes	Yes	Yes	Yes

The detailed terms of reference of the Audit Committee are available on the Company's website and can be accessed using the 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 the 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 two (2) times during the year and the following table gives the details of members and their attendance in NRC meetings held during the year ended March 31, 2024:

Members	NRC Meetings during 2023-24	
	May 02, 2023	March 11, 2024
Ms. Sangeeta Singh	Yes	Yes
Mr. Manish Chokhani	Yes	Yes
Dr. Rajeev Vaidya	Yes	No

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>



**CORPORATE GOVERNANCE REPORT (Contd.)****Board Performance Evaluation:**

The Company has established a formal Policy for evaluating the performance of the Board, Committees, and individual Directors, including Independent Directors. This policy encompasses criteria such as preparedness for meetings, constructive contributions, business acumen, communication with fellow Board members, adherence to the code of conduct, and alignment with vision and strategy.

Both the Board and the Nomination and Remuneration Committee conduct annual reviews of individual directors' performance, focusing on their contributions to meetings, engagement, domain expertise, and compliance. Additionally, a dedicated Board meeting is held to evaluate the collective performance of the Board, Committees, and individual directors.

Furthermore, independent directors convene separately to assess the performance of non-independent directors, the Board as a whole, and the Chairman, considering input from both executive and non-executive directors. This comprehensive evaluation process ensures accountability, transparency, and continuous improvement in governance practices.

**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	Executive Chairman & Whole-time 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 four (4) 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, 2024:

Members	SRC Meetings during 2023-24			
	April 17, 2023	July 25, 2023	October 19, 2023	January 24, 2024
Mr. Manish Chokhani	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes
Mr. Harshvardhan Goenka	Yes	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:

**Succession Plan:**

The Board constantly evaluates the contribution of its members and recommends to the Members their re-appointment, if thought fit, upon the expiry of their respective tenures. The Nomination & Remuneration Committee regularly reviews the succession requirements and competency planning priorities of the Board and senior management.

**Independent Directors' Meeting:**

A separate meeting of the Independent Directors of the Company was held on March 28, 2024 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, except Ms. Sangeeta Singh, attended the Meeting.

## CORPORATE GOVERNANCE REPORT (Contd.)

Particulars	Complaint Nos.
Complaints as on April 01, 2023	NIL
Complaints received during the 2023-24	01
Complaints disposed during the 2023-24	01
Complaints remained unsolved during as on March 31, 2024	NIL
Complaints not solved to the satisfaction of shareholder	NIL

The Chairman of SRC has attended last Annual General Meeting.

**RISK MANAGEMENT & ESG GOVERNANCE COMMITTEE (RMEGC)**

During the year under review, the constitution of the RMEGC Committee has been changed on April 20, 2023 to onboard Dr. Rajan Venkatesh as a Member in place of Mr. Satej Nabar. Accordingly, RMEGC Committee presently comprises of four (4) Directors as under:

Name of the Director	Category	Category
Dr. Rajeev Vaidya	Independent Director	Chairperson
Dr. Rajan Venkatesh	Managing 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 RMEGC.

The RMEGC met three (3) times during the year and the following table gives the details of members and their attendance in RMEGC meetings held during the year ended March 31, 2024:

Members	RMEGC Meetings during 2023-24		
	May 08, 2023	July 27, 2023	October 19, 2023
Dr. Rajeev Vaidya	Yes	Yes	Yes
Dr. Rajan Venkatesh	Yes	Yes	Yes
Mr. Harshvardhan Goenka	Yes	Yes	Yes
Dr. Rajiv Banavali	Yes	Yes	Yes

The detailed terms of reference of the RMEGC 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	Executive Chairman & Whole-time 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.

**CORPORATE GOVERNANCE REPORT (Contd.)**

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, 2024:

Members	CSR Committee Meetings during 2023-24		
	July 18, 2023	November 10, 2023	March 19, 2024
Mr. Ravi Goenka	Yes	Yes	Yes
Ms. Sangeeta Singh	Yes	Yes	Yes
Mr. Rajeev Goenka	Yes	Yes	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 established a Finance Committee tasked with overseeing matters related to interest rate risk, FX risks, and bank limits utilisation. While not mandated by the Act, this Committee was formed to effectively manage financial risks and monitor and mitigate Forex and Interest Risks. It serves as a crucial avenue for risk mitigation, particularly concerning FX risks, where it monitors hedge ratios for exposures in EUR/USD and provides guidance accordingly. Additionally, the Committee analyzes economic factors and interest rate movements, offering guidance on risk measures and ensuring bank limits are monitored appropriately.

During the year under review, the constitution of the Finance Committee has been changed on April 20, 2023 to onboard Dr. Rajan Venkatesh, Managing Director & CEO in place of Mr. Satej Nabar, Executive Director & CEO. Accordingly, the Finance Committee presently comprises of four (4) Members as under:

Name of the Director	Category	Category
Mr. Omprakash V. Bundellu	Independent Director	Chairperson
Mr. Ravi Goenka	Executive Chairman & Whole-time Director	Member
Dr. Rajan Venkatesh	Managing Director & CEO	Member
Ms. Tanushree Bagrodia	CFO	Member

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

The Finance Committee met four (4) 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, 2023:

Members	Finance Committee Meetings during 2023-24			
	April 19, 2023	July 18, 2023	October 23, 2023	January 17, 2024
Mr. Omprakash V Bundellu	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes
Dr. Rajan Venkatesh	NA	Yes	Yes	Yes
Ms. Tanushree Bagrodia	Yes	Yes	Yes	Yes

**Remuneration of the Directors****A. Remuneration to Managing Director, Whole-time Director:**

(₹ in Mn)

Sr. No	Particulars	Mr. Ravi Goenka, Chairman & Executive Director	Dr. Rajan Venkatesh, MD & 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	64.63	40.70	22.76	128.08
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3.61	-	-	3.61
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-

## CORPORATE GOVERNANCE REPORT (Contd.)

(₹ in Mn)

Sr. No	Particulars	Mr. Ravi Goenka, Chairman & Executive Director	Dr. Rajan Venkatesh. MD & CEO	Mr. Harshvardhan Goenka, ED – Business Development and Strategy	Total
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	35.00	-	-	35.00
	As % of Profits	1.49%	-	-	-
	Others, Specify	-	-	-	-
5	Others, Specify (Performance Linked incentives)	-	45.88	6.45	52.34
	<b>Total – (A)</b>	<b>103.23</b>	<b>86.58</b>	<b>29.21</b>	<b>219.02</b>
	<b>Ceiling as per Act</b>	<b>₹ 234.28 Mn.</b>			

## B. Remuneration to Other Directors

(₹ in Mn)

Sr. No.	Name of Director	Category	Sitting Fees	Commission	Total
1	Rajeev Goenka*	Non-Executive Director	0.38	-	0.38
2	Manish Chokhani	Independent Director	0.45	2.06	2.51
3	Omprakash V Bundellu	Independent Director	0.54	2.06	2.60
4	Sangeeta Singh	Independent Director	0.67	2.06	2.72
5	Dr. Rajeev Vaidya	Independent Director	0.60	2.06	2.66
6	Dr. Rajiv Banavali	Independent Director	0.58	2.06	2.63
	<b>Total</b>		<b>3.21</b>	<b>10.28</b>	<b>13.48</b>

\* 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 <https://www.laxmi.com/investors/investor-information>

The Company has not granted any stock option to any of its non-executive directors.

**Senior management:**

During the year under review, the Company has the following senior management personnel:

Name	Designation
Ms. Tanushree Bagrodia	Chief Financial Officer
Mr. Sruti Bora	Chief Transformation Officer
Mr. Jitendra Agrawal	President – Essentials BU
Mr. Virag shah	Executive Vice President – Specialties BU
Mr. Prashant Patil	Executive Vice President – Manufacturing
Dr. Ajay Audi	Executive Vice President - R & D
Mr. Uday Vaishampayan	Sr.Vice President – EHS

During the year under review, Mr. Bhagwati Prasad Pant has resigned as Executive Vice President - Business Development (P & A) of the Company w.e.f. October 25, 2023.



## CORPORATE GOVERNANCE REPORT (Contd.)

## 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
2022-23 (34 <sup>th</sup> AGM)	Thursday, August 03, 2023 at 11.00 AM	9	A 22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2021-22 (33 <sup>rd</sup> AGM)	Friday, July 29, 2022 at 11.00 AM	7	
2020-21 (32 <sup>nd</sup> AGM)	Monday, July 26, 2021 at 11.00 AM	8	

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

Meeting	Subject matter of resolution	Remarks
2022-23 (34 <sup>th</sup> AGM)	<ol style="list-style-type: none"> <li>To approve the remuneration of Cost Auditors for the FY ended March 31, 2024</li> <li>To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the financial year 2023-24</li> <li>To approve the revision in the remuneration of Mr. Ravi Goenka, Chairman and Executive Director</li> <li>To approve the request received from Sarawgi Family for removing their name from "Promoter &amp; Promoter Group" and reclassifying them as "Public Members"</li> </ol>	All resolutions were passed with the requisite majority
2021-22 (33 <sup>rd</sup> AGM)	<ol style="list-style-type: none"> <li>To approve the remuneration of Cost Auditors for the FY ended March 31, 2023</li> <li>To approve the re-appointment of Ms. Sangeet Singh (DIN 06920906) as a Non-Executive Independent Director of the Company</li> <li>To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the financial year 2022-23</li> <li>To consider and approve the revision in the remuneration of Mr. Satej Nabar for the financial year 2022-23</li> <li>To approve the revision in the remuneration of Mr. Ravi Goenka, Managing Director</li> </ol>	All resolutions were passed with the requisite majority
2020-21 (32 <sup>nd</sup> AGM)	<ol style="list-style-type: none"> <li>To approve the remuneration of Cost Auditors for the FY ended March 31, 2022</li> <li>To regularise the appointment of Dr. Rajiv Banavali (DIN 09128266) as a Non-Executive Independent Director of the Company</li> <li>To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the financial year 2021-22</li> <li>To consider and approve the revision in the remuneration of Mr. Satej Nabar for the financial year 2021-22</li> <li>To approve the revision in the remuneration of Mr. Ravi Goenka, Managing Director</li> <li>To approve the continuation of the payment of remuneration to Executive Directors as per regulation 17(6)(e) of SEBI (LODR) Regulation, 2015</li> <li>To approve the Related Party Transaction to be undertaken by the Company during the financial year 2021-22</li> <li>To consider and approve the ratification of Laxmi- Employee Stock Option Plan 2020 (ESOP-2020)</li> </ol>	All resolutions were passed with the requisite majority

## CORPORATE GOVERNANCE REPORT (Contd.)

### Postal Ballot:

During the year, the following resolutions were passed by the Members through Postal Ballot:

- a. Appointment of Dr. Rajan Venkatesh (DIN: 10057058) as Managing Director and Chief Executive Officer
- b. To Approve Change in Designation of Mr. Ravi Goenka (DIN: 00059267) As Whole-time Director
- c. To authorise the Company to raise funds through the issuance of Equity Shares or Debt through any mode
- d. To authorise the Company to borrow in excess of limit specified u/s 180(1)(c) of the Companies Act, 2013.
- e. To authorise the Company to create charge/mortgage on the movable and immovable assets of the Company, both present and future u/s 180(1)(a) of the Companies Act, 2013.;

The result of the Postal Ballot was announced on June 07, 2023. The resolutions were passed with the requisite majority.

In compliance with Section 108 and 110 of the Companies Act, 2013 and prevailing circulars issued by the Ministry of Corporate Affairs (MCA Circulars) on e-voting through Postal Ballot, the Postal Ballot Forms and prepaid business reply envelopes were not sent to the Members for the Postal Ballot. Members were requested to provide their ascent or dissent through e-voting only.

Mr. Mahesh Soni, a Practicing Company Secretary & Partner of M/s GMJ & Associates, Company Secretaries (FCS No. 3706, C.O. P. No. 2324) who was appointed as the Scrutiniser for the Postal Ballot has submitted his report to Mr. Ravi Goenka, Executive Chairman & Whole-time Director of the Company.

Pursuant to the provisions of the Companies Act, 2013, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted in the forthcoming Annual General Meeting required passing a special resolution through postal ballot.

### Annual General Meeting:

<b>Day and Date</b>	<b>Tuesday, July 30, 2024</b>
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 log in from 10.45 a.m. (IST) on the date of the AGM by using their remote e-voting login credentials and selecting the EVEN for Company's AGM

### Means of Communication:

- a. Quarterly, half-yearly and annual financial results are published in leading national and regional newspapers (Business Standard, Sakal and Navshakti) and displayed on the Company's website.
- b. News releases, press releases and presentations made to investors and analysts are displayed on the Company's website.
- c. The Annual Report is circulated to all the Members and also displayed on the Company's website.
- d. Material developments relating to the Company that are potentially price-sensitive in nature or that could impact continuity of publicly available information regarding the Company are disclosed to the stock exchanges.
- e. The Company's website contains information on business, governance and important policies.

The circulars on the conduct of the annual general meeting by video conference (VC) or any other audio-visual means (OAVM), exempt Companies from the requirements of sending hard copies of the Annual Reports, AGM Notice. Hence, therefore, Annual Report and Notice of the 35<sup>th</sup> AGM are 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 35<sup>th</sup> AGM containing detailed instructions to register/update email addresses.

During the year, the Company held an Investor Call on May 15, 2023, July 31, 2023, October 27, 2023 and January 25, 2024 to discuss the performance of the Company for the financial year 2023-24. Management Discussion and Analysis Report forms part of this Annual Report.

The Company's website [www.laxmi.com](http://www.laxmi.com) has a separate section for investors where Members' information is available. The Company also has a separate email id i.e. [investors@laxmi.com](mailto:investors@laxmi.com) for investor grievances.



## CORPORATE GOVERNANCE REPORT (Contd.)

Day and Date	Tuesday, July 30, 2024
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, and mobile number at investors@laxmi.com from July 22, 2024 (9:00 a.m. IST) to July 27, 2024 (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 2023-24 recommended by Board	May 21, 2024
Dividend Record Date	July 19, 2024
Dividend payment date	On or after August 04, 2024
Cut-off date for e-voting	July 19, 2024
Remote E-voting start time and date	9:00 a.m., Wednesday, July 24, 2024
Remote E-voting end time and date	5:00 p.m., Monday, July 29, 2024 [Remote e-voting module shall be disabled post this date]
Remote E-voting website of Linkintime	<a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>

**Financial year:**

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

**Financial Calendar (Tentative): April 2024 To March 2025 :**

Sr. No.	Particulars of Meetings	Actual/Tentative Dates
1	Audited Financial Results for the quarter and year ended March 31, 2024	Tuesday, May 21, 2024
2	Unaudited Quarterly Results for the Quarter ended June 30, 2024	Within 45 days of the quarter and half year ending June 2024
3	35 <sup>th</sup> Annual General Meeting	Tuesday, July 30, 2024
4	Unaudited Quarterly Results for the Quarter and half year ended September 30, 2024	Within 45 days of the quarter and half year ending September 2024
5	Unaudited Quarterly Results for the Quarter and nine months ended December 31, 2024	Within 45 days of the quarter and nine months ending December 2024
6	Audited Annual Results for the quarter and year ended on March 31, 2025	Within 60 days of the quarter and year ending March 2025

**Listing Details:**

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

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

## CORPORATE GOVERNANCE REPORT (Contd.)

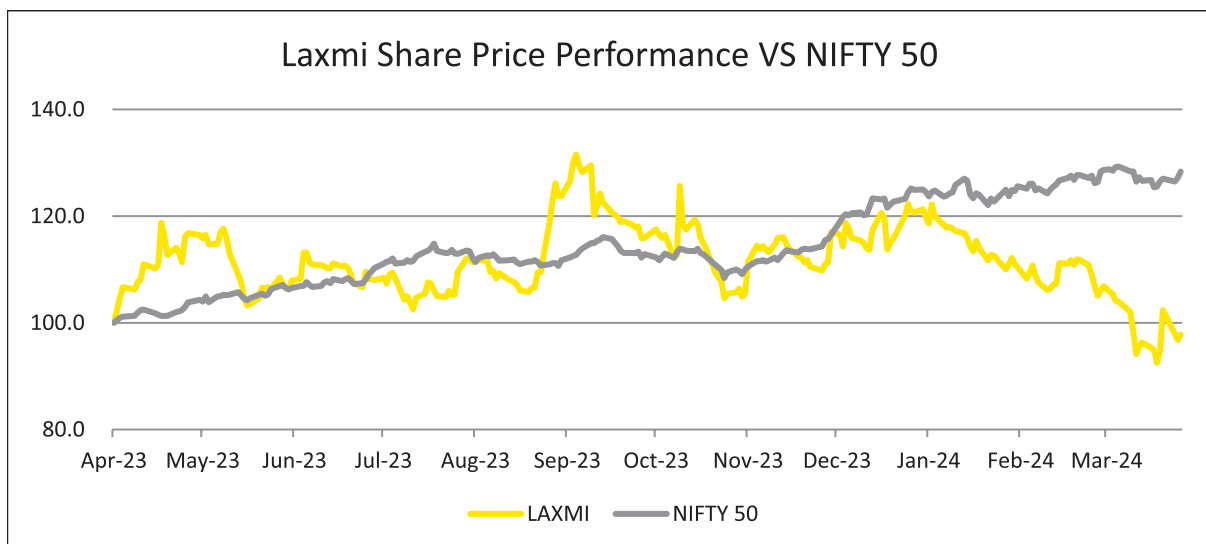
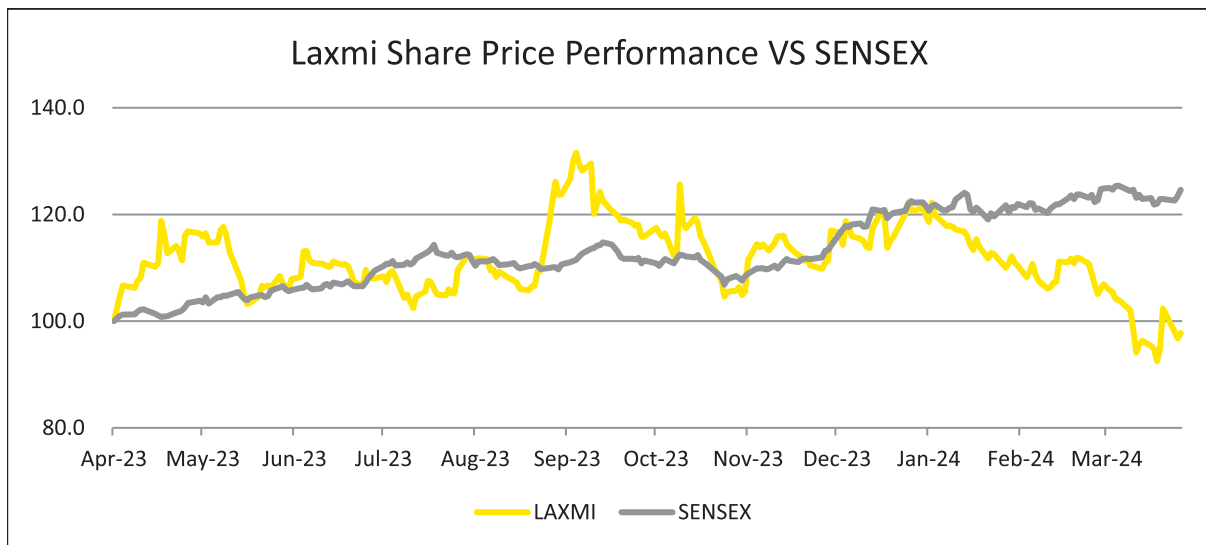
Annual Listing Fees for the year 2024-25 have been paid to stock exchanges.

**Market price data- high, low during each month in the 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 2023	301.50	226.55	232.06	301.55	225.90	18.34
May 2023	287.65	243.00	103.04	287.80	243.20	13.05
June 2023	277.65	253.90	103.69	277.35	253.05	10.89
July 2023	274.20	246.00	143.27	274.00	246.10	16.12
August 2023	307.75	254.00	397.23	307.65	253.20	30.67
September 2023	320.95	276.05	203.56	320.70	277.00	18.78
October 2023	306.00	249.50	420.51	305.90	249.40	25.71
November 2023	282.75	251.20	109.35	282.75	251.65	9.86
December 2023	302.70	267.25	318.23	302.95	267.15	31.80
January 2024	296.90	263.70	152.04	296.75	264.00	17.45
February 2024	275.50	250.90	143.13	275.40	251.00	18.46
March 2024	260.05	221.80	297.02	262.40	222.00	21.04

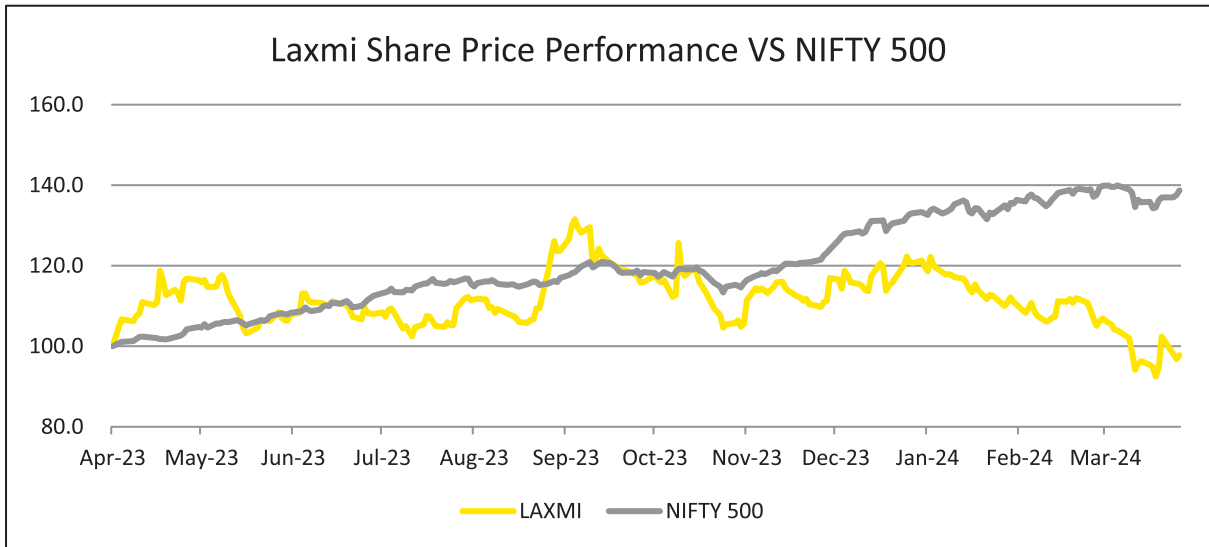
Source: NSE and BSE website

**Performance in comparison to broad-based indices such as SENSEX, NIFTY 50 and NIFTY 500:**





## CORPORATE GOVERNANCE REPORT (Contd.)

**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 the transmission, transposition, dematerialisation and rematerialisation 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** : INE576001020

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

**Investor self-service channels offered by Link Intime** : 'iDIA' is a Chatbot developed by Link Intime India Pvt. Ltd., our Corporate Registrar, that utilizes conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about any queries. Talk to iDIA by logging in to HYPERLINK "http://www.linkintime.co.in"www.linkintime.co.in

'SWAYAM' is a secure, user-friendly web-based application, developed by "Link Intime India Pvt Ltd.", our Corporate Registrar, that empowers shareholders to effortlessly access various services. Investors are requested to get registered and have first-hand experience of the portal.

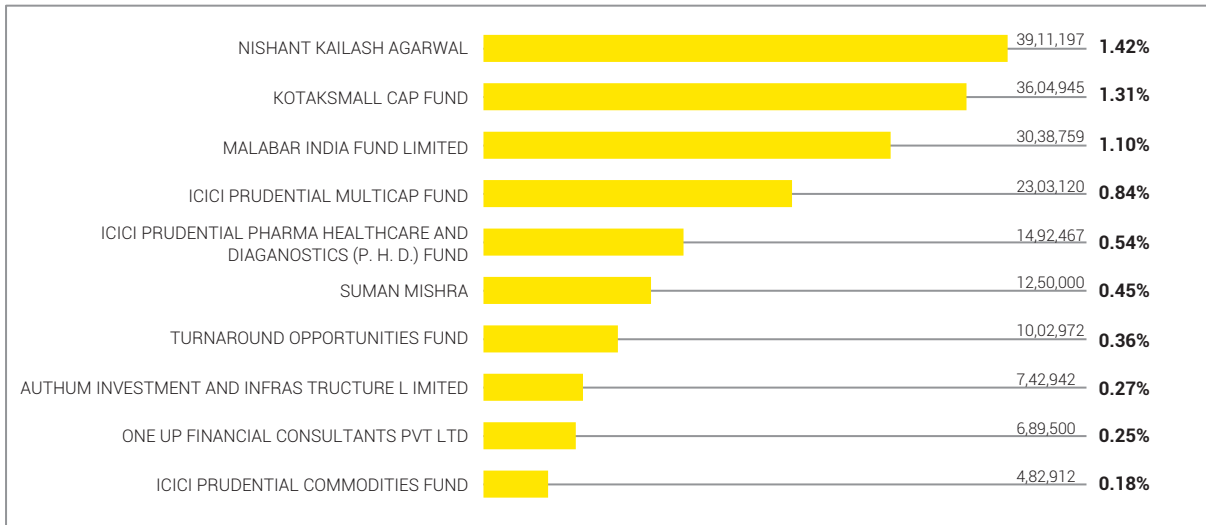
This application can be accessed at <https://swayam.linkintime.co.in>

**Shareholding:****Promoter & Public Shareholding as on March 31, 2024:**

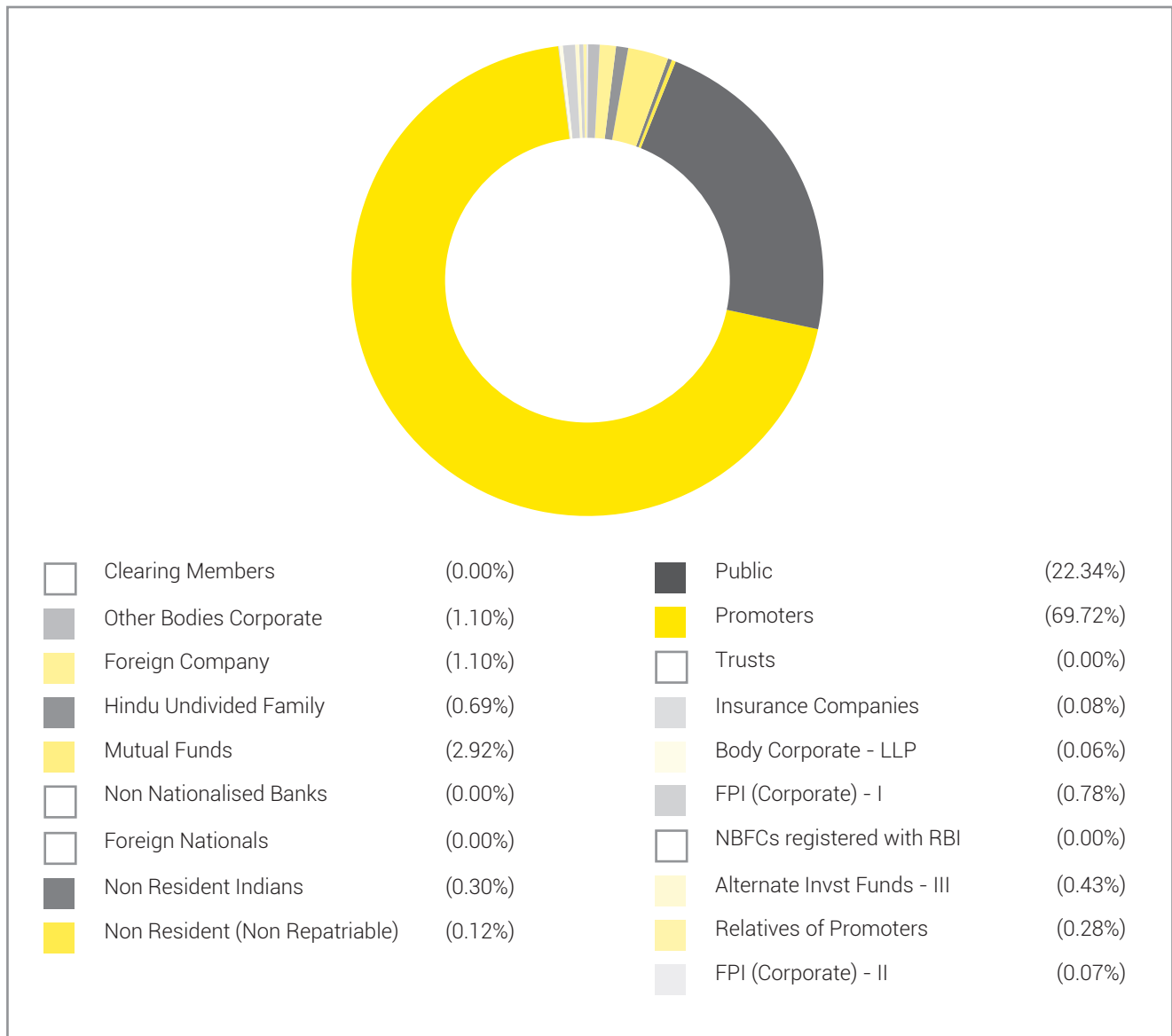
Sr. No.	Category of the shareholder	Total number of shares	% of the holding
1.	Promoter and Promoter Group	19,22,62,806	69.72
2.	Public Shareholding	8,35,17,979	30.28
	<b>Total</b>	<b>27,57,80,785</b>	<b>100.00</b>

## CORPORATE GOVERNANCE REPORT (Contd.)

## Top 10 Non-Promoter Members as on March 31, 2024:



## Shareholder's Category Summary as on March 31, 2024:





## CORPORATE GOVERNANCE REPORT (Contd.)

## Distribution of shareholding as on March 31, 2024:

Sr. No.	Shareholding of Shares	No of Members	% of No of Members	Total Shares	% of Total Shares
1	1 to 500	4,22,284	96.35	29,856,559	10.83
2	501 to 1,000	9,367	2.14	7,118,349	2.58
3	1,001 to 2,000	3,834	0.87	5,676,845	2.06
4	2,001 to 3,000	1,155	0.26	2,947,827	1.07
5	3,001 to 4,000	476	0.11	1,707,472	0.62
6	4,001 to 5,000	321	0.07	1,518,130	0.55
7	5,001 to 10,000	467	0.11	3,395,848	1.23
8	10,001 and above	370	0.08	223,559,755	81.06
	<b>Total</b>	<b>4,38,274</b>	<b>100.00</b>	<b>275,780,785</b>	<b>100.00</b>

**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 INE576001020.

**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, 2024.

**Commodity price risk or foreign exchange risk and hedging activities:**

The Company is subject to commodity price risks due to fluctuations in prices of crude oil, chemicals, feedstocks and downstream petroleum products. The 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 to assess, identify, monitor, and mitigate 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, 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Nariman Point, Mumbai – 400021, Maharashtra, India.

**Plant Locations**

Factory (Unit I)	A- A-22/2/1, 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
Factory (Unit III)	Village Jolva and Vadadla, Bharuch, Gujarat
Distillery Unit (Jarandeshwar)	795/1, Village Chimangaon, Taluka Koregaon, District Satara

**MEMBERS INFORMATION:****Corporate:**

Our Company was incorporated as Laxmi Organic Industries Limited in 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](http://www.mca.gov.in) under the Corporate Identification Number (CIN): L24200MH1989PLC051736

## CORPORATE GOVERNANCE REPORT (Contd.)

**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: L24200MH1989PLC051736  
 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.

**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 fraud, mismanagement, and violation of our Code of Conduct and Ethics. It also provides adequate safeguards against the victimisation 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>.

**Other Disclosures**

- a) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Sr. No.	Details Violation	Action Taken By	Penalty Amount
<b>2022-23</b>			
1	Delay in filing of Related Party Transaction Statement for the half year ended March 31, 2022.	BSE Ltd. and National Stock Exchange Ltd.	₹ 75,000/- (plus 18% GST)
<b>2021-22</b>			
1	Delay in furnishing prior intimation about meeting of the Board of Directors for approval of quarterly results.	BSE Ltd. and National Stock Exchange Ltd.	₹ 10,000/- (plus 18% GST)

- b) 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 its website of the Company at <https://www.laxmi.com/investors/policies>

In addition to the 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 associated with the Company, are provided with a tool to report any instance of fraud, abuse or misconduct, possible misconduct or malpractices at the workplace. Any one can access Speak-up Committee through the 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:**

According 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:**

The 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 the materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of the Companies Act, 2013 and Listing Regulations. The policy has been disclosed on the website of the Company at <https://www.laxmi.com/investors/policies>



## CORPORATE GOVERNANCE REPORT (Contd.)

- c) 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.
- d) The Company believes in the conduct of the affairs of its constituents fairly and transparently by adopting the 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/employees are free to raise concerns. No person has been denied access to the Audit Committee.
- e) The Company has complied with all mandatory requirements of Regulation 34 of SEBI (LODR) Regulations.
- f) During the year under review, the Company has raised funds through qualified institutions placement as specified under Regulation 32 (7A) SEBI (LODR) Regulations. The details of the same are as under:

Issue Size	9,625,579 per equity share aggregating up to approximately ₹ 2,591.21 Mn
Face Value	₹ 2 per equity share
Issue Price	₹ 269.20 per equity share (including a premium of ₹ 267.20 per equity share)
Date of Board Resolution	April 20, 2023
Date of Members' Resolution	June 06, 2023

For details of the utilisation of funds raised through qualified institutions placement, kindly refer to note 5 of Notes to the Standalone Financial Statements.

- g) During the year, recommendations made to the Board by the Committees were accepted by the Board.
- h) During the year under review, the Statutory Auditors of the Company M/s. Deloitte Haskins & Sells LLP., Chartered Accountants were paid an aggregate remuneration of ₹ 6.10 Mn as per the below table:

Particulars	Amount (₹ in Mn)
Audit Fees including consolidation & Limited Review	5.87
Certification & Tax Representations	0.23
<b>Total</b>	<b>6.10</b>

- i) 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

- j) The Company has complied with the requirement of the 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. Members' Rights:** The quarterly and half-yearly financial results are submitted to Stock Exchanges and published in the newspapers as mentioned above and are also uploaded under the "Investor" section on the Company's website at <https://www.laxmi.com/investors/financials> Therefore, the results were not separately circulated to all Members.
- 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:** During the under review, 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.

## CORPORATE GOVERNANCE REPORT (Contd.)

m) **Disclosures with respect to demat suspense account/ unclaimed suspense account:**

The aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	230 Shares
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	NIL
The number of shareholders to whom shares were transferred from suspense account during the year	NIL
The aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	230 Shares
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes

n) **Disclosure of certain types of agreements binding listed entities:**

The Company has not entered into any agreement with any shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of holding, subsidiary or associate company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

o) **Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:** NILp) **Details of Material Subsidiaries:**

Name	Laxmi Organic Industries (Europe) BV
Date of Incorporation	May 24, 2012
Place of Incorporation	The Netherlands
Name of Statutory Auditors	NA
Date of Appointment of Statutory Auditors	NA

**CEO AND CFO CERTIFICATION:**

The Executive Director & CEO and 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, 2023 to March 31, 2024. The declaration received from Mr. Ravi Goenka, Executive Chairman & Whole-time 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. To regulate insider trading, the Company has put in place a Code of Conduct to regulate, Monitor and Report the 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, Designated Employees and other Insiders are informed about the closure of the Trading Window before the 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 Secretaries 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:**

According to Regulation 9 of SEBI Listing Regulations 2015, The Board of Directors has adopted the Policy on Preservation of Documents. This Policy envisages the procedure governing the 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



## CORPORATE GOVERNANCE REPORT (Contd.)

any other applicable regulations under SEBI Act, 1992.

According 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 and 125 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 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 details of unpaid dividends are uploaded on the website of the Company at <https://www.laxmi.com/investors/unclaimed-dividend>

Members who have not claimed their dividends for the last two years are requested to write to the Company's Registrar and Share Transfer Agents and claim their dividends. The total amount of unclaimed dividends has been disclosed in the financial statements.

Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below-mentioned last date of claim which has been calculated by adding 37 days and 7 years to the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
Final Dividend 2021	₹ 0.50	July 26, 2021	September 01, 2028
Final Dividend 2022	₹ 0.70	July 29, 2022	September 04, 2029
Final Dividend 2023	₹ 0.50	August 03, 2023	September 07, 2030

## Annexure I

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

#### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (LODR) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Laxmi Organic Industries Limited (CIN: U24200MH1989PLC051736) having registered office at A-22/2/3, MIDC Raigad, Maharashtra-402309 (hereinafter referred to as 'the Company'), produced before us by the

Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub-c3clause 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, 2024 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	May 15, 1989
2.	Harshvardhan Ravi Goenka	08239696	November 01, 2020
3.	Rajeev Vasudeo Goenka	00059346	August 12, 1994
4.	Manish Chokhani	00204011	March 30, 2012
5.	Omprakash V. Bundellu	00032950	February 21, 2011
6.	Sangeeta Singh	06920906	September 04, 2017
7.	Rajeev Arvind Vaidya	05208166	November 25, 2020
8.	Rajiv Manohar Banavali	09128266	May 18, 2021
9.	Rajan Venkatesh	10057058	April 3, 2023

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

For **GMJ & ASSOCIATES**

Company Secretaries

**Mahesh Soni**

Partner

**FCS:** 3706 | **COP:** 2324

UDIN: F003706F000433201

**Place:** Mumbai

**Date:** May 21, 2024





## 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, 2024, 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, 2024 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**

**Sd/-**

**Dr. Rajan Venkatesh**

Managing Director & CEO

**Place:** Mumbai

**Date:** May 21, 2024

**Sd/-**

**Tanushree Bagrodia**

CFO

## 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, 2024, 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:** F003706F000433300

**Place:** Mumbai

**Date:** May 21, 2024



## 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, 2024, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Laxmi Organic Industries Limited**

**Ravi Goenka**

Executive Chairman

**Place:** Mumbai

**Date:** May 21, 2024

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24200MH1989PLC051736
2	Name of the Listed Entity	Laxmi Organic Industries Limited
3	Year of incorporation	1989
4	Registered office address	Plot No: A-22/2/3 MIDC Mahad, Raigad – 402 309
5	Corporate address	3 <sup>rd</sup> Floor, Chandermukhi Building, Nariman Point, Mumbai - 400021
6	E-mail	investors@laxmi.com
7	Telephone	+91 22 49104444
8	Website	www.laxmi.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	Refer note 5 under Audited Standalone Financial Statements
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Aniket Hirpara (+91 9167315177, Aniket.Hirpara@laxmi.com)
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone Basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

### II Products / Services

#### 16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Chemical Manufacturing	Specialty chemical manufacturing focused on two key segments: Acetyl Intermediates and Speciality Intermediates derivative products	100%

#### 17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sales of Acetyl Intermediate products within Chemical Manufacturing	2029	70.17%
2	Sales of Specialty Intermediate products within Chemical Manufacturing	2029	29.83%

### III Operations

#### 18 No. of locations where plants and/or operations/ offices of the entity are situated:

Location	No. of plants	No. of offices	Total
National	8	6	14
International	NIL	3	3



## Business Responsibility and Sustainability Report(Contd.)

**19 Markets served by the entity**

a No. of Locations

	Location	Number
	National (No. of States)	23
	International (No. of States)	52
b	What is the contribution of exports as a percentage of the total turnover of the entity?	30%
c	A brief on types of customers	<p>Our Company specialises in producing a wide range of specialty intermediates catering to diverse industrial sectors. These intermediates play a crucial role in the production of high-value chain molecules for pharmaceuticals and bulk drugs. They are also instrumental in the manufacturing of pigments used in paints and inks, along with various intermediates utilised in the agrochemical value chain.</p> <p>Additionally, our acquisition in the fluorochemicals sector has expanded our portfolio to serving the pharmaceutical and agrochemical industries.</p> <p>We also produce green solvents that offer a safer alternative to conventional carcinogenic solvents, particularly in the production of paints, coatings, and adhesives.</p> <p>The Company operates through a well-established network of offices, ensuring seamless connectivity with customers both domestically and internationally. Our strategically located branch offices facilitate easy access for customers, while our international presence includes offices in key regions such as the Middle East, Europe, and China. To guarantee prompt service, we maintain tankages at major European ports like Rotterdam. As a result, we serve a global clientele spanning across North America, South America, Asia, Europe, and Africa.</p>

**IV Employees****20 Details as at the end of Financial Year:**

a Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
	Permanent (A)	773	700	91%	73	9%
	Other than Permanent (B)	263	221	84%	42	15%
	Total employees (A + B)	1036	921	88%	115	11%
<b>Workers</b>						
	Permanent (C)	181	179	99%	2	1%
	Other than Permanent (D)	453	445	98%	8	1%
	Total workers (C + D)	634	624	98%	10	1%

## Business Responsibility and Sustainability Report(Contd.)

b Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently-abled Employees</b>						
	Permanent (E)	2	2	100%	0	0%
	Other than Permanent (F)	0	0	0%	0	0%
	Total employees (E + F)	2	2	100%	0	0%
<b>Differently-abled Workers</b>						
	Permanent (G)	0	0	0%	0	0%
	Other than Permanent (H)	1	1	100%	0	0%
	Total employees (G + H)	1	1	100%	0	0%

Note: Other than permanent category of employees includes contract employees while other than permanent category of workers includes contract workers.

**21 Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11%
Key Management Personnel	4	1	25%

Note: Key Management Personnel include the Chairman, CEO, CFO, and CS.

**22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

Category	2023-24 (Turnover rate in current FY)			2022-23 (Turnover rate in previous FY)			2021-22 (Turnover rate in year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	14.27%	1.11%	15.35%	18.89%	1.00%	19.89%	18.92%	0.97%
Permanent Workers	0.56%	0%	0.56%						

**V Holding, Subsidiary and Associate Companies (including joint ventures)****23 Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Laxmi Organic Industries (Europe) BV, Netherlands (LOBV)	Wholly owned Subsidiary Company	100	No
2	Cellbion Lifesciences Private Limited, India (CLPL)	Wholly owned Subsidiary Company	100	No
3	Viva Lifesciences Private Limited, India (VLPL)	Wholly owned Subsidiary Company	100	No
4	Laxmi Speciality Chemicals (Shanghai) Co. Limited, China (LSCSCL)	Wholly owned Subsidiary Company	100	No
5	Yellowstone Fine Chemicals Private Limited (YFCPL)	Wholly owned Subsidiary Company	100	No
6	Yellowstone Speciality Chemicals Private Limited, India (YSCPL)*	Wholly owned Subsidiary Company	100	No
7	Laxmi USA LLC, USA (USLLC)	Wholly owned Subsidiary Company	100	No



Business Responsibility and Sustainability Report(Contd.)

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
8	Laxmi Italy s.r.l.	Step Down Subsidiary	100	No
9	SaiDeep Traders	Step Down Partnership Firm	95	No
10	Cleanwin Energy One LLP, India (CEOLLP)	Associate	26	No
11	Radiance MH Sunrise Seven Private Limited, India (RMSPL)	Associate	26	No

\* The Company has filed an application for striking off the name of these entities before the Registrar of Companies, Maharashtra on April 13, 2023.

**VI CSR Details**

**24**

a	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
b	Turnover (in ₹)	₹ 28,244.77 Mn
c	Net worth (in ₹)	₹ 18,360.02 Mn

**VII Transparency and Disclosures Compliances**

**25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investors (other than shareholders)	Yes	0	1	0	0	0	0
Shareholders	Yes	0	0	0	5	0	0
Employees & Workers	Yes	0	0	0	0	0	0
Customers	Yes	13	0	All CAPA are approved by Customers	15	4	1 - CAPA completed 1 - Customer Approval 1 - Under observation
Value Chain Partners	Yes	0	0	0	0	0	0

The Company has established mechanisms and procedures to redress grievances. We have a 'Speak Up' policy and a Whistleblower Policy for reporting any complaints and issues. The policies are available to all our stakeholders on <https://www.laxmi.com/investors/policies>. The grievance committee acts as a focal point to address the problems on a timely basis and take specific actions based on the severity of issue.

## Business Responsibility and Sustainability Report(Contd.)

**26 Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	<b>Environmental:</b> Water Quality & Wastewater management	R	<p>The production process involves the use of water and the generation of industrial-grade effluent. Water plays a crucial role as an input in the production process, and ensuring the long-term sustainability of water sources is a critical risk area that requires continuous monitoring and management.</p> <p>The effluent generated during the process has the potential to pollute nearby land and water bodies if proper treatment measures are not in place. The constituents of the effluent can make water bodies unsuitable for human or animal consumption, highlighting the importance of implementing appropriate treatment measures.</p>	<p>Water and wastewater risk is addressed through two distinct yet complementary approaches. Our manufacturing plants are situated in regions with rainfall-dependent water sources, minimising immediate threats to source water quantity and quality. Nevertheless, we are proactively implementing measures to ensure responsible water usage within our processes and to reduce wastage.</p> <p>Our effluent treatment plant is equipped with unit operations specifically designed to treat effluent to meet safe discharge standards. Regular monitoring of effluent quality is conducted, and we also operate zero liquid discharge (ZLD) plants to further limit effluent discharge, enhancing our overall environmental stewardship.</p>	<p><b>Negative:</b> The Company has long-term water supply contracts with MIDC, which mitigates risks related to raw water availability or quality. However, stricter effluent discharge standards set by the State Pollution Control Board could result in increased capital and operating costs for effluent treatment.</p>
2	<b>Environmental:</b> Hazardous Materials Management	R	<p>Specialty chemicals manufacturing encompasses the handling of hazardous materials throughout various stages, including raw materials transport, storage, production processes, and finished goods storage and transportation. This poses risks to employees and workers, such as exposure to spills, fumes, and other hazards, which have the potential to cause serious harm to both health and property.</p>	<p>The Company has implemented an organisation-wide Integrated Policy on Environment Health Safety and Quality Management System in accordance with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Standards. This includes measures aimed at preventing occupational injuries and illnesses for employees and contractors, achieved through the deployment of various hazard identification, risk assessment, and risk control mechanisms as per the aforementioned standards.</p>	<p><b>Negative:</b> The financial implications of the risk primarily revolve around mitigation activities, including but not limited to training programs, conducting drills, adopting emergency measures, and ensuring preparedness for potential incidents. These proactive measures are essential for minimising the impact of risks on operations and ensuring the safety and well-being of employees, contractors, and the surrounding environment.</p>





Business Responsibility and Sustainability Report(Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	<b>Environmental:</b> Air Quality	R	The production of specialty chemicals carries the risk of releasing harmful gases into the atmosphere, which could pose a threat to human and animal lives in nearby areas. Additionally, these emissions may have long-term health-related impacts on individuals exposed to them over time.	1. Our processes and Standard Operating Procedures (SOPs) are established with careful consideration of industry and legal standards to incorporate effective air pollution control mechanisms. 2. Regular trainings and internal audits are conducted to maintain stringent checks on air quality, ensuring compliance with established standards and continuous improvement in our environmental performance.	<b>Negative:</b> The financial implications primarily involve investing in mitigation measures such as pollution control equipment and robust safety and control systems. These measures are essential to minimise the risk of incidents like the leakage of hazardous gases, which could result in financial exposure due to adverse impacts on the surrounding community.
4	<b>Environmental:</b> Waste Management	R/O	The management of hazardous waste poses risks to land, water bodies, and ecosystems if disposal guidelines are not strictly followed by waste management contractors. However, embracing waste recycling presents a potential opportunity for the Company to adopt circular economy principles, leading to minimal waste generation and contributing positively to environmental sustainability.	Hazardous waste generated by the Company is handled and disposed of by approved contractors authorised by the State Pollution Control Board, ensuring compliance with regulatory guidelines and environmental standards.	<b>Negative/Positive:</b> Hazardous waste management poses financial implications like compliance and liability costs for the Company. However, recycling and waste reduction efforts offer cost savings and revenue opportunities. These actions also boost efficiency and reputation, potentially leading to further savings and business growth.
5	<b>Environmental:</b> GHG Emissions	R	Chemical manufacturing, a notably emission-intensive activity, is closely scrutinised by major customers, investors, and governments. The Company's customers may demand GHG reduction commitments, while ESG-focused investors may prioritise companies meeting emission targets. India's climate commitments may require emission reduction efforts, and the government is creating a carbon trading market. Neglecting GHG emissions could result in opportunity loss with customers, investor disinterest, and higher regulatory costs.	GHG emissions can be mitigated by implementing strategies such as conducting energy audits to identify areas for energy reduction, increasing the sourcing of renewable energy, and purchasing offsets. As of the current financial year, 15% of our total energy consumption was sourced from renewable sources.	<b>Negative:</b> Financial implications may arise in the form of increased capital expenditure for procuring more renewable energy.

## Business Responsibility and Sustainability Report(Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	<b>Environmental:</b> Energy Management	O	Our manufacturing process consumes a significant amount of energy, and savings in energy not only contribute to our bottom line but also help us achieve our emissions reduction goals.	-	<b>Positive:</b> Energy efficiency measures identified through energy audits can have a positive impact on our financial performance.
7	<b>Social:</b> Occupational Health and Safety	R	The manufacturing of specialty chemicals presents numerous risks to workers and employees, including material management challenges, spills, fumes, fire hazards, and long-term exposure risks. These hazards can lead to health impairments, severe injuries, or fatalities. Furthermore, health and safety risks extend to the supply chain during the production of raw materials and the transportation of both raw materials and finished products.	The Company has implemented several measures to mitigate occupational health and safety risks, including:  1. Adoption of an organisation-wide Integrated Policy on Environment Health Safety and Quality Management System, in alignment with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Standards.  2. Implementation of strict health and safety protocols and Standard Operating Procedures (SOPs) governing the storage, use, transportation, and waste treatment of hazardous substances.  3. Conducting regular trainings and internal audits to ensure compliance with all SOPs related to Operational Health and Safety.	<b>Negative:</b> The financial implications of the risk primarily revolve around mitigation activities, including training, drills, adoption of emergency measures, and preparedness for incidents. Implementing appropriate safeguards such as insurance also plays a crucial role in mitigating the potential loss of production and associated financial impacts.
8	<b>Social:</b> Human Rights	R/O	Human rights present both risks and opportunities for the Company. As a compliant organisation with a dedicated human rights policy alongside other policies affecting human resources, the Company has the opportunity to foster a nurturing environment that respects the rights of its employees. However, human rights risks primarily arise in the upstream supply chain, particularly with vendors, where there is a need to enhance awareness and monitoring of human rights issues.	The Company's strategy to mitigate human rights risks within the organisation and across its supply chain includes conducting awareness trainings on human rights, establishing channels for employees to report human rights issues, and conducting regular third-party assessments to ensure the effective implementation of policies.	<b>Negative/Positive:</b> Financial risks related to human rights could manifest in the form of legal settlements for grievances and expenses incurred for third-party support in areas such as trainings, monitoring, and assessments.



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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	<b>Social:</b> Product Responsibility	O	Two key product segments for the Company include the life sciences and crop sciences industries. In the life sciences sector, our products serve as key constituents in pharmaceutical products such as anticoagulants, anti-inflammatory drugs, antimalarials, antiretrovirals, etc. In the crop sciences industry, we produce chemicals used in synthesising fertilisers and seed treatment chemicals. Given the human consumption or potential human contact with our customers' end products, product responsibility is of utmost importance in these segments.	Risk mitigation mechanisms are firmly in place as we consistently meet the stringent quality standards of our customers. By supplying products that require higher safety and quality standards, the Company can potentially expand into new customer segments.	<b>Positive:</b> Quality-related issues can have significant financial implications, potentially leading to lost sales. Transitioning to higher thresholds of product safety and quality would require substantial investment in research and development before realising incremental revenue from these improvements.
10	<b>Governance:</b> Business Ethics	R	Business ethics, encompassing corporate governance, employee conduct, labor relations, customer relationships, and supply chain practices, can expose organisations to various risks including legal, reputational, financial, and market-related risks. As Environmental, Social, and Governance (ESG) themes gain prominence, governance-related issues are facing heightened scrutiny from potential investors and major customers. This necessitates the implementation of robust systems and processes to effectively manage business ethics-related challenges.	Business ethics risks are mitigated through several measures, including the establishment of a Code of Conduct for the Board of Directors, Independent Directors, Senior Management, and Employees. Additionally, policies addressing Anti-Corruption, Anti-Bribery, and Anti-Money Laundering are in place, along with a Whistleblower policy. These policies are reinforced through awareness trainings and grievance redressal systems to ensure effective implementation across the organisation.	<b>Negative:</b> Financial implications related to business ethics issues could include the loss of customers or market share, financial losses due to legal exposure, and other adverse impacts resulting from unethical business practices.

## Business Responsibility and Sustainability Report(Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	<b>Governance:</b> Management of Legal & Regulatory Environment	R	The manufacturing of specialty chemicals requires approvals and periodic regulatory filings covering various aspects such as product specifications, safety standards, pollution control measures, compliance with labor laws, and adherence to factory codes. Additionally, there is an increasing demand for ESG related disclosures, starting with the BRSR framework in India. Furthermore, customers in Europe and the USA are expected to impose supply chain disclosure requirements as mandated by forthcoming legislation in these regions.	The organisation manages regulatory compliances and filings through internal systems, risk registers, and process controls. Additionally, preparations are underway to enhance ESG disclosures to ensure transparency to all stakeholders.	<b>Negative:</b> Failure to resolve legal and regulatory matters could result in potential fines and penalties imposed by statutory authorities in accordance with prescribed regulations.
12	<b>Governance:</b> Climate Risk & Opportunities	R/O	The chemical industry is viewed as a major contributor to climate change but also as a crucial facilitator of climate change mitigation through advancements in products and processes. With India committing to global climate goals and aiming for Net Zero emissions by 2070, companies in the Indian chemical sector are expected to take a leading role in reducing GHG emissions, minimising effluent and waste footprints, and promoting circular economy practices in their operations.	Climate change risks and opportunities will be addressed through the following strategies:  1. Enhancing process efficiency, adopting sustainable procurement practices, and investing in research and development for developing products and processes that reduce emissions and minimise waste footprints.  2. Establishing Environmental, Social, and Governance (ESG) targets and implementing a robust governance structure to drive sustainability-related initiatives effectively.	<b>Negative/Positive:</b> Financial implications for climate-related risks and opportunities include investments in new product development, renewable energy, energy efficiency, and sustainable procurement practices.



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**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

The National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs encompass nine areas of Business Responsibility. These include the following principles:

- P1:** Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3:** Businesses should promote the wellbeing of all employees.
- P4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5:** Businesses should respect and promote human rights.
- P6:** Business should respect, protect, and make efforts to restore the environment.
- P7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8:** Businesses should support inclusive growth and equitable development.
- P9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Policy and management processes</b>										
1	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No)									
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Has the policy been approved by the Board? (Yes/No)									
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Web Link of the Policies, if available									
	Internal company policies are accessible on the Company's intranet portal or displayed outside the manufacturing units, while other policies are available on the Company's official website: <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a>									
2	Whether the entity has translated the policy into procedures. (Yes / No)									
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)									
	No	Yes	Yes	Yes	Yes	No	No	No	No	No
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. #									
	(1)	(2, 3, 4, 5, 6, 7, 8)	(2, 3, 4)	(1)	(2, 4)	(2, 4)	-	(1, 9)	(2, 4, 6)	
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.									
	Initiatives on the ESG front have been an important part of the Company's performance and culture. A formal approach on ESG reporting has been taken up from 2022-23 and is a part of the sustainability report which is available on company website for public review. Specific ESG targets for certain material issues are under review.									
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
	N/A									

#GRI Standard (1), ISO 45001:2018 (2), ISO 9001:2015 (3), ISO 14001: 2015 (4), USDA Certified Bio based Product Label (5), Responsible Care (6), Star K Kosher Certification (7), Halal India Certification (8), CSR disclosures pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (9)

## Business Responsibility and Sustainability Report(Contd.)

Governance, leadership and oversight										
Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
The Company strives to be a responsible corporate entity, actively contributing to positive societal impacts through its operations. As a prominent player in the international chemical industry, we understand our role in driving economic growth while acknowledging the imperative for immediate action on climate change, pollution control, resource conservation, and social responsibility.										
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).									
The Risk Management & ESG Governance Committee constituted by the Board is the the highest authority responsible for the implementation and oversight of the Business Responsibility Policy(ies). The Risk Management & ESG Governance Committee presently consists of the following:										
			<b>Name</b>				<b>Designation</b>			<b>Category</b>
			Dr. Rajeev Vaidya				Independent Director			Chairperson
			Dr. Rajan Venkatesh				Managing Director & CEO			Member
			Mr. Harshvardhan Goenka				Executive Director (Business Development & Strategy)			Member
			Dr. Rajiv Banavali				Independent Director			Member
This committee is tasked with adopting the ESG policy and overseeing its implementation in alignment with the ESG Roadmap.										
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.									
The ESG Policy has received approval from the Board. The Risk Management and ESG Governance Committee of the Board has been authorised to review and approve the Company's ESG Roadmap and oversee its implementation across the organisation.										

## 10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	In the fiscal year 2022-2023, an ESG governance structure was formalised. As per this structure, the Risk Management & ESG Governance Committee of the Board serves as the highest governing body for ESG matters. Additionally, a Steering Committee was established with equal representation from various functions to drive the implementation of ESG initiatives. The Steering Committee provides market updates and reports on ESG implementation to the Risk Management & ESG Governance Committee of the Board.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	All statutorily mandated policies have been documented and successfully implemented, ensuring compliance throughout the year with no instances of non-compliance.																	



Business Responsibility and Sustainability Report(Contd.)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, Envint Services LLP								
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated, as below:									
	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the Principles material to its business (Yes/No)	NA								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
	It is planned to be done in the next financial year (Yes/No)	Yes								
	Any other reason (please specify)	NA								

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**P1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE**

**ESSENTIAL INDICATORS**

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Building Global Enterprise, 2 Senior Leadership Team (SLT) offsites	30%
Key Managerial Personnel	3	Building Global Enterprise, 2 Senior Leadership Team (SLT) offsites	75%
Employees other than BoD and KMPs	280	Smart Thinkers, Delegation & Motivation, Championing Collaboration, Team Building, POSH Committee, Executive Presence & Human Rights workshop etc.	95%
Workers	13	Incoming & Outgoing Material Inspection, Predictive Maintenance, JR Micro Scrubber System, Laxmi Life Saving Rules, Team Building, Human Rights workshop, End Year review, Global Chemical Industry Overview, Goal Setting, POSH, Speak Up Policy, We are Laxmi, POSH awareness workshop etc.	26%

## Business Responsibility and Sustainability Report(Contd.)

- 2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website

Monetary					
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement			Nil		
Compounding fee			Nil		

Non-Monetary					
Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment			Nil		

- 3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

- 4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
- In the fiscal year 2022-23, the Board of Directors developed and adopted an anti-corruption, anti-bribery, and anti-money laundering policy. This policy, which applies to all individuals at all levels and grades, whether permanent or temporary, is designed to comply with relevant Indian regulations, including the Prevention of Corruption Act 1988 (amended in 2018), the Prevention of Money Laundering Act 2002, and the Companies Act 2013. The policy is available on the Company's website at <https://www.laxmi.com/investors/policies>.
- This policy underscores the Company's commitment to conducting business fairly and ethically, adopting a zero-tolerance approach to corruption, bribery, and money laundering. It mandates that stakeholders adhere to legal requirements and prohibits improper payments, gifts, inducements, money laundering, and any form of fraud. The policy also bans facilitation payments or kickbacks and their facilitation. It identifies "red flags" and provides guidelines for maintaining records of payments made and received by the Company.
- Additionally, the policy sets up a framework for both internal and external reporting of incidents related to corruption, bribery, or money laundering and details procedures for effective implementation.

- 5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

Category	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Directors	Nil	Nil	NA	NA	NA
KMPs	Nil	Nil	NA	NA	NA
Employees	Nil	Nil	NA	NA	NA
Workers	Nil	Nil	NA	NA	NA





**Business Responsibility and Sustainability Report(Contd.)**

6 Details of complaints with regard to conflict of interest

Category	2023-24 (Current Financial Year)		2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	Nil	Nil
7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.	There is no adverse action taken by any authority till date.			

8 Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Number of days of accounts payables*	114	71

\* Accounts payable includes creditors for purchase of goods & services, so accounts payable days are arrived considering Cost of goods/services procured, power & fuel & other expenses

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.78%	3.16%
	b. Number of trading houses where purchases are made from	7	6
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0.78%	3.16%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales		
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.4%	2.9%
	b. Sales (Sales to related parties / Total Sales)	3.6%	11.6%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	72.25%	93.04%

## Business Responsibility and Sustainability Report(Contd.)

## LEADERSHIP INDICATORS

- 1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	---

The Company has communicated the various NGRBC principles to its key value chain partners via email. However, a well-planned procedure is being developed for implementation in the upcoming financial year.

- 2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.
- Yes. The Company has adopted a Code of Conduct specifically tailored for Board and Senior Management Personnel. This policy outlines the ethical standards and professional conduct expected from directors and senior executives of the organisation. It serves as a comprehensive guide, detailing principles related to integrity, transparency, accountability, and compliance with applicable laws and regulations. Directors and senior management personnel are obligated to adhere to the provisions outlined in this Code of Conduct at all times. The policy is readily accessible to stakeholders and interested parties through the Company's official website at <https://www.laxmi.com/investors/policies>.
- This Code of Conduct Policy underscores the Company's commitment to upholding the highest standards of corporate governance and ethical behaviour. It reinforces the importance of integrity and ethical decision-making in all business dealings, fostering a culture of trust, respect, and accountability within the organisation. By publicly disclosing and making accessible such policies, the Company demonstrates transparency and accountability to its stakeholders, thereby enhancing trust and confidence in its operations.

## P2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

## ESSENTIAL INDICATORS

- 1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	1%	2%	The Company has proactively addressed environmental and social impacts through targeted initiatives and investments. Efforts have been focused on water and energy management, waste reduction, controlling GHG emissions and maintaining air quality, ensuring operational health and safety standards, and upholding human rights across operations.
CapEx	11%	28%	

- 2 Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- The policy encompasses key areas such as business integrity, employee health and safety, responsible manufacturing practices, environmental protection, and resource conservation.
- If yes, what percentage of inputs were sourced sustainably?
- The percentage of inputs sourced sustainably has not been determined yet.
- 3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:
- |                                |  |
|--------------------------------|--|
| Plastics (including packaging) | The disposal pathways prescribed by the Maharashtra Pollution Control Board (MPCB) consent norms are adopted and followed accordingly. This includes the disposal of packaging wastes, e-wastes, etc., as per the consent norms. Additionally, a sludge hydrolysis process has been established to reclaim products from in-process streams. |
| E-waste                        |  |
| Hazardous waste                |  |
| Other waste                    |  |



Business Responsibility and Sustainability Report(Contd.)

4	Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	Yes, the Extended Producer Responsibility (EPR) framework is applicable, and we are in compliance with the waste collection plan requirements.
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**LEADERSHIP INDICATORS**

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
1.	2029	Speciality Chemicals	-	This study for a specific set of chemicals encompassed the entire product lifecycle from the extraction and procurement of raw materials, their transportation to the production site, manufacturing of the product and its packaging, and other secondary impacts across the entire value chain, from 'cradle to gate.'	Yes	These reports will be disseminated to external stakeholders through email communications.

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	NA	

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
	NA	

**P3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

**ESSENTIAL INDICATORS**

1a Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Employees</b>											
Male	700	700	100%	700	100%	-	-	700	100%	-	-
Female	73	73	100%	73	100%	73	100%	-	-	-	-
Total	773	773	100%	773	100%	-	-	-	-	-	-
<b>Other than Permanent Employees</b>											
Male	221	221	100%	221	100%	-	-	221	100%	-	-
Female	42	42	100%	42	100%	42	100%	-	-	-	-
Total	263	263	100%	263	100%	-	-	-	-	-	-

## Business Responsibility and Sustainability Report(Contd.)

## 1b Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (F)	% (F / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Workers</b>											
Male	179	179	100%	179	100%	-	-	179	100%	-	-
Female	2	2	100%	2	100%	2	100%	-	-	-	-
Total	181	181	100%	181	100%	-	-	-	-	-	-
<b>Other than Permanent Workers</b>											
Male	445	445	100%	445	0%	-	-	445	100%	-	-
Female	8	8	100%	8	0%	8	100%	-	-	-	-
Total	453	453	100%	453	0%	-	-	-	-	-	-

Note: Day care facilities are available to all employees/workers but have not been availed till date .

## 1c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	4.97%	4.07%

## 2 Details of retirement benefits, for Current and Previous FY

Benefits	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others - please specify	-	-	-	-	-	-

3	Accessibility of workplaces Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	The earlier built premises do not comply with the accessibility requirements outlined in the Rights of Persons with Disabilities Act, 2016. However, new buildings and new factory premises being constructed are planned to be in conformance with the Rights of Persons with Disabilities Act, 2016.
4	Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	Our Human Rights Policy encompasses these principles and includes commitments to fair treatment and non-discrimination. It is designed to eliminate discrimination based on gender, age, social origin, beliefs, disabilities, or religion, and to promote equal employment opportunities.



Business Responsibility and Sustainability Report(Contd.)

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	-	100%	-
Female	100%	-	-	-
<b>Total</b>	100%	-	100%	-

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. As a Company, we've formally adopted the Speak Up Policy, providing employees a confidential platform to report grievances such as fraud, abuse, misconduct, or malpractice. It emphasises zero tolerance for unfair practices, discrimination, harassment, and victimisation.  The policy outlines the Speak Up Committee's composition, reporting channels, procedure for protected disclosures, and investigation scope. It empowers employees to uphold our values and ensures a transparent, accountable, and trusting work culture.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>						
Male	700	27	4%	645	31	5%
Female	73	4	5%	42	3	7%
<b>Total Permanent Workers</b>						
Male	179	137	77%	185	123	66%
Female	2	2	100%	2	2	100%

8 Details of training given to employees and workers:

Category	2023-24 (Current Financial Year)					2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	700	395	56%	635	91%	645	-	-	528	82%
Female	73	39	53%	61	84%	42	-	-	38	90%
Total	773	434	56%	696	90%	687	-	-	566	82%
<b>Workers</b>										
Male	179	38	21%	17	9%	185	-	-	73	39%
Female	2	0	0%	0	0%	2	-	-	2	100%
Total	181	38	38%	17	9%	187	-	-	75	40%

## Business Responsibility and Sustainability Report(Contd.)

9 Details of performance and career development reviews of employees and worker:

Category	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Total Permanent Employees</b>						
Male	700	550	79%	645	572	89%
Female	73	41	56%	42	37	88%
Total	773	591	76%	687	609	89%
<b>Total Permanent Workers</b>						
Male	179	0	0%	185	4	2%
Female	2	0	0%	2	0	0%
Total	181	0	0%	187	4	2%

10 Health and safety management system:

a	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	<p>The Occupational Health and Safety (OHS) system is implemented across the major production facilities of the Company, including three major manufacturing units, covering 99% of the turnover. The Company is certified for ISO 45001:2018 by TUV-SUD, ensuring compliance with international standards for occupational health and safety.</p> <p>The system includes communication of safety-related information to customers and prioritizes safety in the supply chain through a rigorous vendor selection process and continual evaluation. Drivers involved in transportation also undergo periodic training sessions on transportation and product safety as part of the system.</p>
b	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Our risk management strategy employs a range of qualitative, quantitative, and specialized tools. Qualitative methods include HIRA registers, What-if Analysis, Job Safety Analysis (JSA), and HAZOP Studies. Quantitative tools consist of Quantitative Risk Assessment (QRA) and Chemical Reactivity Assessment. Specialized tools include Hazardous Area Classification, EHS inspections, fire safety measures, third-party EHS audits, and a Disaster Management Plan. These approaches collectively enhance our ability to identify, assess, and mitigate risks effectively.
c	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>The Company has well-established procedures for reporting, investigating, and analysing EHS incidents and injuries. These procedures include protocols for incident reporting, investigation team charters, investigation methodologies, and analysis of incidents, including near-misses.</p> <p>Hazard control programs involve active participation from workers and contractors, with individual roles explained in the local language to enhance understanding and ensure protection from work-related risks. Instructions for workers, including safety signboards, are prominently displayed, and evacuation plans with clear access and safe assembly points are in place for prompt response to work-related risks.</p>
d	Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Employees and workers of the entity have access to non-occupational medical and healthcare services. This includes health counselling conducted after periodic medical examinations.



Business Responsibility and Sustainability Report(Contd.)

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2023-24	2022-23
		(Current Financial Year)	(Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one Mn-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Significant risks and concerns are systematically identified through a combination of internal and external mechanisms. Subsequently, corrective and preventive action plans are meticulously implemented, adhering to the hierarchy of risk controls. These action plans encompass several key measures. Firstly, safety-instrumented systems are provided alongside enhancements in engineering and design controls to fortify safety measures.

Operational control procedures undergo regular review and revision to align with evolving safety standards. Continuous improvement in EHS competence is ensured through ongoing training and retraining initiatives.

The Company also emphasises the provision and upkeep of critical systems such as fire protection, personal protective equipment, occupational health surveillance, industrial hygiene practices, and process safety management systems.

Furthermore, enhancements in monitoring and measurement mechanisms are prioritised to effectively track safety performance. Internal and external inspections and audits are conducted to maintain compliance and identify areas for further enhancement, reflecting the Company's commitment to robust risk management and safety practices.

13 Number of Complaints on the following made by employees and workers:

Category	2023-24			2022-23		
	(Current Financial Year)			(Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

## Business Responsibility and Sustainability Report(Contd.)

14 Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	100%
Working Conditions	100%

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We conducted a thorough root cause analysis to identify the underlying issues. Based on this analysis, we implemented a corrective and preventive action plan to address these issues.

The plan includes specific actions to rectify the identified problems and measures to prevent their recurrence, ensuring long-term effectiveness and continuous improvement.

## LEADERSHIP INDICATORS

1	Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).	The Company has secured a Group Term Life Insurance Policy covering all employees across its entities.			
2	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners	The Company cross-checks the deposit of statutory dues and filing of returns by value chain partners through bills, challans, and data available on government portals. Additionally, a third-party software tool is utilised to ensure compliance with requirements. In case of any deficiency or mismatch, the respective team addresses the issue with the value chain partners for review and correction.			
3	Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:				
	<b>Category</b>	<b>Total no. of affected employees/ workers</b>		<b>No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>	
		<b>2023-24 (Current Financial Year)</b>	<b>2022-23 (Previous Financial Year)</b>	<b>2023-24 (Current Financial Year)</b>	<b>2022-23 (Previous Financial Year)</b>
	Employees	Not applicable, as no such rehabilitation was conducted.			
	Workers				
4	Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) <b>No</b>				





Business Responsibility and Sustainability Report(Contd.)

**P4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

**ESSENTIAL INDICATORS**

1	Describe the processes for identifying key stakeholder groups of the entity.	<p>The Company is dedicated to sustainable growth and acknowledges the potential risks that are posed to its operations. To navigate these challenges effectively, we value input from a diverse range of stakeholders. In our endeavor to identify material topics for sustainability, we engaged with key stakeholder groups including employees, the leadership team, investors, vendors, and the community. The selection of stakeholders was informed by internal discussions, insights gleaned from global and Indian peers regarding their practices, and guidance from external consultants.</p>
---	--	--

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employee	No	Emails	At least once in 3 years	<p>The Company prioritises gaining an in-depth understanding of the risks and opportunities arising from its activities. To achieve this, key stakeholders, both internal and external, were identified, and stakeholder consultations were conducted. Through these consultations, stakeholder opinions were gathered, leading to the identification of the most crucial 12 material topics.</p> <p>To maintain the relevance of these topics, similar consultations are planned to be conducted every three years.</p>
2	Supplier	No	Emails		
3	Customer/Client	No	Emails		
4	Investors (Other than shareholders)	No	Emails		
5	Other : Community	No	In-person meetings		

## Business Responsibility and Sustainability Report(Contd.)

## LEADERSHIP INDICATORS

1	Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.	Following the identification of stakeholder groups, surveys such as employee and community surveys were conducted to engage in discussions regarding key areas of concern. The material topics chosen within the scope of this engagement were assessed through materiality surveys conducted in FY 2023, and the resulting analysis was communicated to stakeholders.
2	Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity	Through our materiality surveys conducted in FY 2023, we actively engaged with stakeholders to identify key issues and areas of concern. This process allowed us to prioritise material topics that are most relevant for the Company and its stakeholders.

## P5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

## ESSENTIAL INDICATORS

- 1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	773	773	100%	-	-	-
Other than permanent	131	131	100%	-	-	-
Total	904	904	100%	-	-	-
<b>Workers</b>						
Permanent	181	181	100%	-	-	-
Other than permanent	553	553	100%	-	-	-
Total	734	734	100%	-	-	-

- 2 Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24 (Current Financial Year)					2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent										
Male	700	0	0%	700	100%	645	0	0%	645	100%
Female	73	0	0%	73	100%	42	0	0%	42	100%
Other than permanent										
Male	221	0	0%	221	100%	56	0	0%	56	100%
Female	42	0	0%	42	100%	11	0	0%	11	100%



Business Responsibility and Sustainability Report(Contd.)

Category	2023-24 (Current Financial Year)				2022-23 (Previous Financial Year)					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Workers</b>										
Permanent										
Male	179	0	0%	179	100%	185	0	0%	185	100%
Female	2	0	0%	2	100%	2	0	0%	2	100%
Other than permanent										
Male	445	445	100%	0	0%	535	367	69%	168	31%
Female	8	8	100%	0	0%	0	0	0%	0	0%

3 a Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD)	3	5,84,53,541	0	0
Key Managerial Personnel	3	5,84,53,541	1	2,58,64,819
Employees other than BoD and KMP	696	6,06,057	72	5,13,361
Workers	179	4,84,104	2	3,34,409

Note: Our other Board members are paid commission and not remuneration; hence not included here.

3 b Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	7.65%	6.13%

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No)

The 'Grievance Committee' serves as the focal point for addressing all human rights impacts and issues resulting from or contributed to by the business.

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Human Rights policy serves as a structured framework for employees to report any instances of abuse, misconduct, or potential misconduct within the workplace, including through the "Speak Up" mechanism.

Upon receipt of any concern via email, letters, website, hotline, etc., the Speak Up Committee promptly registers it, initiating a fair inquiry or investigation process. An investigation officer is appointed to conduct a thorough inquiry, with a report due within 45 days from the date of appointment. Importantly, individuals who come forward are safeguarded from adverse actions, and their identities remain confidential.

Furthermore, should a worker organisation be established or collective bargaining occur, the Company commits to engaging with workers and their representatives to address any issues or grievances effectively. This proactive approach underscores our dedication to upholding human rights and fostering a respectful, safe, and inclusive work environment for all employees.

## Business Responsibility and Sustainability Report(Contd.)

6 Number of Complaints on the following made by employees and workers:

Category	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	The Company's Vigilance Mechanism/Whistleblower Policy, Speak-Up Policy, and POSH Policy serve as effective tools for grievance redressal. The Speak-Up person is protected from adverse actions, and their identity is kept confidential to ensure a safe and secure reporting environment.
9 Do human rights requirements form part of your business agreements and contracts? (Yes/ No)	No
10 Assessments for the year:	
<b>Category</b>	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%
11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	No significant risks / concerns were identified from the assessments on the above points.

## LEADERSHIP INDICATORS

3	Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes, we have identified all necessary measures and implemented initiatives to accommodate differently abled visitors. This includes ensuring proper access, restroom facilities, and appropriate seating arrangements at work locations.
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Business Responsibility and Sustainability Report(Contd.)

**P6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**ESSENTIAL INDICATORS**

1 Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	63,949	52,605
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C) in GJ</b>	63,949	52,605
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,84,356	1,85,811
Total fuel consumption (E)	2,525	4,413
Energy consumption through other sources (F)	1,32,908	1,61,548
<b>Total energy consumed from non-renewable sources (D+E+F) in GJ</b>	3,19,790	3,51,772
<b>Total energy consumed (A+B+C+D+E+F)</b>	3,83,739	4,04,377
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) (GJ/ Mn)	13.59	15.01
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) (₹/US dollar, 2022)	0.6	0.66
<b>Energy intensity in terms of physical Output (GJ/per tonne of production)</b>	1.51	2.09
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

All the Company sites and facilities are operating in the chemical sector, which is not under the purview of the Performance Achieve and Trade Scheme of the Government of India.

3 Provide details of the following disclosures related to water, in the following format:

S. No.	Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>			
i	Surface water	-	-
ii	Groundwater	-	-
iii	Third party water	1267298	1130758
iv	Seawater / desalinated water	-	-
v	Other	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		1267298	1130758
<b>Total volume of water consumption (in kilolitres)</b>		1267298	1130758
Water intensity per rupee of turnover (Water consumed / revenue from operations) (KL / ₹)		4.48 x 10 <sup>-5</sup>	4.19 x 10 <sup>-5</sup>

## Business Responsibility and Sustainability Report(Contd.)

S. No.	Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
	<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) (₹/US dollar, 2022)	1.96 x 10 <sup>-6</sup>	1.84 x 10 <sup>-6</sup>
	<b>Water intensity in terms of physical Output (KL/tonne of production)</b>	5.0	5.83
	Water intensity (optional) – the relevant metric may be selected by the entity	-	-
	Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No	

4 Provide the following details related to water discharged:

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)	
Water discharge by destination and level of treatment (in kilolitres)			
To Surface water	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
To Groundwater	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
To Seawater	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
Sent to third-parties (CETP)	No treatment	NA	NA
	With treatment – please specify level of treatment	1,14,699	69,924
Others – Recycled/Reused	No treatment	NA	NA
	With treatment – please specify level of treatment	2,20,600	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No		

- 5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation
- The Company currently operates three manufacturing units, which collectively account for 99% of its turnover. Continuous expansions of these facilities have been undertaken to meet growing product demand. During these expansions, the principles of Zero Liquid Discharge (ZLD) are integrated at the design stage, exemplified by the adoption of Low Temperature Evaporation/Mechanical Vapour Recompression (MVR) technology for enhanced treatment. Comprehensive treatment schemes are implemented to recycle and reuse treated effluents back into the process, ensuring efficient resource utilisation and environmental sustainability.



Business Responsibility and Sustainability Report(Contd.)

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
NOx	kg	48,560	45,798
SOx	kg	58,694	58,231
Particulate Matter (PM)	kg	45,591	51,591
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No	

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 in MT	3,13,807	2,51,824
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 in MT	35,821	36,646
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	CO2 in MT/ rupee of turnover	1.23 x 10 <sup>-5</sup>	1.07 x 10 <sup>-5</sup>
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) (₹/US dollar, 2022)	CO2 in MT/ rupee of turnover adjusted for PPP	0.54 x 10 <sup>-6</sup>	0.46 x 10 <sup>-6</sup>
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	CO2 in MT/ton of production	1.38	1.25
Total Scope 1 and Scope 2 emission intensity (optional) – per ton of production		-	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No	

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company has implemented several environmentally sustainable practices to reduce its carbon footprint and improve operational efficiency. This includes transitioning from coal and fuel oil (F.O.) to cleaner fuel (C9), which not only reduces emissions but also enhances energy efficiency. Regular revalidation of Electrostatic Precipitator (ESP) efficiencies ensures that Suspended Particulate Matter (SPM) levels remain well within the prescribed limit of 50 mg/nm<sup>3</sup>, contributing to better air quality. Mechanical seals have been adopted in place of glands to minimise leaks and improve containment, while bulk solvent storage tanks are equipped with vent condensers to prevent emissions. These measures, along with closed-loop operations, demonstrate the Company's commitment to sustainable practices and environmental stewardship.

## Business Responsibility and Sustainability Report(Contd.)

9 Provide details related to waste management by the entity, in the following format:

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	23.8	0
E-waste (B)	0	1.9
Bio-medical waste (C)	0.0003	0.001
Construction and demolition waste (D)	0	0
Battery waste (E)	0.5	0.02
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	4862	4658
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	3344	3657
<b>Total (A+B + C + D + E + F + G + H)</b>	8230	8317
<b>Waste intensity per rupee of Turnover</b> (Total waste generated / Revenue from operations) (KL / ₹)	0.29 x 10 <sup>-6</sup>	0.31 x 10 <sup>-6</sup>
<b>Waste intensity per rupee of turnover adjusted Purchasing for Power Parity (PPP)</b> (Total Revenue waste from generated / operations adjusted for PPP) (₹/US dollar, 2022) 1742	0.0127	0.013
<b>Waste intensity in terms of physical output</b>	0.032	0.043
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
i Recycled	547	8
ii Reused	1742	1153
iii Other recovery operations	0	173
Total	2313	1334
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
i. Incineration	329	480
ii. Landfill	3264	2845
iii. Other disposal methods	0	0.5
Total	3593	3326
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes, monthly monitoring is conducted by an MoEF&CC Approved Laboratory, M/s. Ashvamedh in Mumbai. Periodic joint vigilance is also carried out, involving sample collection and analysis by MPCB officials.	
10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.	Our waste management practices include a robust procedure for collecting and storing both hazardous and non-hazardous wastes. We have designated storage areas for different types of waste to ensure proper segregation at the source. Additionally, we utilise one of our process streams as fuel for an in-process waste recovery system, reducing emissions and recovering valuable products. Furthermore, all our manufacturing sites are members of an approved hazardous waste treatment, storage, and disposal facility regulated by the State Pollution Control Board.	





## Business Responsibility and Sustainability Report(Contd.)

- 11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Since all our operations and offices are located within MIDC/GIDC/SEZ or specific zones designated by the Government of India, this indicator is not applicable to our situation.

- 12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not applicable because the EIA Studies are undertaken prior to current financial year.

- 13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			NA	

## LEADERSHIP INDICATORS

1	Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
	For each facility / plant located in areas of water stress, provide the following information:
(i)	Name of the area
(ii)	Nature of operations
(iii)	Water withdrawal, consumption and discharge in the following format:

Parameter	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
To Surface water	NA	NA
To Groundwater	NA	NA
To Seawater	NA	NA
Sent to third-parties	NA	NA
Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
<b>Water discharge by destination and level of treatment (in kilolitres)</b>	NA	NA

## Business Responsibility and Sustainability Report(Contd.)

Parameter		2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
To Surface water	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
To Groundwater	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
To Seawater	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
Sent to third-parties	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
Others	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>		NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? <b>(Y/N)</b> If yes, name of the external agency.		NA	

- 3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities NA
- 4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Wastewater treatment solutions	In addition to the conventional biological treatment scheme, we have implemented the following initiatives: <ul style="list-style-type: none"> <li>• Volute Sludge Dewatering System</li> <li>• Multiple Effect Evaporator</li> <li>• Stripper to improve condensate quality</li> <li>• Low Temperature Evaporator (LTE)</li> <li>• Agitated Thin Film Drier (ATFD)</li> </ul>	Effective and efficient wastewater treatment has been achieved.
2.	Sludge hydrolysis unit	The sludge produced poses hazards related to temperature, reactivity, stability, storage, and handling. To mitigate these risks, we have developed state-of-the-art technology that completely neutralises the hazards by hydrolyzing the sludge. This process has provided additional benefits, including improved raw material consumption and the generation by-products, which are used as a raw material in one of our products. Additionally, the hydrolyzed sludge is utilised as fuel for boilers to produce steam.	<ul style="list-style-type: none"> <li>• Neutralisation of hazards associated with sludge</li> <li>• Resource optimisation</li> <li>• By-product utilisation</li> <li>• Energy efficiency</li> </ul>



**Business Responsibility and Sustainability Report(Contd.)**

5	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	We have a comprehensive disaster management plan at the plant level, along with a business continuity plan, to ensure seamless operations during any disaster or disruption. Our risk assessment procedures for products, projects, and businesses involve collaboration with internal and external experts. This plan delineates emergency response protocols, safeguards critical assets, and prioritises the safety of our employees and customers. Additionally, it includes strategies for minimising downtime and facilitating swift recovery from disruptions.
6	Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.	<p>Our operations are governed by robust policies and systems across all our sites, ensuring compliance and effective management. We have established multiple platforms and mechanisms to receive and address grievances from stakeholders promptly, with clear processes for resolution. These efforts reflect our commitment to maintaining transparency and accountability in our operations.</p> <p>To manage process risks effectively, we employ various methods such as controls, interlocks, and automation to minimise or eliminate potential hazards. However, we acknowledge the potential for significant negative environmental impacts, particularly in cases of accidental material spillage during transit.</p> <p>To mitigate such risks, we have implemented proactive measures including a Journey Management Programme, rigorous selection and evaluation processes for Logistics Service Providers (LSPs), regular vendor assessments, a comprehensive Distribution Emergency Response Plan, and ongoing training and retraining programs for LSPs. These actions demonstrate our proactive approach to environmental risk management and safety across our supply chain.</p>

**P7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

**ESSENTIAL INDICATORS**

<b>1a</b>	Number of affiliations with trade and industry chambers/ associations.	There are at least of 5 affiliations with trade and industry chambers/associations.	
<b>1b</b>	List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to, in the following format		
<b>S. No.</b>	<b>Name of the trade and industry chambers/ associations</b>	<b>Reach of trade and industry chambers/ associations (State/ National)</b>	
1	Indian Chemical Council	National	
2	All India Liquid Bulk Importers	National	
3	National Safety Council	National	
4	Mahad Manufacturers Association	State	
5	Maharashtra Labour Welfare	State	
2	Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.	There is no action taken or underway against The Company on any issues related to anti-competitive conduct	
<b>S. No.</b>	<b>Name of authority</b>	<b>Brief of the case</b>	<b>Corrective action taken</b>
		NA	

## Business Responsibility and Sustainability Report(Contd.)

**P8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****ESSENTIAL INDICATORS**

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	Not applicable because the SIA Studies are undertaken prior to current financial year.					

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	R&R is not required for LOIL entities because our chemical manufacturing units are situated in MIDC Areas or Notified Industrial Area.					

- 3 Describe the mechanisms to receive and redress grievances of the community.
- The Company's CSR Policy allocates 25% of the total CSR budget to enhance the well-being of nearby communities where our plants or manufacturing units operate. This initiative fosters continuous communication and engagement with the local community, ensuring open channels for feedback and dialogue. Additionally, we maintain regular interaction with local government authorities to address any concerns or grievances raised by the community promptly and effectively.

- 4 Percentage of input material (inputs to total inputs by value) sourced from suppliers

Category	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	7%	10%
Sourced directly from within the district and neighbouring districts	29%	53%

- 5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	2023-24 (Current Financial Year)	2022-23 (Previous Financial Year)
Rural	47.58%	-
Semi-urban	0	-
Urban	0	-
Metropolitan	52.42%	-

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**LEADERSHIP INDICATORS**

- 2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

CSR projects were undertaken in the Raigad and Ratnagiri districts of Maharashtra. It should be noted that these districts are not included in the list of aspirational districts by the Ministry of MSME, Government of India.



Business Responsibility and Sustainability Report(Contd.)

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Re-Building & Infrastructure Upgrade of Persule Primary School	130	-
2.	Deployment of Mobile Health Units (MHU) in Mahad	26411	-
3.	Deployment of Mobile Health Units (MHU) in Lote	10321	-
4.	Solar project for Water Supply	3000	-
5.	Buddhawadi Community Hall	3000	-
6.	Help the Poor Foundation (Transplant)	10	-
7.	Stranctury Foundation (Animal Welfare)	0	-
8.	Sports Promotion -Sponcership	1	-
9.	Education support	20	-
10.	Solar light projects	11000	-
11.	Promoting Environment	4000	-
12.	Staff Quarter for Sainik School	700	-
13.	Construction of Well	1000	-
14.	Police Welfare	400	-
15.	Science Exhibition	800	-
16.	NAPS Spending till March'2024	131	-
17.	Skill Development Centre	131	-

**P9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**

**ESSENTIAL INDICATORS**

1	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.	The Company has established a comprehensive customer complaint management system as part of its Integrated Management System. This system covers complaints received from customers or distributors related to quality, packaging, logistics, shortages, or documentation. It includes mechanisms for logging complaints, conducting investigations to determine root causes, setting turnaround times for resolution, and defining communication channels to provide feedback to customers promptly.
2	Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:	As a percentage to total turnover
	Environmental and social parameters relevant to the product	100%
	Safe and responsible usage	Product consignment is accompanied by the Safety Datasheet which provides information related to safe and responsible usage, handling and the safe disposal of the product.
	Recycling and/or safe disposal	Additionally, the transport TREM cards contain relevant for safe transportation of the products and communication channels as well as action to be taken in case of incident during transportation.

## Business Responsibility and Sustainability Report(Contd.)

3 Number of consumer complaints in respect of the following:

Category	2023-24 (Current Financial Year)			2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	NIL	NIL	NIL	2 (logistics)	NIL	Both have been resolved
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5	Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.	The Company prioritises cybersecurity and has implemented a BCP mechanism and policy, along with cyber insurance coverage. Advanced security measures like non-tamperable antivirus software and ATP services are in place. To enhance security, the Company is transitioning from on-premises to cloud infrastructure, starting with emails, and is considering implementing SOC operations. Data privacy is managed through controlled access rights.
6	Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.	There is no adverse action taken by any authority till date.
7	Provide the following information relating to data breaches:	
a	Number of instances of data breaches	NIL
b	Percentage of data breaches involving personally identifiable information of customers	NIL
c	Impact, if any, of the data breaches	There have been no cases of data breaches till date.



## Business Responsibility and Sustainability Report(Contd.)

### LEADERSHIP INDICATORS

1	Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).	<a href="https://www.laxmi.com/">https://www.laxmi.com/</a>
2	Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.	The Company has a structured system for collecting and sharing Product Safety Information via Material Safety Data Sheets. Customer Support, Marketing, and Sales teams engage with customers to address specific requirements. Some customers also conduct audits of our facilities to evaluate our EHS systems' alignment with their standards and protocols.
4	Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.  Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)	Yes, all product information is curated with consideration for both local and global requirements and is prominently displayed.  The Company carries out customer satisfaction surveys related to its products.

## **Financial Statements**

**STANDALONE FINANCIAL STATEMENTS: 156- 237**

**CONSOLIDATED FINANCIAL STATEMENTS: 238 - 315**





# 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 accompanying standalone financial statements of **Laxmi Organic Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, ("Ind AS")] and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit 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. We have determined that there are no key audit matters to communicate in our report.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including annexures to the Director's Report and Corporate Governance Report but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report (Contd.)

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

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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 financial controls 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

The standalone financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 12, 2023.

Our opinion on the standalone financial statements is not modified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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.

**Independent Auditor's Report (Contd.)**

- 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, except for not complying with the requirement of audit trail as stated in i).vi) below.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements -
- Refer Note 26 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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 its knowledge and belief, as disclosed in the note 40(i) to the standalone financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 40(ii) the standalone financial statement, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.
- (c) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 37 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

## Independent Auditor's Report (Contd.)

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except a) the audit trail feature was not enabled for changes made by certain privileged/ administrative users, and b) the audit trail feature was not enabled at the database level to log direct data changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of the accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from

April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

Membership No. 046930

UDIN: 24046930BKEZWJ7988

Mumbai, May 21, 2024



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

### Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Laxmi Organic Industries Limited** ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls with reference to standalone financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone 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". 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 the respective 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 with reference to standalone 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 standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 with reference to standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or

## Annexure "A" To The Independent Auditor's Report (Contd.)

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the respective 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

The standalone financial statements of the Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 12th 2023.

Our opinion is not modified in respect of this matter.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

Membership No. 046930

Mumbai, May 21, 2024

UDIN: 24046930BKEZJ7988



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company, and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that -

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment and capital work-in-progress were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment and capital

work-in-progress at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) Based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment, and capital work-in progress are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as property, plant and equipment, right-of use asset and capital-work-in-progress, as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:

Description of immovable properties taken on lease	Gross carrying value (as at the balance sheet date) (₹in Mn)	Carrying value (as at the balance sheet date) (₹in Mn)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of Company
Land Under lease - Colony	2.68	2.68	Yellowstone Chemicals Private Limited	No	Post NCLT Order Date August 25, 2022	Acquisition on business combination vide NCLT Order September 12, 2022, Name transfer process has been initiated vide letter dated November 17, 2022
Land Under lease - Factory	20.90	20.90				
Land Under lease - Factory	13.60	13.60				

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Rights- of-use-of assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as of 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate

for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks and financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

## Annexure "B" To The Independent Auditor's Report (Contd.)

- (iii) (a) The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

Particulars	Loans * (₹ in Mn)	Advances in nature of loans (₹ in Mn)	Guarantees (₹ in Mn)	Security (₹ in Mn)
<b>A. Aggregate amount granted / provided during the year:</b>				
- Subsidiary	711.80	215.22	-	-
<b>B. Balance outstanding as at balance sheet date in respect of above cases:</b>				
- Subsidiaries	1,931.40	713.32	-	-

\* Excludes Interest of ₹ 194.66 Mn

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below)
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same party.
- (f) The Company has granted Loans which are repayable on demand, details of which are given below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans	-	-	1,931.40
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	-	-	1,931.40
Percentage of loans to the total loans.	-	-	100%

\* Excludes Interest of ₹ 194.66 Mn

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



**Annexure "B" To The Independent Auditor's Report (Contd.)**

## (vii) (a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March, 2024 for a period of more than six months from the date they became payable.

## (b) Details of statutory dues referred to in sub – clause (a) above which have not been deposited as on 31 March 2024 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount Unpaid (₹ in Mn)</b>
Income Tax Act 1961	Income Tax	Judicial Assessing officer	2005-06, 2008-09, 2020-21 and 2021-22	51.48
Goods and Service Tax	Input credit – Trans - 1	High Court	Various dates	56.61
Goods and Service Tax	Input credit – Trans - 1	Commissioner (Appeal) CGST	Various dates	17.83
Goods and Service Tax	Input credit	Dy. Commissioner CGST	2019-20	2.82
Finance Act 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2012-2017	2.38
Customs Act 1962	Custom Duty	The Commissioner of Customs (Appeal)	2012-2013	3.26
Customs Act 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	2012-2013	54.76
Customs Act 1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	Various dates	6.53
Maharashtra Value added Tax Act, 2002	VAT	Jt. Commissioner of Sales-tax	2011-2012	2.33
Central Sales Tax Act, 1956	CST	Deputy Commissioner of Sales-tax	2014-2016	13.28

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) Based on the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

## Annexure "B" To The Independent Auditor's Report (Contd.)

- (b) During the year, the Company has made on private placement of shares during the year. For such allotment of shares we further report that the requirements of Section 42 of the Companies Act, 2013 have been complied with and the funds raised have been partially utilised by the Company during the year. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and 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 the Company has an adequate internal audit system which commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.
- (xv) 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 and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) 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 and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) and (b) of the Order is not applicable for the year.
- (xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries and associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

Partner

Membership No. 046930

UDIN: 24046930BKEZJWJ7988

Mumbai, May 21, 2024



# Standalone Balance Sheet

as at March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	1.1	6,950.07	6,892.39
(b) Capital work-in-progress	1.2	1,470.03	878.59
(c) Right-of-use assets	1.3	33.80	45.43
(d) Other intangible assets	1.4	4.71	4.49
(e) Financial assets			
(i) Investments	2.1	3,205.09	2,674.30
(ii) Loans	2.3	1,931.40	1,219.60
(iii) Others	2.5	111.40	95.63
(f) Income Tax Assets (Net)	9.1	25.40	36.35
(g) Other non-current assets	3	138.31	133.69
<b>Total Non-Current Assets</b>		<b>13,870.21</b>	<b>11,980.47</b>
<b>(2) Current assets</b>			
(a) Inventories	4	2,421.88	2,423.32
(b) Financial assets			
(i) Investments	2.1	1,230.88	200.12
(ii) Trade receivables	2.2	6,065.53	5,372.52
(iii) Cash and cash equivalents	2.4	828.01	690.28
(iv) Bank balance other than (iii) above	2.4	2,046.84	486.54
(v) Loans	2.3	-	-
(vi) Other financial assets	2.5	1,282.43	1,404.16
(c) Other current assets	3	657.46	668.68
<b>Total Current Assets</b>		<b>14,533.03</b>	<b>11,245.62</b>
<b>(3) Non Current Assets held for Sale</b>			
	1.7	-	61.60
<b>Total assets</b>		<b>28,403.24</b>	<b>23,287.69</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	5	551.56	530.35
(b) Other equity	6	17,813.96	13,667.54
<b>Total Equity</b>		<b>18,365.52</b>	<b>14,197.89</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	7.1	972.24	1,303.40
(ii) Lease liabilities	7.2	14.41	26.43
(b) Provisions	8	61.19	40.59
(c) Deferred tax liabilities (net)	9	361.74	308.26
(d) Other non-current liabilities	10	-	-
<b>Total Non-Current Liabilities</b>		<b>1,409.58</b>	<b>1,678.68</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	385.14	2,368.51
(ii) Lease liabilities	7.2	19.59	18.42
(iii) Trade payables	12		
A) Total outstanding dues of micro enterprise and small enterprises		89.07	69.54
B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,449.79	4,448.35
(iv) Other financial liabilities	7.3	370.54	273.60
(b) Provisions	8	47.66	42.08
(c) Income Tax Liabilities (Net)	13	179.43	82.61
(d) Other current liabilities	10	86.92	108.01
<b>Total Current Liabilities</b>		<b>8,628.14</b>	<b>7,411.12</b>
<b>Total equity and liabilities</b>		<b>28,403.24</b>	<b>23,287.69</b>

The accompanying notes form an integral part of the standalone financial statements 1 to 48

As per our report of even date

For and on behalf of the Board of Directors  
Laxmi Organic Industries LimitedFor Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration No. 117366W/W-100018Ravi Goenka  
Executive Chairman  
DIN-00059267Dr. Rajan Venkatesh  
Managing Director & CEO  
DIN-10057058Rupen K. Bhatt  
Partner  
Membership No : 046930Tanushree Bagrodia  
Chief Financial OfficerAniket Hirpara  
Company Secretary  
M. No. ACS18805Mumbai  
May 21, 2024Mumbai  
May 21, 2024

## Statement of Profit & Loss

for the year ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>I) INCOME:</b>			
Revenue from operations	14	28,244.77	26,905.98
Other income	15	486.33	289.33
<b>Total income (I)</b>		<b>28,731.10</b>	<b>27,195.31</b>
<b>II) EXPENSES:</b>			
Cost of raw materials consumed	16	18,527.27	16,802.67
Purchase of stock in trade	17	356.30	691.42
Changes in inventories of finished goods, work in-progress and stock-in-trade	18	34.04	296.86
Power and fuel	19	2,258.13	2,511.25
Employee Benefits Expenses	20	1,428.41	1,108.80
Finance cost	21	197.49	184.72
Depreciation and amortisation expense	22	886.92	704.60
Other expenses	23	2,936.94	3,060.84
<b>Total expenses (II)</b>		<b>26,625.50</b>	<b>25,361.16</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>2,105.60</b>	<b>1,834.15</b>
<b>III) Exceptional items</b>		-	-
<b>Profit/(loss) before tax (I-II)</b>		<b>2,105.60</b>	<b>1,834.15</b>
Tax expense	24	549.09	486.76
1. Current tax		495.61	367.93
2. Deferred tax		53.48	118.83
<b>Profit/(loss) for the year</b>		<b>1,556.51</b>	<b>1,347.39</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit liabilities / (asset)		5.07	3.85
<b>Total other comprehensive income for the year</b>		<b>5.07</b>	<b>3.85</b>
<b>Total comprehensive income for the year</b>		<b>1,561.57</b>	<b>1,351.24</b>
<b>Earnings per equity share (face value of share ₹ 2/- each)</b>			
Basic (₹)	25	5.76	5.08
Diluted (₹)	25	5.72	5.05

The accompanying notes form an integral part of the standalone financial statements 1 to 48

As per our report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
May 21, 2024

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai  
May 21, 2024

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805



# Standalone Statement of Cash Flows

for the year ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax for the year	2,105.60	1,834.15
Adjustments for:		
Depreciation and amortisation expense	886.92	704.60
(Gain)/Loss on disposal of property, plant and equipment	(10.72)	(0.33)
Finance Cost	189.79	173.14
Interest on direct tax	0.14	1.60
Interest on indirect tax	2.83	-
Interest income	(336.33)	(215.63)
MTM on Financial Assets held as FVTPL	(10.39)	0.13
Guarantee commission	(4.17)	-
Profit on sale of investments (mutual funds)	(32.87)	(6.96)
Provision/ (reversal) of expected credit loss	39.54	61.01
Sundry balances written back	-	(11.05)
ESOP compensation cost	168.43	114.17
Impairment of Subsidiary balances	-	(6.98)
Net unrealised exchange (gain) / loss	10.41	(5.44)
	<b>903.58</b>	<b>808.26</b>
<b>Operating cashflow before changes in working capital</b>	<b>3,009.18</b>	<b>2,642.41</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	1.44	803.60
Trade receivables	(725.67)	819.21
Financial assets	174.78	(454.53)
Non financial assets	21.67	781.40
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	3,006.93	(2,336.40)
Non financial liabilities	(19.89)	8.61
Financial liabilities	101.44	(200.06)
Provisions	31.25	(37.48)
	<b>2,591.95</b>	<b>(615.65)</b>
<b>Cash generated from operations</b>	<b>5,601.13</b>	<b>2,026.76</b>
Net income tax (paid) / refunds (net)	(386.41)	(413.70)
<b>Net cash flow generated from operating activities (A)</b>	<b>5,214.72</b>	<b>1,613.06</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment	(1,536.48)	(3,115.45)
Proceeds from sale of property, plant and equipment	74.53	0.33
Loans Given to Related Parties	(711.80)	(1,245.41)
Loans Repaid by Related Parties	-	2,097.54
Movement in other bank balances	(1,569.05)	986.55
Equity Investments / Contribution in subsidiaries	(301.75)	(15.12)
Investment in Subsidiary in Preference shares	(227.50)	(2,372.51)
Purchase of Current investments (mutual funds)	(11,880.71)	(10,049.50)
Sale of Current investments (mutual funds)	10,893.22	9,897.31
Interest received on financial assets	275.96	192.20
<b>Net cash flow (used in) investing activities (B)</b>	<b>(4,983.58)</b>	<b>(3,624.07)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital (including securities premium)	2,675.67	93.75
QIP Share issue expenses	(105.37)	-
Proceeds from long term borrowings	-	1,400.00
Repayment of long term borrowings	(96.60)	(95.39)
Net Proceeds from short term borrowings	(2,217.94)	1,384.78
Interest paid	(195.22)	(170.42)
Lease Liabilities: Principal	(18.92)	(18.38)

**Standalone Statement of Cash Flows**  
**for the year ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
Lease Liabilities: Interest	(2.24)	(1.88)
Dividends paid	(132.79)	(185.58)
<b>Net cash flow (used in) / generated from financing activities (C)</b>	<b>(93.41)</b>	<b>2,406.88</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>137.73</b>	<b>395.87</b>
Cash and cash equivalents at the beginning of the year	690.28	294.41
Cash and cash equivalents at the end of the year	828.01	690.28
<b>Components of cash and cash equivalents (Refer Note 2.4)</b>	<b>137.73</b>	<b>395.87</b>
Cash on hand	2.48	2.87
Balances with bank in current account	215.53	287.41
Fixed deposit (original maturity within 3 months)	610.00	400.00
<b>Cash and cash equivalents at the end of year</b>	<b>828.01</b>	<b>690.28</b>

Notes:

- (i) Figure in brackets denote outflows  
 (ii) Refer note no. 7.1 (E) for reconciliation of liabilities from financing activities

**The accompanying notes form an integral part of the standalone financial statements 1 to 48**

As per our report of even date

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

For **Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 Firm Registration No. 117366W/W-100018

**Ravi Goenka**  
 Executive Chairman  
 DIN-00059267

**Dr. Rajan Venkatesh**  
 Managing Director & CEO  
 DIN-10057058

**Rupen K. Bhatt**  
 Partner  
 Membership No : 046930

**Tanushree Bagrodia**  
 Chief Financial Officer

**Aniket Hirpara**  
 Company Secretary  
 M. No. ACS18805

Mumbai  
 May 21, 2024

Mumbai  
 May 21, 2024



# Standalone Statement of Changes in Equity

for the period ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

## A EQUITY SHARE CAPITAL

Particulars	Note	As at March 31, 2024			As at March 31, 2023		
		Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance		26,51,76,208	2	530.35	26,36,62,773	2	527.33
Fresh issue of shares	5	1,06,04,577	2	21.21	15,13,435	2	3.03
<b>Closing balance</b>		<b>27,57,80,785</b>	<b>2</b>	<b>551.56</b>	<b>26,51,76,208</b>	<b>2</b>	<b>530.35</b>

## B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Share Option Outstanding Account	Amalgamation Adjustment Deficit	Total
<b>Balance as at March 31, 2022</b>	<b>7,252.99</b>	<b>5.50</b>	<b>4,780.23</b>	<b>49.01</b>	<b>50.29</b>	<b>277.68</b>	<b>(118.69)</b>	<b>12,297.01</b>
Profit / (Loss) for the year	1,347.39	-	-	-	-	-	-	1,347.39
<b>Other Comprehensive Income / (Loss)</b>								
Remeasurement of net defined benefit plans	3.85	-	-	-	-	-	-	3.85
Dividend paid	(185.58)	-	-	-	-	-	-	(185.58)
Issue of equity shares on exercise of ESOP	-	-	90.73	-	-	-	-	90.73
Transfer on exercise of ESOP by employees	-	-	139.08	-	-	(139.08)	-	-
ESOP compensation cost	-	-	-	-	-	114.17	-	114.17
<b>Balance as at March 31, 2023</b>	<b>8,418.66</b>	<b>5.50</b>	<b>5,010.04</b>	<b>49.01</b>	<b>50.29</b>	<b>252.77</b>	<b>(118.69)</b>	<b>13,667.54</b>
Profit for the year	1,556.51	-	-	-	-	-	-	1,556.51
<b>Other Comprehensive Income / (Loss)</b>								
Remeasurement of net defined benefit plans (Refer 8 B)	5.07	-	-	-	-	-	-	5.07
Dividend paid on equity shares	(132.79)	-	-	-	-	-	-	(132.79)
Issue Expenses - QIP	-	-	(105.27)	-	-	-	-	(105.27)
Issued during Year - QIP	-	-	2,571.95	-	-	-	-	2,571.95
Issue of equity shares on exercise of ESOP	-	-	82.50	-	-	-	-	82.50
Transfer on exercise of ESOP by employees	-	-	160.72	-	-	(160.72)	-	-
ESOP compensation cost	-	-	-	-	-	168.43	-	168.43
<b>Balance as at March 31, 2024</b>	<b>9,847.45</b>	<b>5.50</b>	<b>7,719.95</b>	<b>49.01</b>	<b>50.29</b>	<b>260.48</b>	<b>(118.69)</b>	<b>17,813.96</b>

As per our report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Mumbai  
May 21, 2024

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai  
May 21, 2024

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805

## 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 financial year 2020-2021.

The standalone financial statements were authorised for issue in accordance vide resolution of the Board of Directors on May 21, 2024.

Pursuant to the scheme of merger between the Company and Acetyls Holding Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) approved by the Honourable NCLT vide its order dated August 25, 2022, the Assets and Liabilities of the amalgamating entities have been incorporated into these Financial Statements.

### B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- The financial statements of the Company comprises the statement of assets and liabilities as at March 31, 2024, 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, 2024, 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 21, 2024.
- 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 Mn, 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.





## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

### • **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 recognised 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 utilisation, 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.

#### **h. Leases:**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

### D. RECENT PRONOUNCEMENTS

Ministry of corporate affairs (MCA) notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued and amended from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

#### a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty” Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this 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 twelve 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



## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised 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 recognised 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.

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 amortised 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 capitalisation 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 recognised 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 and estimated net realisable value as given below.

#### **i. Raw materials and packing materials:**

Raw materials and packing materials are valued at lower of cost and 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.



## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 recognised 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 recognised 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 recognised 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 recognised 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 recognises 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 recognised for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the effective interest rate ("EIR") of the respective company.

#### B. Contingent liabilities

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

#### C. Contingent assets

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.

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

### 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 recognises 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 recognised 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 recognised in connection with share-based payment transaction is presented as a separate component in equity under "Share Option Outstanding Account". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. The cumulative accumulation in the Share Option Outstanding Account in respect of options exercised are transferred to Securities Premium.

### 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 recognised 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.



## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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

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

A financial asset that meets the following two conditions is measured at amortised 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 realise 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 amortised 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 recognising 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 recognised 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 derecognised (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.

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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 amortised 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 recognises 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 recognising 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 recognised 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.





## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

### 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 recognised 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 amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation 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 recognised 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 recognised less cumulative amortisation.

### v. Derecognition

A financial liability is derecognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise 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

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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.

Revenue is recognised at the transaction price 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 recognised 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 recognised based on transaction price which is at arm's length.

Revenue is measured at the transaction price 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



## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 recognised 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 recognises 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 recognises 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 recognised 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

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

the statement of profit and loss in subsequent periods. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- o Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- o 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 recognised 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 recognises 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 recognised 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 recognised directly in equity is recognised 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.



## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised 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 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

## Statement of Significant Accounting Policies and other Related Notes to the Standalone Financial Statements (Contd.)

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 recognised 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 transaction 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.

- o 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.
- o 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.

### z) Business Combinations

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognise any new assets or liabilities other than those required to harmonise accounting policies.



# Notes to Standalone Financial Statements

period ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

## 1.1 PROPERTY, PLANT AND EQUIPMENT

Class of Assets	Freehold Land	Land under lease	Factory building	Non factory building	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Windmill	Total
<b>Cost</b>											
As at April 01, 2022	-	178.25	734.58	246.93	4,486.93	59.16	23.01	29.03	78.82	22.31	5,859.03
Additions	1,016.10	15.89	765.08	-	2,217.35	12.53	1.23	2.12	-	-	4,030.30
Disclosed under other financial assets (Refer Note-1.5)	-	-	16.53	-	128.23	0.23	0.01	0.17	-	-	145.17
Disposals/Adjustments	-	1.43	-	-	-	-	-	-	-	-	1.43
<b>As at March 31, 2023</b>	<b>1,016.10</b>	<b>192.71</b>	<b>1,483.13</b>	<b>246.94</b>	<b>6,576.07</b>	<b>71.45</b>	<b>24.23</b>	<b>30.97</b>	<b>78.82</b>	<b>22.32</b>	<b>9,742.73</b>
Additions	-	-	226.25	-	655.22	6.46	2.41	1.68	38.88	-	930.90
Disclosed under other financial assets (Refer Note-1.5)	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-	15.55	-	15.55
<b>As at March 31, 2024</b>	<b>1,016.10</b>	<b>192.71</b>	<b>1,709.37</b>	<b>246.94</b>	<b>7,231.29</b>	<b>77.91</b>	<b>26.64</b>	<b>32.64</b>	<b>102.15</b>	<b>22.32</b>	<b>10,658.07</b>
<b>Depreciation</b>											
Depreciation April 01, 2022	-	5.52	220.85	77.49	1,853.69	39.02	17.11	20.80	29.59	12.06	2,276.12
Charge for the Year	-	2.62	84.87	9.84	550.23	4.87	2.30	4.78	15.33	1.31	676.15
Disclosed under other financial assets (Refer Note-1.5)	-	-	9.58	-	91.72	0.20	0.01	0.15	-	-	101.67
Disposals/Adjustments	-	0.31	-	-	-	-	-	-	-	-	0.31
<b>As at March 31, 2023</b>	<b>-</b>	<b>7.83</b>	<b>296.13</b>	<b>87.33</b>	<b>2,312.20</b>	<b>43.69</b>	<b>19.40</b>	<b>25.43</b>	<b>44.92</b>	<b>13.37</b>	<b>2,850.30</b>
Charge for the Year	-	2.68	124.12	8.53	713.00	6.64	1.91	2.48	14.95	1.14	875.45
Disclosed under other financial assets (Refer Note-1.5)	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	4.40	-	-	-	13.35	-	17.75
<b>As at March 31, 2024</b>	<b>0.00</b>	<b>10.52</b>	<b>420.26</b>	<b>95.85</b>	<b>3,020.80</b>	<b>50.33</b>	<b>21.30</b>	<b>27.92</b>	<b>46.52</b>	<b>14.52</b>	<b>3,708.00</b>
<b>NET BLOCK</b>											
<b>As at March 31, 2023</b>	<b>1,016.10</b>	<b>184.87</b>	<b>1,186.99</b>	<b>159.60</b>	<b>4,263.86</b>	<b>27.76</b>	<b>4.83</b>	<b>5.53</b>	<b>33.90</b>	<b>8.94</b>	<b>6,892.39</b>
<b>As at March 31, 2024</b>	<b>1,016.10</b>	<b>182.20</b>	<b>1,289.13</b>	<b>151.09</b>	<b>4,210.49</b>	<b>27.59</b>	<b>5.34</b>	<b>4.73</b>	<b>55.63</b>	<b>7.79</b>	<b>6,950.07</b>

### (b) Details of immovable property which are not in the name of the Company:

Class of Asset	Description of item of property	Gross Block	Title deeds held in the name of	Property held since which date	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Reason for not being held in the name of the Company
Land under lease	Land Colony	2.68	Yellowstone Chemicals Private Limited	NCLT Order Date- August 25, 2022 Appointed Date- October 02, 2021	NA	Acquisition on business combination vide NCLT Order dt. September 12, 2022. Name transfer process has been initiated vide letter dated November 17, 2022.
Land under lease	Land Factory	20.90				
Land under lease	Land Factory	13.60				
<b>Total</b>		<b>37.18</b>				

- (c) During the year, the Company acquired land and buildings as part of its expansion plans. Buildings requiring modification and alterations to prepare them for their intended use are classified as Construction Work in Progress (CWIP)
- (d) Depreciation on assets utilised in association with the expansion plans is recorded as project expenses pending allocation, amounting to ₹ 10.32 Mn, and charged to Construction Work in Progress (CWIP).

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

## 1.2 CAPITAL WORK-IN-PROGRESS

Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance
<b>As at March 31, 2024</b>	878.59	1,474.54	883.10	1,470.03
As at March 31, 2023	1,770.99	1,942.76	2,835.16	878.59

### (a) CWIP Ageing Schedule

#### As at March 31, 2024

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,122.74	-	1,122.74
1-2 years	342.77	-	342.77
2-3 years	2.81	-	2.81
More than 3 years	1.71	-	1.71
<b>Total</b>	<b>1,470.03</b>	<b>-</b>	<b>1,470.03</b>

#### As at March 31, 2023

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	816.38	-	816.38
1-2 years	58.02	-	58.02
2-3 years	4.20	-	4.20
More than 3 years	-	-	-
<b>Total</b>	<b>878.59</b>	<b>-</b>	<b>878.59</b>

### (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, 2024

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-23-01	73.98	-	-	-	<b>73.98</b>
LOIL-23-02	68.74	-	-	-	<b>68.74</b>
LOIL-23-03	43.87	-	-	-	<b>43.87</b>
LOIL-23-04	42.62	-	-	-	<b>42.62</b>
LOIL-23-05	41.25	-	-	-	<b>41.25</b>
LOIL-23-06	39.84	-	-	-	<b>39.84</b>
LOIL-23-07	21.98	-	-	-	<b>21.98</b>
LOIL-23-08	21.15	-	-	-	<b>21.15</b>
Others( Individually less than 5%)	144.60	0.38	-	-	<b>144.99</b>
<b>Total</b>	<b>498.03</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>498.42</b>





**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**As at March 31, 2023**

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-22-01	67.55	-	-	-	<b>67.55</b>
LOIL-22-02	66.21	-	-	-	<b>66.21</b>
LOIL-22-03	62.56	-	-	-	<b>62.56</b>
LOIL-22-05	37.82	-	-	-	<b>37.82</b>
LOIL-22-06	35.06	-	-	-	<b>35.06</b>
LOIL-22-07	34.51	-	-	-	<b>34.51</b>
LOIL-22-08	33.70	-	-	-	<b>33.70</b>
LOIL-22-09	30.38	-	-	-	<b>30.38</b>
Others( Individually less than 5%)	224.19	2.14	-	-	<b>226.32</b>
<b>Total</b>	<b>591.98</b>	<b>2.14</b>	-	-	<b>594.11</b>

**1.3 RIGHT-OF-USE ASSET**

Class of Assets	Right of Use		Total
	Building	Land	
<b>Cost</b>			
As at April 01, 2022	63.40	16.53	<b>79.93</b>
Additions	55.34	-	<b>55.34</b>
Disposals/adjustments	-	<b>16.53</b>	<b>16.53</b>
<b>As at March 31, 2023</b>	<b>118.74</b>	-	<b>118.74</b>
Additions	8.07	-	<b>8.07</b>
Disposals/adjustments	-	-	-
<b>As at March 31, 2024</b>	<b>126.81</b>	-	<b>126.81</b>
<b>Depreciation</b>			
As at April 01, 2022	55.11	8.79	<b>63.90</b>
Charge for the year	18.20	7.74	<b>25.94</b>
Disposals/adjustments	-	16.53	<b>16.53</b>
<b>As at March 31, 2023</b>	<b>73.31</b>	-	<b>73.31</b>
Charge for the year	19.70	-	<b>19.70</b>
Disposals/adjustments	-	-	-
<b>As at 31st March 2024</b>	<b>93.01</b>	-	<b>93.01</b>
<b>NET BLOCK</b>			
<b>As at March 31, 2023</b>	<b>45.43</b>	-	<b>45.43</b>
<b>As at March 31, 2024</b>	<b>33.80</b>	-	<b>33.80</b>

(a) Refer Note 5(K) relating to the business combination under common control between the Company and AHPL and YCPL. Since the merger is covered by Appendix C of INDAS 103, the carrying value of assets and liabilities are merged in these financials from the date when control is established i.e October 02, 2021. Accordingly, the addition on account of business combination represents the effect thereof as per the carrying value of the said assets existed as at October 02,2021 in the books of the transferor company.

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

#### 1.4 OTHER INTANGIBLE ASSET

Class of Assets	Intangibles - Softwares	Total
<b>Cost</b>		
As at April 01, 2022	25.63	25.63
Additions	0.49	0.49
Transfer to other Receivables	0.07	0.07
Disposals/Adjustments	-	-
<b>As at March 31, 2023</b>	<b>26.05</b>	<b>26.05</b>
Additions	2.30	2.30
Transfer to other Receivables	-	-
Disposals/adjustments	-	-
<b>As at March 31, 2024</b>	<b>28.36</b>	<b>28.36</b>
<b>Depreciation</b>		
As at April 01, 2022	17.98	17.98
Charge for the year	3.65	3.65
Transfer to other Receivables	0.07	0.07
Disposals/adjustments	-	-
<b>As at March 31, 2023</b>	<b>21.56</b>	<b>21.56</b>
Charge for the year	2.08	2.08
Disposals/adjustments	-	-
<b>As at March 31, 2024</b>	<b>23.65</b>	<b>23.65</b>
<b>NET BLOCK</b>		
<b>As at March 31, 2023</b>	<b>4.49</b>	<b>4.49</b>
<b>As at March 31, 2024</b>	<b>4.71</b>	<b>4.71</b>

1.5 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 BOT agreement has expired as on date and hence the Company has transferred the depreciated value of the assets relating to Distillery plant as receivable and have disclosed the same under other financial assets as per the terms of the agreement. However the Company is negotiating with the concerned party for the lease renewal. During the current year company has provided 100% against the same (Refer Note 2.5).

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

Particulars	As at March 31, 2024	As at March 31, 2023
Factory building	6.94	6.94
Plant and equipment	36.51	36.51
Furniture & fixture	0.03	0.03
Computers	0.02	0.02
Less:Disclosed under other financial assets	(43.50)	(43.50)
<b>Total</b>	<b>-</b>	<b>-</b>

#### 1.6 Details of additions made during the year w.r.t research and development

Particulars	As at March 31, 2024	As at March 31, 2023
Factory building	0.06	3.56
Plant and equipment	1.28	1.72
Computers	-	0.25
Furniture and fixtures	-	0.27
CWIP	35.35	-
<b>Total</b>	<b>36.70</b>	<b>5.80</b>



Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

### 1.7 Non Current Asset Held for Sale

Particulars	As at March 31, 2024	As at March 31, 2023
Land at Chiplun#	-	61.60
<b>Total</b>	<b>-</b>	<b>61.60</b>

#The Company during the previous year has earmarked Chiplun land as asset held for sale based on agreement with WOS namely Yellowstone Fine Chemicals Private Limited. The transfer of the land was delayed due to procedural issue with the registering authorities.

### 2 Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>2.1 Investments (Unquoted at amortised cost)</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<b>A Investments in equity Instruments- Subsidiaries (fully paid up)</b>				
i) <b>Laxmi Organic Industries (Europe) B.V.</b> of Euro 100 each (180 shares (March 31, 2023: 180 shares))	1.26	1.26	-	-
ii) <b>Laxmi Speciality Chemicals (Shanghai) Co. Limited</b> of RMB 3,00,000 (1 share (March 31, 2023: 1 share))	2.98	2.98	-	-
iii) <b>Cellbion Lifesciences Private Limited</b> of ₹ 10 each (10,000 shares (March 31, 2023: 10,000 shares))	39.95	39.95	-	-
iv) <b>Laxmi Lifesciences Private Limited</b> of ₹ 10 each (10,000 shares (March 31, 2023: 10,000 shares))	-	0.10	-	-
v) <b>Viva Lifesciences Private Limited</b> of ₹ 10 each (10,000 shares (March 31, 2023: 10,000 shares))	0.10	0.10	-	-
vi) <b>Yellowstone Fine Chemicals Private Limited</b> of ₹ 10 Each (53,84,000 shares (March 31, 2023: 51,00,000))	352.75	51.00	-	-
vii) <b>Yellowstone Specialty Chemicals Private Limited</b> of ₹ 10 Each (1,00,000 shares (March 31, 2023: 1,00,000 shares))	1.00	1.00	-	-
<b>B Investments in equity Instruments- Associates</b>				
<b>Radiances MH Sunrise Seven Private Limited</b> of ₹ 10 each (15,12,000 shares (March 31, 2023: 15,12,000))	15.12	15.12	-	-
<b>Cleanwin Energy One LLP</b> (26% Holding)	12.50	12.50	-	-
<b>C Investments in preference shares (Unquoted at cost)</b>				
i) <b>4% Cumulative Redeemable Preference Shares Laxmi Organic Industries (Europe) B.V.</b> (10 share of Euro 2,00,000 each (March 31, 2023: 1 share of Euro 20,00,000 each))	180.44	178.89	-	-
ii) <b>Yellowstone Fine Chemicals Private Limited of ₹ 65 each</b> (4,00,00,000 shares (March 31, 2023: 3,65,00,000))	2,600.00	2,372.50	-	-
<b>D Investments in mutual funds (quoted)</b>				
<b>Investments at fair value through P&amp;L (fully Paid)</b>				
SBI Mutual Funds	-	-	1,230.88	200.12
<b>E Provision for Impairment</b>				
Laxmi Lifesciences Private Limited	-	(0.10)	-	-
Yellowstone Specialty Chemicals Private Limited	(1.00)	(1.00)	-	-
<b>Total</b>	<b>3,205.09</b>	<b>2,674.30</b>	<b>1,230.88</b>	<b>200.12</b>

**Notes to Standalone Financial Statements****period ended March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

(a) Laxmi Organic Industries (Europe) B.V. had 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 from time to time and current validity is expiring on August 28, 2024. The above preference share carry dividend coupon rate of 4% per annum. On March 22, 2024 share has been split into 10 share of Euro 2,00,000 each.

**(b) The Company has made the following investments:****i Radiances Sunrise Seven Private Limited**

The Company had been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Company has executed a Share Subscription and Shareholder's Agreement dated February 09, 2022 to acquire 26% stake in Radiances MH Sunrise Seven Private Limited for supply of 4.2 MW electricity generated through Solar Power Plant ("Solar Plant") at a concessional rate with a minimum entitlement of 51% of power generated from the Solar Plant. To this effect the Company had subscribed 15,12,000 equity shares of ₹ 10 each of Radiances MH Sunrise Seven Private Limited on June 30, 2022.

**ii Yellowstone Fine Chemicals Private Limited****Right Issue of Equity shares:**

During the year, the Company has subscribed to the Rights issue of YFCPL and the Company has purchased 2,84,000 equity shares of ₹ 10 each at premium of ₹ 1052.50 per share aggregating to ₹ 30,17,50,000. Consequently, the total number of equity shares has been increased from 51,00,000 to 53,84,000.

**Compulsory Convertible Preference shares (CCPS)**

During the year, the Company has invested additional 35,00,000 Compulsory convertible Preference shares (CCPS) of Yellowstone Fine Chemicals Private Ltd of ₹ 10 each at an issue price of ₹ 65 per share (including a premium of ₹ 55 per share) in two tranches as follows. Consequently, the total number of CCPS has been increased from 3,65,00,000 to 4,00,00,000 CCPS.

Tranche Number	No. of CCPS	Amount	Date of Allotment
Tranche 1	1,00,00,000	65,00,00,000	2-Jan-23
Tranche 2	1,00,00,000	65,00,00,000	4-Jan-23
Tranche 3	1,45,00,000	94,25,00,000	6-Jan-23
Tranche 4	10,00,000	6,50,00,000	24-Feb-23
Tranche 5	5,00,000	3,25,00,000	29-Mar-23
Tranche 6	5,00,000	3,25,00,000	29-Mar-23
Tranche 7	20,00,000	13,00,00,000	18-Apr-23
Tranche 8	15,00,000	9,75,00,000	1-Jun-23
<b>Total</b>	<b>4,00,00,000</b>	<b>2,60,00,00,000</b>	

During the year, the Company has vide letter dated January 01 2024, waived the right of redemption.

iii The Company is in the process of striking of the Wholly owned subsidiary namely, Yellowstone Specialty Chemicals Private Limited

iv During the year the Company has received approval from the ministry of corporate affairs confirming the striking-off of Laxmi Life Sciences Private Ltd.

**(c) In the financial year 2021-22, the Company had made the following investments****i 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 Private 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.



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**ii Laxmi USA LLC**

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

**(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	2023-24	As At March 31, 2023
1	Yellowstone Fine Chemicals Private Limited	Investment in Preference Shares for Project	227.50	2,372.50
2	Radiances MH Sunrise Seven Private Limited	Investment in Equity shares	-	15.12
3	Laxmi USA*	Investment in Equity shares	-	-
4	Viva Lifesciences Private Limited	Project Loan	-	25.20
5	Yellowstone Fine Chemicals Private Limited	Project Loan	711.40	1,220.00
6	Laxmi Lifesciences Private Limited	Loan	-	0.20

\*Laxmi USA LLC is incorporated during the previous 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, 2024	As at March 31, 2023
<b>Aggregate value of quoted investments</b>		
Book value	1,230.88	200.12
Market value	1,230.88	200.12
<b>Aggregate value of unquoted investments</b>		
Book value	3,206.09	2,675.40
<b>Aggregate amount of impairment in value of investments</b>	(1.00)	(1.10)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
<b>2.2 Trade receivables</b>				
<b>(Unsecured considered good, at amortised cost)</b>				
Trade Receivables – Considered Good	-	6,065.53	-	5,372.52
Trade Receivables – Considered doubtful	-	24.27	-	40.53
Less: Allowance for Expected credit loss	-	(24.27)	-	(40.53)
<b>Total</b>	-	<b>6,065.53</b>	-	<b>5,372.52</b>

**A Expected Credit Loss**

**Allowance for Expected Credit Loss**

In accordance with Ind AS 109, the Company uses the expected credit loss (“ECL”) model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. 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.

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**B Movement in allowance for credit loss**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	40.53	19.04
Addition during the year	8.90	21.49
Reversal during the year	25.16	-
<b>Provision at the end of the year</b>	<b>24.27</b>	<b>40.53</b>

**C Trade Receivable Ageing Schedule** (Ageing from due date of payment)

(i) **As at March 31, 2024**

Range of O/s period	Undisputed		Total
	Considered Good	Considered doubtful	
Unbilled	-	-	-
Not Due	4,971.10	-	4,971.10
less than 6 months	1,070.09	7.43	1,077.52
6 months - 1 year	19.95	-	19.95
1-2 year	1.83	0.95	2.78
2-3 year	2.56	-	2.56
> 3 years	-	15.89	15.89
<b>Total</b>	<b>6,065.53</b>	<b>24.27</b>	<b>6,089.80</b>
Less: Allowance for Expected credit loss			24.27
<b>Total</b>			<b>6,065.53</b>

There are no disputed trade receivable as at March 31,2024 and as at March 31,2023.

**As at March 31, 2023**

Range of O/s period	Undisputed		Total
	Considered Good	Considered doubtful	
Unbilled	-	-	-
Not Due	4,287.51	-	4,287.51
less than 6 months	1,011.45	10.67	1,022.12
6 months - 1 year	6.60	0.21	6.81
1-2 year	41.19	0.02	41.21
2-3 year	14.31	0.45	14.76
> 3 years	11.46	0.19	11.65
<b>Total</b>	<b>5,372.52</b>	<b>11.54</b>	<b>5,384.06</b>
Less: Allowance for Expected credit loss			11.54
<b>Total</b>			<b>5,372.52</b>

**D 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, 2024	As at March 31, 2023
Maharashtra Aldehydes & Chemicals Ltd.	8.75	10.29
	<b>8.75</b>	<b>10.29</b>



Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>2.3 Loans (at amortised cost)</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<b>Loans to related parties</b>				
Loans Receivables considered good – Unsecured	1,931.40	1,219.60	-	-
Loans Receivables – credit impaired	-	0.23	-	-
Less Allowance for credit Impairment	-	(0.23)	-	-
<b>Total</b>	<b>1,931.40</b>	<b>1,219.60</b>	<b>-</b>	<b>-</b>

(a) Loans to related party being wholly owned subsidiary are classified as Non current basis the management expectation of realisation after 12 months.

(b) **Details of related party:**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
i) Yellowstone Fine Chemicals Private Limited	1,931.40	1,219.60
ii) Laxmi Lifesciences Private Limited	-	0.23
	<b>1,931.40</b>	<b>1,219.83</b>
Less Provision for Impairment		
iii) Laxmi Lifesciences Private Limited	-	(0.23)
<b>Total</b>	<b>1,931.40</b>	<b>1,219.60</b>

(c) **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:

**Repayable on demand**

Type of Borrower	As at March 31, 2024		As at March 31, 2023	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Related Parties*	1,931.40	100.00	1,219.83	100.00
Total Loans and Advances to Promoter, Director, KMP and Related parties	1,931.40		1,219.83	
<b>Total Loans and Advances in the nature of Loan and Advances (A)</b>	<b>1,931.40</b>		<b>1,219.83</b>	

\*Related parties are wholly owned subsidiaries.

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>2.4 Cash and bank balances</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<b>A Cash and cash equivalents</b>				
i) Balances with banks	-	-	215.53	287.41
ii) Cash on hand	-	-	2.48	2.87
iii) Fixed deposit (original maturity within 3 months)	-	-	610.00	400.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>828.01</b>	<b>690.28</b>
<b>B Other bank balances</b>				
i) Fixed deposit (from IPO proceeds)	-	-	377.41	377.41
ii) Fixed deposit (from QIP proceeds)	-	-	1,488.76	-
iii) Fixed deposit (other)	-	-	-	80.00
iv) Unspent CSR Bank Account	-	-	13.24	8.27
v) Fixed deposit against margin money*	-	-	167.43	20.86
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,046.84</b>	<b>486.54</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,874.85</b>	<b>1,176.82</b>

\*The Fixed Deposit against margin money are kept for non-fund based facility.

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>2.5 Other financial assets</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<i>(Unsecured considered good unless otherwise stated)</i>				
Security Deposit	60.43	53.64	-	-
Advance to staff	0.79	0.26	1.33	6.14
Interest accrued receivable				
From related parties	41.58	41.58	175.19	139.25
From Banks	-	-	22.35	7.78
Fixed deposit with banks (having maturity more than 12 months as margin with banks)	8.60	0.15	-	-
Insurance claim receivable (Refer Note (c) below)	-	-	200.54	469.25
Discount and Incentives Receivable from Vendors	-	0.02	163.38	178.66
Amount Reimbursable from related party	-	-	713.32	553.25
Other receivables(Refer Note (a) below)	-	-	6.32	49.83
Less Provision for Impairment	-	(0.02)	-	-
<b>Total</b>	<b>111.40</b>	<b>95.63</b>	<b>1,282.43</b>	<b>1,404.16</b>

(a) Other receivable Includes ₹ 43.50 Mn receivable as detailed in note no 1.5 relating to Jarandeshwar BOT project. During the year 100% provision made.

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>(b) Details of related party:</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
i) Yellowstone Fine Chemicals Private Limited	41.58	41.58	888.48	550.88
ii) Viva Lifesciences Private Limited	-	-	0.03	141.61
iii) Laxmi Lifesciences Private Limited	-	0.02	-	-
iv) Less Provision for Impairment	-	(0.02)	-	-
<b>Total</b>	<b>41.58</b>	<b>41.58</b>	<b>888.51</b>	<b>692.49</b>

**(c) Insurance claim receivable**

The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. Loss assessment and insurance survey for the stock part of the claim have been completed and ₹ 189.42 Mn has been received against the stock claim. Further claim w.r.t Plant & Machinery and stock (Unit-2) is underway as on the balance sheet date.





**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**3. OTHER ASSETS**

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Non-current	Non-current	Current	Current
i) Capital advance	75.62	60.54	-	-
ii) Prepaid expenses	12.08	10.71	33.96	35.88
iii) Balance with government authorities	50.62	62.44	372.24	393.93
iv) Advances to supplier				
- Considered good	-	-	164.37	190.36
- Considered doubtful	-	-	71.59	125.63
	-	-	235.96	315.98
Less : Impairment of doubtful advances	-	-	(71.59)	(125.63)
	-	-	164.37	190.36
v) Export incentive receivable	-	-	1.19	1.58
vi) Export licenses on hand	-	-	-	3.43
vii) Advance recoverable in Cash or kind to related party	-	-	85.70	43.50
<b>Total</b>	<b>138.31</b>	<b>133.69</b>	<b>657.46</b>	<b>668.68</b>

**4. INVENTORIES (at lower of cost and net realisable value)**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
i) Raw material	1,514.34	1,510.08
ii) Work-in-progress	57.18	37.83
iii) Finished goods	621.08	674.47
iv) Consumable stores and spares	174.64	147.80
v) Fuels and consumables	36.82	36.57
vi) Packing material	17.82	16.57
<b>Total</b>	<b>2,421.88</b>	<b>2,423.32</b>

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
i) Amount of inventories recognised as an expense.	21,719.48	20,071.05
ii) Amount of write - down of inventories recognised as an expense	4.35	5.29
	<b>21,723.83</b>	<b>20,076.34</b>

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**5. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Authorised shares:</b>		
38,00,00,000 equity shares of face value of ₹ 2/- each (March 31, 2023: 38,00,00,000 equity share of face value of ₹ 2/- each)	760.00	760.00
	<b>760.00</b>	<b>760.00</b>
<b>ii) Issued, subscribed and paid-up shares:</b>		
27,57,80,785 equity shares of face value of ₹ 2/- each (March 31, 2023: 26,51,76,208 equity shares of face value of ₹ 2/- each)	551.56	530.35
	<b>551.56</b>	<b>530.35</b>

**A Reconciliation of the equity shares outstanding at the beginning and at the end of the period**

Particulars	As at March 31, 2024		As a March 31, 2023	
	Number	Amount	Number	Amount
Opening balance	26,51,76,208	530.35	26,36,62,773	527.33
Fresh issue	1,06,04,577	21.21	15,13,435	3.02
<b>Closing balance</b>	<b>27,57,80,785</b>	<b>551.56</b>	<b>26,51,76,208</b>	<b>530.35</b>

All the shares are at face value of ₹ 2/- each in current and previous year.

**B Initial Public Offer**

In 2020-21, the Company had 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 Mn.

The Offer comprised of a fresh issue of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 Mn and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 Mn 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 Mn ("Pre-IPO Placement").

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 Mn and is reduced by the Company's share of IPO related expenses of ₹ 156.99 Mn resulted into net receipt of securities premium of ₹ 4,765.85 Mn.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

**Notes to Standalone Financial Statements**

period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

**(i) Utilisation of IPO proceeds ( gross of IPO expenses) as per the Prospectus are as follows As at March 31, 2024**

Particulars	Planned as per Prospectus	Spent upto 2022-23	Utilisation in 2023-24	Balance up to March 31, 2024 (*#)
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	1,729.25	-	-
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	-	-
v) General corporate purposes (net of issue expenses)*	745.02	745.02	-	-
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) Offer related expenses in relation to the Fresh Issue	156.22	156.22	-	-
viii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>5,000.00</b>	<b>4,622.59</b>	<b>-</b>	<b>377.41</b>

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

Further the actual utilisation towards repayment of loan was lower by ₹ 63.94 Mn 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 purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to ₹ 744.76 Mn. During the current year, there is an increase in the available funds for general corporate purpose of ₹ 0.26 Mn resulting in total of ₹ 745.02 which is fully utilised in current year.

**(ii) Utilisation of IPO proceeds ( net of IPO expenses) as per the Prospectus are as follows As at March 31, 2023**

Particulars	Planned as per Prospectus	Spent upto 2021-22	Utilisation in 2022-23	Balance up to March 31, 2023 (*#)
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	1,729.25	-	-
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)*	745.02	744.76	0.26	-
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) Offer related expenses in relation to the Fresh Issue	156.22	-	156.22	-
viii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>5,000.00</b>	<b>3,660.86</b>	<b>961.73</b>	<b>377.41</b>

## Notes to Standalone Financial Statements period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

\*There has been a saving in the original estimate of IPO issue expenses (Company's share) of ₹ 43.58 Mn which has resulted in increase in total available fund net off expenses from ₹ 4,799.94 Mn to ₹ 4,843.52 Mn. This amount is adjusted in general corporate purposes. Further the actual utilisation towards repayment of loan was lower by ₹ 63.94 Mn 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 purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to ₹ 744.76 Mn.

(\*#) Balance of IPO proceeds as at March 31, 2024 and as at March 31, 2023 which are kept in fixed deposit and bank balance are shown under Other bank balances.

### C Qualified Institutional Placement

In October 10, 2023, the Company had completed the Qualified Institutional Placement offer ("QIP") of 96,25,579 equity shares of face value of ₹ 2/- each at a price of ₹ 269.20/- per share (including a premium of ₹ 267.20/- per share) aggregating to ₹ 2,591.21 Mn.

Total securities premium received from QIP placement is ₹ 2,571.95 Mn and is reduced by the Company's share of QIP related expenses of ₹ 105.49 Mn resulted into net receipt of securities premium of ₹ 2,485.72 Mn.

#### (i) Utilisation of QIP proceeds ( gross of QIP expenses) as per the Placement Document are as follows As at March 31, 2024

Particulars	Planned as per Placement Document	Actual bifurcation**	Utilisation in 2023-24	Balance up to March 31, 2024
i) Funding the capital expenditure requirements for setting up of the new innovation centre at plot bearing number A-309 located at Mahape, MIDC ("Mahape")	360.01	360.01	66.14	293.87
ii) Funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at village Jolve and Vadadla, Bharuch, Gujarat ("Dahej")	1,619.66	1,619.66	9.51	1,610.15
iii) General Corporate Purposes**	500.97	506.05	506.05	-
iv) Offer related expenses in relation to the Fresh Issue	110.57	105.49	105.49	-
<b>Total</b>	<b>2,591.21</b>	<b>2,591.21</b>	<b>687.20</b>	<b>1,904.02</b>

\*\*There has been a saving of ₹ 5.08 Mn in the original estimate of QIP issue expenses which has resulted in the increase in total available fund (net off expenses) from ₹ 2,480.64 Mn to ₹ 2,485.72 Mn. This amount is utilised for general corporate purposes, which has resulted in increase from ₹ 500.97 Mn to ₹ 506.05 Mn.

### D Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### E Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As a March 31, 2023	
	Number of shares	%	Number of shares	%
Ravi Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	64.07%	17,67,04,984	66.64%



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**F Shareholding of Promoters**

**(i) Shares held by promoters at March 31, 2024**

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2023-24
1	Ravi Goenka	18,09,179	0.66%	-
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	64.07%	-
3	Manisha Ravi Goenka	88,82,646	3.22%	-
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Brady Investments Private Ltd	47,00,000	1.70%	-
<b>Total</b>		<b>19,22,62,806</b>	<b>69.72%</b>	
<b>Total No of Shares issued and Subscribed</b>		<b>27,57,80,785</b>	<b>100.00%</b>	

**(ii) Shares held by promoters at March 31, 2023**

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2022-23
1	Ravi Goenka	18,09,179	0.68%	0.20
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	66.64%	-
3	Manisha Ravi Goenka	88,82,646	3.35%	-
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Brady Investments Private Ltd	47,00,000	1.77%	-
<b>Total</b>		<b>19,22,62,806</b>	<b>72.50%</b>	
<b>Total No of Shares issued and Subscribed</b>		<b>26,51,76,208</b>	<b>100.00%</b>	

**G** 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.

**H** On January 30, 2019 the Company had 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.

**I** 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 Mn. The buy back was completed by utilising the balance in Securities Premium and General Reserve. The Company had cancelled 50,29,010 equity shares of face value of ₹ 10/- each and has created Capital Redemption Reserve amounting to ₹ 50.29 Mn by debiting the balance in General Reserve.

**J** 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.

**K** Merger of Acetyls Holding Private Limited(AHPL) and Yellowstone Chemicals Private Limited(YCPL) with Laxmi Organic Industries Limited(LOIL)

Pursuant to the Scheme of Merger ('the Scheme') of Acetyls Holding Private Limited, Yellowstone Chemicals Private Limited and Laxmi Organic Industries Limited under the provisions of Sections 230 to 232 of the Companies Act, 2013 which has been approved by the National Company Law Tribunal vide their order delivered on August 25, 2022, which

## Notes to Standalone Financial Statements period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

has been filed with the Registrar of Companies on September 30, 2022, to make the Scheme effective. All the assets and liabilities, both movable and immovable, all other interest, rights and power of every kind, and all its debts, liabilities, including contingent liabilities, duties and obligations have been transferred to and vested in the LOIL with effect from the Appointed Date, October 02, 2021. Accordingly, the Scheme has been given effect to in these accounts. Since the Business Combination is of entities under common control in accordance with the Appendix C of INDAS 103, the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date of business combination i.e. October 01, 2021. Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 01, 2021 as required by Appendix C of Ind AS 103 "Business Combination

**Issue Of Shares/Consideration:** Since AHPL and YCPL are the wholly owned subsidiaries of the Company, there was no exchange/issue of shares by the Company to AHPL and YCPL.

### Salient Features of the Scheme of Merger by Absorption

#### (i) Brief of Acetyls Holding Private Limited(AHPL)

Acetyls Holding Private Limited('the Company') has been incorporated on May 23, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides administrative (services) to its group company. The Company commenced business operations on May 23, 2019 . The Company's Board of Directors has provided in principal approval to the merger of the Company with LOIL, at its board meeting on November 02, 2021. Subsequently, at a board meeting held on November 02, 2021, the Board of Directors approved the scheme of merger and swap ratio, identifying the effective date for merger as October 02, 2021. National Company Law Tribunal (NCLT) order approving the scheme of merger has been pronounced on August 25, 2022 and issued on August 25, 2022.

#### (ii) Brief of Yellowstone Chemicals Private Limited

Yellowstone Chemicals Private Limited('the Company') has been incorporated on June 12, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides engaged in the business of manufacturing of Ethyl Acetate, Acetaldehyde and supply of organic & Specialty Chemicals (services) to its group company. The Company commenced business operations on June 12, 2019 . The Company's Board of Directors has provided in principal approval to the merger of the Company with LOIL, at its board meeting on November 02, 2021. Subsequently, at a board meeting held on November 02, 2021, the Board of Directors approved the scheme of merger and swap ratio, identifying the effective date for merger as October 02, 2021. National Company Law Tribunal (NCLT) order approving the scheme of merger has been pronounced on August 25, 2022 and issued on August 25, 2022.

#### (iii) Appointed date

The appointed date for the purpose of this amalgamation is October 02, 2021.

#### (iv) Accounting Treatment

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Appendix C - Business combinations of entities under common control of Indian Accounting Standard 103- "Business Combination" of the Companies (Indian Accounting Standards) Rules, 2015.

LOIL has accounted for the Scheme in its books of accounts with effect from October 01, 2021 as explained in para 5(K) above.

- 1 With effect from October 02, 2021, all assets and liabilities appearing in the books of accounts of AHPL and YCPL have been transferred to and vested in LOIL and have been recorded by LOIL at their respective carrying values.
- 2 The difference between the carrying values of net identifiable assets and liabilities of AHPL, YCPL transferred to LOIL pursuant to this scheme and the value of value of investments in the books of LOIL of AHPL and YCPL) has been disclosed as Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103.
- 3 All inter company transactions have been eliminated on incorporation of the accounts of AHPL and YCPL in LOIL.



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**Disclosure in accordance with Appendix C of INDAS 103- Business combinations of entities under common control:**

*	Names and general nature of business of the combining entities	<p><b>A. Acetyls Holding Private Limited</b>          ('the Company') has been incorporated on May 23, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides administrative (services) to other entities."</p> <p><b>B. Yellowstone Chemicals Private Limited:</b>          ('the Company') has been incorporated on June 12, 2019 under the Companies Act, 2013 (the Act). The Company primarily engaged in the business of manufacturing of Ethyl Acetate, Acetaldehyde and supply of organic &amp; Specialty Chemicals (services)."</p> <p><b>C. Laxmi Organic Industries Limited</b>          ('the Company') has been incorporated on May 15, 1989 under the Companies Act, 2013 (the Act). The Company primarily engaged in the business of manufacturing of organic and Specialty Chemicals (services)."</p>
*	The date on which the transferor obtains control of the transferee	<b>October 02, 2021</b>
*	Description and number of shares issued, together with the percentage of each entity's equity shares exchanged to effect the business combination	None
*	The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	<p><b>Assets Recognised</b></p> <p>PPE including CWIP - ₹ 249.90 Mn          Inventory - ₹ 470.80 Mn          Trade Receivable - ₹ 409.33 Mn          Other Current Assets - ₹ 373.11 Mn          Deferred tax asset (net) - ₹ 2.07 Mn          Non-Current Assets - ₹ 7.66 Mn  <b>Total - ₹ 1,512.87 Mn</b></p> <p><b>Liabilities Recognised</b></p> <p>Trade Payables - ₹ 1,036.75 Mn          Loans - ₹ 96.55 Mn          Other liabilities - ₹ 98.16 Mn  <b>Total - ₹ 1,231.46 Mn</b></p> <p><b>Consideration Paid- ₹ 400.10 Mn</b>  <b>Amalgamation Adjustment Deficit Account - ₹ (118.69) Mn</b></p>
*	The amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof	The difference between the carrying values of net identifiable assets and liabilities of AHPL and YCPL transferred to LOIL pursuant to this scheme and the the value of consideration paid ,amounting to ₹ 118.69 Mn has been disclosed as Negative Capital Reserve / Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103

L Shares reserved for issue under stock option plan to employees are detailed in note no 32.

**6. OTHER EQUITY**

Particulars	As at March 31, 2024	As at March 31, 2023
i) Retained Earnings	9,847.44	8,418.65
ii) General Reserve	49.01	49.01
iii) Securities Premium	7,719.95	5,010.04
iv) Capital Reserve	5.50	5.50
v) Capital Redemption Reserve (Refer note 5(H) above)	50.29	50.29
vi) Amalgamation Adjustment Deficit Account pursuant to business combination (Refer Note 5(K) above)	(118.69)	(118.69)
vii) Share Option Outstanding Account (Refer note 31)	260.48	252.77
<b>Total</b>	<b>17,813.96</b>	<b>13,667.54</b>

**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**Description of nature and purpose of each reserve :**

**General Reserve:**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Securities Premium:**

This represents premium received on allotment of equity shares.

**Capital Reserve:**

It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years

**Capital Redemption Reserve:**

This reserve was created for issue of bonus shares. The bonus shares were issued in FY 2019-20.

**Share Option Outstanding Account:**

This represents the fair value of the stock options granted by the Company under the 2020 Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

**7. FINANCIAL LIABILITIES (AT AMORTISED COST)**

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>7.1 Long term borrowings</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<b>(a) Term loans :</b>				
Rupee term loan from bank	972.24	1,303.40	331.16	96.60
Foreign currency loan from bank	-	-	-	18.42
<b>(b) Government grant</b>	-	-	-	3.24
	<b>972.24</b>	<b>1,303.40</b>	<b>331.16</b>	<b>118.26</b>
Less: Current Maturities disclosed under short term borrowings.	-	-	(331.16)	(118.26)
<b>Total</b>	<b>972.24</b>	<b>1,303.40</b>	<b>-</b>	<b>-</b>
<b>The break-up of above:</b>				
Secured	972.24	1,303.40	-	-
Unsecured	-	-	-	-
	<b>972.24</b>	<b>1,303.40</b>	<b>-</b>	<b>-</b>

**Notes:**

**A) Term loan includes :**

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

Tenure of loan: max 60 months with moratorium of 6 months.

Repayment: First 4 quarterly instalment of 3.22%, next 13 quarterly instalments of 6.22% and final instalment of 6.26% of loan amount.

Interest : Linked with HDFC Bank 1 year MCLR + 0 bps

Tenure of loan: max 60 months (Previous year - loan under moratorium)

**ii) Rupee term loans from (Axis Bank Ltd):**

Tenure of loan: max 72 months with moratorium of 18 months.

Repayment: 18 equal quarterly instalments.

Interest : Linked with Axis Bank 1 year MCLR + 0 bps

Tenure of loan: max 72 months (Previous year – loan under moratorium)





**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**B) Security of term loans :**

- a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist. Raigad Maharashtra.
- b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad.

**C) Government grant:**

There are multiple interest free sales tax loans which are repayable in five installments from their due date . The Company has fully repaid ₹ 3.24 Mn as at March 31, 2024 (outstanding March 31, 2023: ₹ 3.24 Mn). The first installment date was May 2009 and last terminal date is May 2023.

**D) Maturity profile of long term borrowings:**

Particulars	As at March 31, 2024	As at March 31, 2023
Instalment payable within one year	-	-
Instalment payable between 1 to 2 years	331.16	331.16
Instalment payable between 2 to 5 years	641.08	900.48
Instalment payable beyond 5 years	-	71.76
<b>Total</b>	<b>972.24</b>	<b>1,303.40</b>

**E) 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
<b>Balance as at March 31, 2022</b>	<b>21.66</b>	<b>960.86</b>	<b>982.52</b>
Changes from financing cash flows	1,400.00	(95.39)	1,304.61
Proceeds from short term borrowings	-	1,384.78	1,384.78
Other changes (transfer within categories)	(118.26)	118.26	-
<b>Balance as at March 31, 2023</b>	<b>1,303.40</b>	<b>2,368.51</b>	<b>3,671.92</b>
Changes from financing cash flows	-	(96.60)	(96.60)
Proceeds from short term borrowings	-	(2,217.94)	(2,217.94)
Other changes (transfer within categories)	(331.16)	331.16	-
<b>Balance as at March 31, 2024</b>	<b>972.24</b>	<b>385.13</b>	<b>1,357.38</b>

**F) 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, 2024 in favour of the lenders for facilities availed by the Company.

- G) The term loans taken in previous year have been utilised for the purposes for which they were taken.

**H) Disclosure of repayments**

During the current year, there are no defaults in repayment of principal and interest to the lenders

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>7.2 Lease liability</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
Lease liability	14.41	26.43	19.59	18.42
<b>Total</b>	<b>14.41</b>	<b>26.43</b>	<b>19.59</b>	<b>18.42</b>

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>7.3 Other financial liabilities (at amortised cost)</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
Payable for capital goods	-	-	121.65	123.79
Interest accrued on financial liabilities	-	-	12.66	20.33
Deposit received	-	-	11.77	9.83
Staff salary and other payable	-	-	221.30	111.47
Amount payable on hedging transactions	-	-	3.16	8.18
<b>Total</b>	<b>-</b>	<b>-</b>	<b>370.54</b>	<b>273.60</b>

## 8. PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
Provision for employee benefits :				
Leave encashment	61.19	40.59	23.05	20.89
Gratuity	-	-	6.73	4.33
Provision for sales return	-	-	17.88	16.86
<b>Total</b>	<b>61.19</b>	<b>40.59</b>	<b>47.66</b>	<b>42.08</b>

### (a) Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

#### Provision for sales return

As at	Opening Balance	Addition during the year	Utilised during the year	Closing Balance
<b>March 31, 2024</b>	16.86	3.14	2.12	17.88
March 31, 2023	26.74	18.41	28.29	16.86

### (b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits

#### (i) Defined contribution plans:

The Company's state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.

#### (ii) Defined benefit plans:

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 Mn ( March 31, 2023 : ₹ 2.00 Mn) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

### 1 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, 2024	As at March 31, 2023
<b>(a) Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the year	98.66	86.94
Current service cost	15.02	13.29
Interest cost	7.17	5.68



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial (gain) /loss - Other comprehensive income	(1.78)	(7.25)
<b>Defined benefit obligation at the year end</b>	<b>119.06</b>	<b>98.66</b>
<b>(b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	94.33	45.17
Investment income	6.85	3.00
Employer contribution	18.00	47.61
Benefits paid	(6.85)	(1.45)
<b>Fair value of plan assets at the year end</b>	<b>112.33</b>	<b>94.33</b>
<b>(c) Reconciliation of fair value of assets and obligations</b>		
Present value of defined benefit obligation	119.06	98.66
Fair value of plan assets	112.33	94.33
<b>Net asset / (liability)</b>	<b>(6.73)</b>	<b>(4.33)</b>
<b>(d) Expenses recognised during the year (Under the head "Employees benefit expenses")</b>		
In Income Statement	15.33	13.28
In Other Comprehensive Income	5.07	2.69
<b>Total expenses recognised during the period</b>	<b>20.40</b>	<b>15.97</b>
<b>(e) Actuarial (gain)/loss- Other comprehensive income</b>	<b>5.07</b>	<b>3.85</b>
<b>(f) Net liabilities recognised in the balance sheet</b>		
Long-term provisions	-	-
Short-term provisions	6.73	4.33
	<b>6.73</b>	<b>4.33</b>

**2 Actuarial assumptions**

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.15%	7.25%
Salary growth rate (per annum)	11.00%	11.00%
Attrition rate	15.94%	20.00%
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.

**3 Sensitivity analysis**

**A quantitative sensitivity analysis for significant assumption**

Particulars	Discount Rate	Salary growth rate	Attrition rate	Mortality rate
<b>Changes in assumption</b>				
March 31, 2024 (%)	1%	1%	50%	10%
March 31, 2023 (%)	1%	1%	50%	10%
<b>Increase in assumption</b>				
<b>March 31, 2024</b>	<b>113.43</b>	<b>124.00</b>	<b>112.88</b>	<b>119.05</b>
March 31, 2023	94.63	102.06	93.68	98.56
<b>Decrease in assumption</b>				
<b>March 31, 2024</b>	<b>125.27</b>	<b>114.38</b>	<b>130.51</b>	<b>119.08</b>
March 31, 2023	88.98	82.15	94.42	85.17

## Notes to Standalone Financial Statements

period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

(ii) liquidity risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary escalation risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit of gratuity of ₹ 2.00 Mn)

(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, 2024	As at March 31, 2023
<b>a) Deferred tax liability on account of :</b>		
Property plant & Equipment	418.88	385.36
Right of Use	-	2.90
Share issue expenses	7.36	-
Tax Disallowance	0.85	-
	<b>427.09</b>	<b>388.26</b>
<b>b) Deferred tax asset on account of :</b>		
Tax Disallowance	-	0.38
Right of Use	0.07	-
Provision for doubtful advances and debts	33.49	58.13
Provision for Employees Benefits	31.78	21.48
	<b>65.35</b>	<b>80.00</b>
<b>Deferred tax liability, net</b>	<b>361.74</b>	<b>308.26</b>



**Notes to Standalone Financial Statements**  
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 (All figures are rupees in Mn unless otherwise stated)

**9.1 Income Tax Assets (Net)**

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Payment of Income Tax (net)	25.40	36.35
<b>Income Tax Assets (Net)</b>	<b>25.40</b>	<b>36.35</b>

**10. OTHER LIABILITIES**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
Duties and taxes payable	-	-	71.30	33.79
Liability towards CSR Obligation	-	-	-	10.07
Advance from Customers- Contract Liabilities	-	-	15.62	64.15
<b>Total</b>	<b>-</b>	<b>-</b>	<b>86.92</b>	<b>108.01</b>

**11. SHORT TERM BORROWINGS (AT AMORTISED COST)**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>From Banks:</b>		
Cash Credit	53.98	1,756.79
Commercial Papers	-	486.96
<b>From Others</b>	-	6.50
Current Maturities of long term borrowings:		
Rupee term loan from bank	331.16	96.60
Foreign Currency Loan	-	18.42
Government grant	-	3.24
<b>Total</b>	<b>385.14</b>	<b>2,368.51</b>
<b>Secured</b>	385.14	1,871.81
<b>Unsecured</b>	-	496.70

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

The Company has borrowings from banks which are secured by first Pari-passu charge, by way of hypothecation on current assets and second pari-passu charge, by way of mortgage on fixed assets.

Quarterly returns or Statements of current assets filed by the Company with banks for the year 2023-24 are in agreement with the books of accounts which is detailed in Statement A.

**b) Utilisation of Borrowings taken from Bank and Financial Institution**

The Company have used the borrowings for the purpose it was availed for.

**c) Foreign Currency Term Loan**

The loan from Citibank was structured with 15 equal quarterly installments in foreign currency, starting from October 2019. Interest payable at 3 months USD Libor plus 175 basis points per annum. The Company converted this External Commercial Borrowing (ECB) into an Indian Rupee (₹) loan under a Currency Swap (CCY SWAP) on April 02, 2019, at a fixed interest rate of 7.90% per annum. The final installment was repaid on April 19, 2024.

**Notes to Standalone Financial Statements**  
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 (All figures are rupees in Mn unless otherwise stated)

**d) Commercial Papers ( Unsecured )**

During the year, the Company has issued its second tranche of Commercial Papers ("CPs") of ₹ 500 Mn on October 06, 2023. The same has been repaid on January 04, 2024. (Tranche-1 issued in previous year : ₹ 500 Mn repaid on August 04, 2023).

<b>Terms of Commercial Papers :</b>	<b>Tranche -1</b>	<b>Tranche -2</b>
Issue Value	₹ 500 Mn	₹ 500 Mn
Date of Allotment	February 07,2023	October 06,2023
Date of Maturity	August 04, 2023	January 04, 2024
Coupon/Discount Rate	7.85% per annum	7.35% per annum
Schedule of Interest Payment	Upfront	Upfront
Schedule of payment of principal amount	Payment on maturity i.e., on August 04, 2023	Payment on maturity i.e., on January 04, 2024
Charge/security	Unsecured	Unsecured
Issued in Favour of	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
Credit Rating	IND A1+	IND A1+

**12. TRADE PAYABLES (AT AMORTISED COST)**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Due to micro and small enterprise	89.07	69.54
Due to Others	7,449.79	4,448.35
<b>Total</b>	<b>7,538.86</b>	<b>4,517.89</b>

**a) Amounts Due to micro and small enterprise**

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company.

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Principal amount due</b>	<b>128.08</b>	<b>87.12</b>
Material and Service Vendor	89.07	69.54
Capital Vendor	39.01	17.58

**Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMED Act, 2006"):**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal	<b>128.08</b>	<b>87.12</b>
Interest	0.08	0.02
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	3.50	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	2.01	2.23
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and year; and	6.31	7.71
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**b) Trade Payable Ageing Schedule**

(Ageing from due date of payment)

**(i) As at March 31, 2024**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	15.24	-	1,507.55	-
Not Due	59.37	-	5,643.76	-
Less than 1 year	13.95	-	262.76	-
1-2 years	0.51	-	14.97	-
2-3 year	-	-	3.22	-
> 3 years	-	-	17.52	-
<b>Total</b>	<b>89.07</b>	<b>-</b>	<b>7,449.79</b>	<b>-</b>

**(ii) As at March 31, 2023**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	19.03	-	1,285.71	-
Not Due	42.71	-	2,999.50	-
Less than 1 year	7.80	-	138.22	-
1-2 years	-	-	19.84	-
2-3 year	-	-	2.65	-
> 3 years	-	-	2.44	-
<b>Total</b>	<b>69.54</b>	<b>-</b>	<b>4,448.36</b>	<b>-</b>

**13. INCOME TAX LIABILITIES (NET)**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Tax (net of taxes paid)	179.43	82.61
<b>Total</b>	<b>179.43</b>	<b>82.61</b>

**14. REVENUE FROM OPERATIONS**

Particulars	April - March 2024	April - March 2023
<b>i) Sales/ Rendering :</b>		
- Products	27,815.56	26,739.36
- Services	140.06	127.87
	<b>27,955.62</b>	<b>26,867.24</b>
<b>ii) Other operating revenue:</b>		
Export incentives	57.91	33.39
Insurance claim	231.24	5.35
	<b>289.15</b>	<b>38.74</b>
<b>Total</b>	<b>28,244.77</b>	<b>26,905.98</b>

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**A Disclosure in accordance with IND AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015**

**1 Revenue disaggregation based on :**

Particulars	April - March 2024	April - March 2023
<b>(a) Category of good and services</b>		
Chemicals	27,815.56	26,777.89
Jobwork and other services	140.06	127.87
Others	289.15	0.21
<b>Total</b>	<b>28,244.77</b>	<b>26,905.98</b>
<b>(b) Geographical region</b>		
India	19,774.33	17,115.66
International	8,470.44	9,790.32
<b>Total</b>	<b>28,244.77</b>	<b>26,905.98</b>
<b>(c) Timing of Revenue Recognition</b>		
At a point in time	28,244.77	26,905.98
<b>Total</b>	<b>28,244.77</b>	<b>26,905.98</b>

**2 Reconciliation of Gross Revenue with the Revenue from Contracts with Customers:**

Particulars	April - March 2024	April - March 2023
Gross Revenue	28,374.40	26,905.98
Less: Discounts	129.6	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>28,244.77</b>	<b>26,905.98</b>

**3 Movement in contract balances**

Particulars	Opening	Billed for the Financial Year	Additional receipt outstanding as at year end	Closing
<b>Contract Liabilities (Advance from customer)</b>				
<b>March 31, 2024</b>	64.15	63.07	14.54	15.62
March 31, 2023	54.60	51.64	61.19	64.15

**15. OTHER INCOME**

Particulars	April - March 2024	April - March 2023
Interest income on financial asset		
From bank on deposits	104.10	57.61
Others*	232.23	158.02
Guarantee commission from related party	4.17	-
Reversal of provision write back	42.32	-
Sundry balances written back	-	11.05
Miscellaneous income	19.52	18.78
Sale of scrap	30.01	28.13
Reversal of provision for impairment	-	8.32
Profit on sale of Property, plant and equipment (net)	10.72	0.33
MTM on Financial Asset held as FVTPL	10.39	0.13
Realised Gain on Sale of Mutual Funds	32.87	6.96
<b>Total</b>	<b>486.33</b>	<b>289.33</b>

\* Interest Income from others includes interest from related party for the year ended March 31, 2023 is ₹ 146.01 Mn and March 31, 2024 is ₹ 194.66 Mn.





**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**16. COST OF RAW MATERIALS CONSUMED**

Particulars	April - March 2024	April - March 2023
Opening stock of raw material	1,510.08	1,906.03
Add : Purchases	18,531.53	16,406.72
	20,041.61	18,312.75
Less : closing stock of raw material	(1,514.34)	(1,510.08)
<b>Total</b>	<b>18,527.27</b>	<b>16,802.67</b>

**17. PURCHASE OF STOCK-IN-TRADE**

Particulars	April - March 2024	April - March 2023
Chemicals and other purchases	356.30	691.42
<b>Total</b>	<b>356.30</b>	<b>691.42</b>

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

Particulars	April - March 2024	April - March 2023
Inventory of Work-in-progress at the beginning of the year	37.83	21.30
Less: Inventory of Work-in-progress at the end of the year	(57.18)	(37.83)
	<b>(19.35)</b>	<b>(16.53)</b>
Inventory of Finished goods at the beginning of the year	674.47	987.86
Less: Inventory of Finished goods at the end of the year	(621.08)	(674.47)
	<b>53.39</b>	<b>313.39</b>
<b>Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade</b>	<b>34.04</b>	<b>296.86</b>

**19. POWER & FUEL**

Particulars	April - March 2024	April - March 2023
Power & fuel	2,258.13	2,511.25
<b>Total</b>	<b>2,258.13</b>	<b>2,511.25</b>

**20. EMPLOYEE BENEFIT EXPENSES**

Particulars	April - March 2024	April - March 2023
Salaries, wages and bonus	908.80	755.85
Director's remuneration (Refer Note 29)	215.42	135.70
Contribution to employees gratuity, leave encashment and other funds	102.41	70.68
ESOP compensation cost (net)	168.43	114.17
Staff welfare expenses	33.35	32.40
<b>Total</b>	<b>1,428.41</b>	<b>1,108.80</b>

**21. FINANCE COST:**

Particulars	April - March 2024	April - March 2023
Interest on financial liabilities at amortised cost	187.55	171.26
Unwinding of lease liability	2.24	1.88
Interest on direct taxes	0.14	1.60
Interest on indirect taxes	2.83	7.66
Other borrowing costs	4.73	2.32
<b>Total</b>	<b>197.49</b>	<b>184.73</b>

**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**22. DEPRECIATION & AMORTISATION**

Particulars	April - March 2024	April - March 2023
Depreciation	875.45	676.15
Less: Transfer to Capital work in progress	(10.32)	(1.14)
Amortisation on right-of-use assets	19.70	25.94
Amortisation on other intangible assets	2.08	3.65
<b>Total</b>	<b>886.92</b>	<b>704.60</b>

**23. OTHER EXPENSES**

Particulars	April - March 2024	April - March 2023
Consumption of consumables stores and spares	194.13	192.74
Consumption of packing materials	349.61	270.15
Water charges	63.85	52.13
Labour charges	119.79	118.78
Inward freight charges	46.13	51.58
Outward export freight charges	479.69	889.83
Clearing and forwarding expenses	11.38	28.76
Repairs and maintenance		
Buildings	22.40	42.57
Machineries	105.16	99.51
Others	24.42	28.77
Transportation charges	487.38	454.71
Commission on sales	33.00	79.95
Advertisement	1.14	2.02
Director's sitting fees	3.21	3.07
Books and periodicals	0.10	0.07
Business promotion expenses	19.19	19.54
Commission to non-executive director	10.28	10.30
Computer maintenance	25.78	25.38
Conveyance expenses	3.62	3.66
Donation	1.37	1.86
CSR expenditure (Refer Note 28)	43.59	36.50
General expenses	11.62	11.01
Inspection charges	2.77	3.56
Insurance charges	127.78	150.57
Membership & subscription	28.88	17.19
Postage & telegram	2.30	1.75
Professional & legal expenses	353.01	152.74
Printing & stationery	4.65	4.62
Rent	7.95	7.40
Rates & taxes	19.57	10.78
Security service charges	32.66	23.40
Travelling expenses	55.79	56.99
Telephone expenses	5.29	5.40
Vehicle expenses	31.39	36.62
Auditors' remuneration (Refer Note (a) below)	6.65	4.47
Bank charges	25.04	31.49
Expected credit loss	39.54	61.01



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Foreign Exchange loss	35.42	50.40
Impairment of Subsidiary balances	-	1.34
GST paid/Sales tax paid	13.76	-
Insurance Provision written off*	71.83	-
Miscellaneous expenses	15.82	18.22
<b>Total</b>	<b>2,936.94</b>	<b>3,060.84</b>

\* Charged off due to unrecoverable insurance on Property, plant and equipments and Stock.

**a) Auditors' remuneration comprises (net of tax) :**

Particulars	April - March 2024	April - March 2023
<b>As Auditor</b>		
Audit fees	3.22	3.07
Tax Audit	0.55	0.55
Limited Review	2.65	0.75
<b>In other capacity</b>		
Certification matters	0.13	0.10
Reimbursement of Expenses	0.10	-
<b>Total</b>	<b>6.65</b>	<b>4.47</b>

**(b) Details of research and development expenditure**

Particulars	April - March 2024	April - March 2023
<b>A Revenue expenses</b>		
Employee benefits expense	86.04	66.56
Legal & professional fees	16.69	8.30
Utility expenses	4.80	4.55
Travelling expenses	3.43	4.56
Contract labour and Security service charge	5.91	5.79
Subscription fees	5.30	3.07
Information Technology fees	1.11	0.23
Training Expenses	0.11	0.06
Repairs & maintenance	23.52	22.73
Depreciation	13.09	16.06
Other expenses*	5.12	5.68
<b>B Capital Expenses</b>		
Capital expenditure (Refer Note 1.6)	36.70	5.80
<b>Total</b>	<b>201.82</b>	<b>143.38</b>

\* Other Expenses includes Rent, Testing Fees, Printing & Stationary, Postage & Courier Charges, Rates & Taxes, Telephone and General Expenses.

**24. TAX EXPENSE**

Particulars	April - March 2024	April - March 2023
<b>a) Income tax expense in the statement of profit and loss consists of:</b>		
Current tax	495.61	367.93
Deferred tax	53.48	118.83
<b>Income tax recognised in statement of profit or loss</b>	<b>549.09</b>	<b>486.76</b>

**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**

Particulars	April - March 2024	April - March 2023
<b>A Current Tax</b>		
Profit before tax	2,105.60	1,834.15
Enacted tax rates in India (%)	34.94%	34.94%
Computed expected tax expenses	735.78	640.92

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Particulars	April - March 2024	April - March 2023
Effect of non- deductible expenses	380.29	309.66
Effects of deductible Expenses	(331.77)	(373.15)
Tax incentives	(288.70)	(209.50)
	<b>(A) 495.61</b>	<b>367.93</b>
<b>Income tax expenses - Net</b>	<b>495.61</b>	<b>367.93</b>
<b>Tax liability as per Minimum alternate tax on book profits</b>		
Minimum alternate tax rate	17.47%	17.47%
Computed tax liability on book profits	367.89	320.46
<b>Tax effect on adjustments:</b>		
1/5 portion of opening IND AS reserve	-	(0.73)
Effect of non deductible expense	2.97	0.55
Others	-	(0.22)
<b>Minimum alternate tax on book profits</b>	<b>(B) 370.86</b>	<b>320.07</b>
<b>Higher of A or B</b>	<b>495.61</b>	<b>367.93</b>

**B Deferred tax**

**Deferred tax assets/(liabilities) in relation to:-**

Particulars	Opening	Recognised directly in Equity	Recognised in profit and loss Asset/ (liability)	Closing
Property plant & equipment	(243.53)	-	(141.83)	(385.36)
Right to Use	(2.18)	-	(0.72)	(2.90)
Items recognised in OCI	0.11	-	(0.11)	-
Tax Disallowance	-	-	0.38	0.38
Provision for doubtful advances and debts	37.58	-	20.55	58.13
Provision for Employees Benefits	18.59	-	2.90	21.49
<b>As at March, 31, 2023</b>	<b>(189.43)</b>	<b>-</b>	<b>(118.83)</b>	<b>(308.26)</b>
Property plant & equipment	(385.36)	-	(33.52)	(418.88)
Share issue expenses	-	(7.36)	-	(7.36)
Items recognised in OCI	-	-	1.77	1.77
Right to Use	(2.90)	-	2.97	0.07
Tax Disallowance	0.38	-	(1.23)	(0.85)
Provision for doubtful advances and debts	58.13	-	(24.64)	33.49
Provision for Employees Benefits	21.48	-	8.53	30.01
<b>As at March, 31, 2024</b>	<b>(308.26)</b>	<b>(7.36)</b>	<b>(46.12)</b>	<b>(361.74)</b>

**25. 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 2024	April - March 2023
Net profit / (loss) as per Statement of Profit and Loss	1,556.51	1,347.39
Outstanding equity shares at period end (face value of ₹ 2/-)	27,57,80,785	26,51,76,208
Weighted average Number of Shares outstanding during the period – Basic	27,01,86,276	26,49,83,009
Add: Options granted to Employees	19,85,854	19,54,496
Weighted average Number of Shares outstanding during the period - Diluted	27,21,72,130	26,69,37,505
Earnings per Share - Basic (₹)	5.76	5.08
Earnings per Share - Diluted (₹)	5.72	5.05



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**Reconciliation of weighted number of outstanding during the period:**

Particulars	April - March 2024	April - March 2023
Nominal value of equity shares (₹ per share)	2.00	2.00
<b>For Basic EPS :</b>		
Total number of equity shares outstanding at the beginning of the period	26,51,76,208	26,36,62,773
Add : Issue of equity shares	1,06,04,577	15,13,435
<b>Total number of equity shares outstanding at the end of the period</b>	<b>27,57,80,785</b>	<b>26,51,76,208</b>
<b>For Basic EPS :</b>		
Weighted average number of equity shares at the end of the period	27,01,86,276	26,49,83,009
<b>For Dilutive EPS :</b>		
Weighted average number of equity shares at the end of the period	27,21,72,130	26,69,37,505

**26. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	April - March 2024	April - March 2023
<b>(i) Contingent liabilities</b>		
<b>(a) Liabilities Disputed - Appeals filed with respect to:</b>		
<b>(i) Disputed indirect taxes matters</b>	170.18	219.98
- (Net of Amount paid under protest of ₹ 10.88 Mn (PY: ₹ 6.49 Mn)		
<b>(ii) Disputed Direct Taxes Matters</b>	73.78	383.02
- on account of disallowances / additions and default of TDS		
<b>(iii) Other Dispute</b>	-	4.53
- with MSEDCL (PY: ₹ 2.30 Mn)		
<b>(b) Guarantees:</b>		
(i) Furnished by banks on behalf of the Company	237.30	239.16
(ii) Given on behalf of wholly owned subsidiaries to their Lenders	500.00	-
<b>(ii) Commitments (Net of advances):</b>		
<b>(a) Capital Commitments-</b>	461.75	141.47
- Estimated amount of contracts remaining to be executed on capital account		
<b>(b) Export obligation</b>	0.04	100.32
- under Advance License Scheme on duty free import of specific raw materials remaining outstanding		
<b>(iii) Letters of Credit</b>	6,314.55	1,223.69
<b>(iv) Other tax proceedings -</b>		

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, had paid an amount of ₹ 35.00 Mn 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

## Notes to Standalone Financial Statements

period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

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.

**27. DISCLOSURE IN ACCORDANCE WITH IND AS – 108 “OPERATING SEGMENTS”, OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015.**

The Company is engaged in chemicals business and 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.

The geographic information of the group’s revenue by the Company country of domicile and other countries is tabulated hereunder:

Particulars	2023 - 24		2022 - 23	
	Amount (₹ In Mn)	% of Total Segment Revenue	Amount (₹ In Mn)	% of Total Segment Revenue
India	19,774.33	70%	17,115.66	64%
International	8,470.44	30%	9,790.32	36%
<b>Total</b>	<b>28,244.77</b>	<b>100%</b>	<b>26,905.98</b>	<b>100%</b>

**28. 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:-

A	Particulars	April - March 2024		April - March 2023	
1	Gross amount required to be spent by the Company during the year.		43.39		36.50
2	Amount approved by the Board to be spent during the year		43.39		36.50
	- Ongoing				9.40
	- Other Than Ongoing		43.39		17.03
3	Amount spent during the year on:				
(a)	- Construction/acquisition of any asset		-		-
(b)	- On purposes other than (a) above		43.59		26.43
	<b>Total</b>		<b>43.59</b>		<b>26.43</b>
4	(Excess)/Shortfall at the end of the year,		(0.20)		10.07
5	Total of previous years shortfall/(Excess),		-		-
6	Reason for shortfall- Nil				
<b>7</b>	<b>Nature of CSR activities-</b>	<b>April - March 2024</b>		<b>April - March 2023</b>	
	<b>Particulars</b>	<b>Ongoing</b>	<b>Non Ongoing</b>	<b>Ongoing</b>	<b>Non Ongoing</b>
1	Education Support	-	6.74	1.97	8.36
2	Welfare measures	-	0.15	-	-
3	Animal Welfare	-	0.02	-	-
4	Community Development	-	2.40	4.09	1.97
5	Disaster Management	-	-	-	1.58
6	Environmental Sustainability	-	10.53	-	0.52
7	Health Care Support	-	0.50	2.50	0.43
8	Promoting Sports	-	0.17	-	0.34
9	Safe Drinking Water	-	1.09	0.84	0.08
10	Skill Development (NAPS)	-	21.98	-	3.75
	<b>Total</b>	<b>-</b>	<b>43.59</b>	<b>9.40</b>	<b>17.03</b>

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period ended March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

- 11 There are no CSR transaction with Related party .
- 12 There is no amount unspent against other than ongoing project as per section 135 (5) .
- 13 Unspent amount as per section 135(6) is paid since the balance sheet date :
- FY : 2022-23 : ₹ 10.07 Mn : Deposited in unspent CSR Bank account on April 27, 2023.
- FY : 2021-22 : ₹ 2.31 Mn : Deposited in unspent CSR Bank account on April 29, 2022.
- FY : 2021-22 : ₹ 10.77 Mn : Deposited in unspent CSR Bank account on March 31, 2022.

**29. DISCLOSURE IN ACCORDANCE WITH IND AS - 24 "RELATED PARTY DISCLOSURES", OF THE COMPANIES ( INDIAN ACCOUNTING STANDARDS) RULES, 2015**

Details are given in Statement B

**30. DERIVATIVE INSTRUMENTS AND UNHEDGED / HEDGE / SWAP FOREIGN CURRENCY EXPOSURE**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign Currency	₹	Foreign Currency	₹
<b>Details on unhedged foreign currency exposures</b>				
Trade receivable (USD)	1,40,07,325	1,167.85	11,17,715	91.84
Trade receivable (EURO)	58,19,140	524.99	4,12,822	36.92
Trade receivable (CNY)	35,41,001	40.66	-	-
Advances to suppliers (USD)	200	0.02	5,459	0.45
Advance from customers (USD)	1,09,177	9.10	4,46,433	36.68
Advance from customer (EURO)	-	-	35	0.00
Trade payable (USD)	5,98,76,934	4,992.17	4,67,646	38.43
Trade payable (EURO)	1,231	0.11	-	-
Investment in preference shares (EURO)	20,00,000	180.44	20,00,000	178.89

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign Currency	₹	Foreign Currency	₹
<b>Details on hedged foreign currency exposures</b>				
Forwards - USD - Sales	1,21,19,598	1,010.46	1,04,04,229	854.92
Forwards - EURO - Sales	46,18,587	416.68	71,62,566	640.64
Forwards - USD Purchase	5,94,20,992	4,954.16	3,24,05,919	2,662.79
Forwards - CNY - Sales	29,38,001	33.74	-	-

**31. IND AS 116 "LEASES"****(a) Movement in Right-of-use assets - Refer Note 1.3****(b) Movement in lease liabilities :**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	44.85	9.78
Addition during the year	7.84	53.45
Finance cost incurred during the year (Refer Note 21)	2.24	1.88
Payment of lease liability	(20.93)	(20.26)
<b>Closing balance</b>	<b>34.00</b>	<b>44.85</b>

## Notes to Standalone Financial Statements

period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

- (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, 2024	As at March 31, 2023
Less than one year	21.20	20.49
One to two years	9.97	19.41
Two to five years	5.68	8.09
<b>Total</b>	<b>36.85</b>	<b>47.99</b>

## (c) The following is the break-up of current and non-current lease liabilities as at March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liability	19.59	18.42
Non-current lease liability	14.41	26.43
<b>Closing balance</b>	<b>34.00</b>	<b>44.85</b>

**32. 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. The 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.

During the year, additional 14,06,250 equity shares were granted under Laxmi – Employee Stock Option Plan 2020 (“ESOP-2020”).





**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

**i) Summary of options granted under plan:**

Particulars	Option Plan				
	ESOP-3	ESOP-2	ESOP-1	RSU	Thank You Grant
Number of options granted	14,06,250	2,76,855	42,45,540	11,43,266	3,01,664
Grant date	April 03, 2023	May 04, 2022	January 27, 2021	January 27, 2021	January 27, 2021
Exercise price	100	100	100	2	2
Fair value on the date of grant of option (₹ per options)	373.35	433.65	73.12	121.48	121.48
Methods of valuation	Black-Scholes				
Method of settlement	Equity				
Method of accounting	Fair value				
Vesting period	April 02, 2024: 20%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 20%; March 31, 2028: 20%;	May 05, 2023: 15%; March 31, 2024: 15%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 20%; March 31, 2028: 30%;	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				

During the year, 9,78,998 (PY:15,13,435) options were exercised.

**ii) Reconciliation of options granted under plan:**

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the year	33,37,255	50,56,446
Granted during the year	14,06,250	2,76,855
Number of options vested during the Period	11,48,504	-
Exercised during the year	9,78,998	15,13,435
Lapse/Forfeited during the year	5,65,049	4,82,611
Outstanding at the end of the year	31,99,458	33,37,255
Options exercisable at the end of the year	15,99,409	14,29,903

**iii) Share options outstanding at the end of period have following expiry date and exercise prices.**

Nature of options	Exercise Price	Share options O/s March 31, 2024	Share options O/s March 31, 2023
ESOP-3	100	14,06,250	-
ESOP-2	100	2,76,855	2,76,855
ESOP-1	100	11,64,242	24,51,775
RSU	2	3,52,111	6,08,625
Thank You Grant	2	-	-
<b>Total</b>		<b>31,99,458</b>	<b>33,37,255</b>

Notes to Standalone Financial Statements  
period ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
ESOP-3	373.35
ESOP-2	433.65
ESOP-1	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-3	ESOP-2	ESOP-1	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%	0.30%	0.30%
Years to expiration	6	6	7	7	7
Risk free rates	6.96%	6.96%	6.12%	6.12%	6.12%
Expected volatility	46.22%	46.22%	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 annualised 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 instant 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	April - March 2024	April - March 2023
ESOP compensation cost (net)	168.43	114.17
<b>Total expenses</b>	<b>168.43</b>	<b>114.17</b>

**33. FINANCIAL INSTRUMENTS**

i) The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>a) Financial assets</b>	<b>Carrying value</b>		<b>Fair value</b>	
<b>Amortised cost</b>				
Loans	1,931.40	1,219.60	1,931.40	1,219.60
Others	1,393.83	1,499.79	1,393.83	1,499.79
Trade Receivables	6,065.53	5,372.52	6,065.53	5,372.52
Cash And Cash Equivalents	828.01	690.28	828.01	690.28
Other Bank Balances	2,046.84	486.54	2,046.84	486.54
<b>Fair Value through Profit &amp; Loss</b>				
Investments	1,230.88	200.12	1,230.88	200.12
<b>Total financial assets</b>	<b>13,496.49</b>	<b>9,468.86</b>	<b>13,496.49</b>	<b>9,468.86</b>



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>b) Financial liabilities</b>	<b>Carrying value</b>		<b>Fair value</b>	
<b>Amortised Cost</b>				
Borrowings	1,357.38	3,671.91	1,357.38	3,671.91
Trade payables	7,538.86	4,517.88	7,538.86	4,517.88
Lease Liability	34.00	44.85	34.00	44.85
Others	370.54	273.60	370.54	273.60
<b>Total financial liabilities</b>	<b>9,300.78</b>	<b>8,508.25</b>	<b>9,300.78</b>	<b>8,508.25</b>

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.

**34. 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, 2024 and March 31, 2023.

Particulars	Fair value measurement using			
	Date of valuation	quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial liabilities measured at fair value:</b>				
Forward contracts	March 31, 2024	-	3.16	-
Forward contracts	March 31, 2023	-	8.18	-
<b>Financial assets measured at fair value:</b>				
Mutual funds	March 31, 2024	1,230.88	-	-
Mutual funds	March 31, 2023	200.12	-	-

## Notes to Standalone Financial Statements

period ended March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### 35. 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) and Chinese Yuan Renminbi (CNY).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

Particulars	Assets		Liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Impact on profit/(loss) for the year				
USD	18,87,927	11,23,174	5,65,119	9,14,079
EUR	32,00,553	24,12,822	1,231	35
CNY	6,03,000	-	-	-

#### Foreign currency sensitivity analysis:

The Company is mainly exposed to USD and EURO fluctuations

The following table details the Company's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.



**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
<b>Impact on profit/(loss) for the year</b>				
USD	1.09	(1.09)	(0.17)	0.17
EUR	2.86	(2.86)	(2.14)	2.14
CNY	0.07	(0.07)	-	-

**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 ₹ 53.98 Mn and floating interest loan is ₹ 1303.40 Mn (March 31, 2023: Fixed interest loan ₹ 21.66 Mn and Floating interest loan ₹ 1400 Mn). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	As at March 31, 2024	As at March 31, 2023
	Rupee loans interest rate (increase) / decreases by 100 bps	Rupee loans interest rate (increase) / decreases by 100 bps
Increase in profit	13.0	1.4
Decrease in profit	-13.0	-1.4

**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 minimise the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

**Notes to Standalone Financial Statements**  
**period ended March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer Note 2.2)	6,065.53	5,372.52
Allowances for credit loss (Refer Note 2.2 (A))	(24.27)	(40.53)

**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, 2024 and March 31, 2023. 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
<b>As at March 31, 2024</b>				
Borrowings	385.14	331.16	641.08	-
Trade payables	7,538.86	-	-	-
Other financial liabilities	370.54	-	-	-
	<b>8,294.54</b>	<b>331.16</b>	<b>641.08</b>	<b>-</b>
<b>As at March 31, 2023</b>				
Borrowings	2,368.51	331.16	900.48	71.76
Trade payables	4,517.89	-	-	-
Other financial liabilities	273.60	-	-	-
	<b>7,160.00</b>	<b>331.16</b>	<b>900.48</b>	<b>71.76</b>

Note - The above maturity profile does not includes contractual maturities of lease liability and the same is given in Note 31(D).

**36. CAPITAL MANAGEMENT**

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	As at March 31, 2024	As at March 31, 2023
Gross debt	1,357.38	3,671.91
Less: Cash and cash equivalent *	(828.01)	(690.28)
Less: Other Bank Balances and FD kept as margin money	(176.05)	(101.01)
<b>Net debt (A)</b>	<b>353.32</b>	<b>2,880.63</b>
<b>Total equity (B)</b>	<b>18,365.52</b>	<b>14,197.89</b>
<b>Gearing ratio (A/B)</b>	<b>0.02</b>	<b>0.20</b>

\*Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

**Notes to Standalone Financial Statements****period ended March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

**37.** The Board of Directors at their meeting held on May 21, 2024 has recommended dividend of ₹ 0.60 per equity share (30% of FV 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.

**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.

**39.** The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. During the year, the Company has on receipt basis accounted for Loss of Profit of ₹ 190 Mn on account of Loss of production and consequent loss of revenue and disclosed under "Other Operating Income".

**40. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:**

- i The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary 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).
- ii The Company has not received any fund from any person(s) or entity(is), 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.** The Board of Directors at its meeting held on May 21, 2024 have approved the Scheme of Amalgamation for merger of Yellowstone Fine Chemicals Private Limited ("Transferor Company", a wholly owned subsidiary of LOIL) with the Company under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder ("Scheme"). The Appointed Date for the Scheme is April 1, 2024. The Company is in the process of filing the first motion application for approval of the Scheme with the Mumbai Bench of the National Company Law Tribunal ("NCLT"). The Scheme as aforesaid is subject to necessary approvals by shareholders and creditors of the Company and Transferor Company and NCLT Mumbai Bench and such other statutory and regulatory approvals as may be required.

**42.** Analytical Ratios as per requirements of Schedule III are given in Statement C

**43. MAINTENANCE OF BOOKS OF ACCOUNTS AND BACK-UP**

As per the MCA notification dated 05 August 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of books of account on servers physically located in India on a daily basis.

The books of account of the Company are maintained in electronic mode and these are readily accessible in India at all times. Currently, the Company is maintaining back-up of books of account on server physically located in India on daily basis.

**Audit Trail:**

The Company has been maintaining its books of account in the SAP S4 HANA which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to

**Notes to Standalone Financial Statements****period ended March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

sub rule (1) of Rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. There were no instance of audit trail feature being tampered with in respect of the accounting software.

Presently, privileged access to database of accounting softwares mentioned above continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

**44. SUBSEQUENT EVENT**

There are no subsequent event after the year end March 31, 2024 till the date of signing of this standalone financial statement.

**45. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or any other lender or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (iii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company does not have any charges pending satisfaction with ROC beyond the statutory period.

**46.** The balance sheet, statement of profit and loss, statement of cash flow, statement of changes in equity, statement of material accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2024.

**47.** The Standalone financial statement were authorised for issue in accordance with a resolution of the Board of Director's in its meeting held on May 21, 2024.

**48.** Figures of the previous period have been regrouped wherever necessary including to conform to current year's classification

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

Mumbai  
May 21, 2024

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805





## Statement A

Returns/statements submitted to the Bank and Financials Institution

(All figures are rupees in Mn unless otherwise stated)

Financial Year :2023 24

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	4,074.24	4,074.24	-
2	QTR 1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,256.37	5,256.37	-
3	QTR 1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	6,869.54	6,869.54	-
4	QTR 2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,908.49	1,908.49	-
5	QTR 2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,508.67	4,508.67	-
6	QTR 2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,120.83	4,120.83	-
7	QTR 3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,058.21	2,058.21	-
8	QTR 3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,947.32	4,947.32	-
9	QTR 3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,435.89	4,435.89	-
10	QTR 4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,421.89	2,421.89	-
11	QTR 4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,049.92	6,049.92	-
12	QTR 4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	7,156.57	7,156.57	-

## Statement B- RPT-1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

<b>A</b>	<b>Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise</b>	
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd. (Strike off w.e.f September 21, 2023)	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE (Wind up approved by HFZA w.e.f December 8, 2022)	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders (Partnership of Cellbion Lifesciences Pvt. Ltd.)	Step down partnership of subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiaries
8	Yellowstone Fine Chemicals Pvt. Ltd.	Subsidiaries
9	Yellowstone Speciality Chemicals Pvt. Ltd. (Applied for Strike off with MCA w.e.f March 20, 2023)	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	Laxmi USA LLC (Formation is done, Capital infusion is not yet done)	Subsidiaries
<b>B</b>	<b>Associates of the reporting enterprise</b>	
1	Cleanwin Energy One LLP	Associates
2	Radiance MH Sunrise Seven Private Ltd	Associates
<b>C</b>	<b>Key Management Personnel</b>	
1	Ravi Goenka (w.e.f April 3, 2023)	Executive Chairman
2	Ravi Goenka (up to April 3, 2023)	Chairman & Managing Director
3	Dr. Rajan Venkatesh ( w.e.f. April 3, 2023)	Managing Director & Chief Executive Officer
4	Satej Naber (up to April 3, 2023)	Chief Executive Officer & Executive director
5	Harshvardhan Goenka	Executive director
6	Rajeev Goenka	Non-Executive director
7	Rajiv Banavali	Independent Director
8	Omprakash Bundellu	Independent Director
9	Manish Chokhani	Independent Director
10	Sangeeta Singh	Independent Women Director
11	Rajeev Vaidya	Independent Director
12	Tanushree Bagrodia	Chief Financial Officer
13	Aniket Hirpara	Company Secretary & SVP (Legal and Secretarial)
<b>D</b>	<b>Relatives of Key Management Personnel</b>	
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Manisha Goenka	
5	Niharika Goenka	
<b>E</b>	<b>Enterprises over which any person described in (C) is able to exercise control</b>	
1	Brady Investments Pvt. Ltd.	
2	Maharashtra Aldehydes & Chemicals Ltd.	
3	Pedestal Finance & Trading Pvt. Ltd.	
4	Rajeev Goenka HUF	
5	Ravi Goenka HUF	
6	Laxmi Foundation	
7	Yellowstone Clean Energy LLP	
<b>F</b>	<b>Employee Benefit Plan</b>	
1	Laxmi Organic Industries Ltd Employees Gratuity Fund	



## 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
<b>Commission to Non-Executive Directors</b>	<b>2023-24</b>	-	-	<b>10.28</b>	-	-	<b>10.28</b>
	<b>2022-23</b>	-	-	<b>(10.30)</b>	-	-	<b>(10.30)</b>
Omprakash Bundellu	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
<b>Guarantee Commission Income</b>	<b>2023-24</b>	<b>4.17</b>	-	-	-	-	<b>4.17</b>
	<b>2022-23</b>	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt Ltd	2023-24	4.17	-	-	-	-	4.17
	2022-23	-	-	-	-	-	-
<b>Interest Income</b>	<b>2023-24</b>	<b>194.66</b>	-	-	-	-	<b>194.66</b>
	<b>2022-23</b>	<b>(146.01)</b>	-	-	-	-	<b>(146.01)</b>
Viva Lifescience Private Limited	2023-24	-	-	-	-	-	-
	2022-23	(56.92)	-	-	-	-	(56.92)
Cellbion Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(0.35)	-	-	-	-	(0.35)
Yellowstone Fine Chemicals Pvt Ltd	2023-24	194.66	-	-	-	-	194.66
	2022-23	(88.72)	-	-	-	-	(88.72)
Others less than 10%	2023-24	-	-	-	-	-	-
	2022-23	(0.01)	-	-	-	-	(0.01)
<b>Commission &amp; Other Expenses</b>	<b>2023-24</b>	<b>0.32</b>	-	-	-	<b>0.86</b>	<b>1.18</b>
	<b>2022-23</b>	<b>(0.36)</b>	-	-	-	<b>(0.82)</b>	<b>(1.18)</b>
Brady Investments Pvt. Ltd.	2023-24	-	-	-	-	0.86	0.86
	2022-23	-	-	-	-	(0.82)	(0.82)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2023-24	0.32	-	-	-	-	0.32
	2022-23	(0.36)	-	-	-	-	(0.36)
<b>Reimbursement of exp charged</b>	<b>2023-24</b>	<b>94.67</b>	-	-	-	<b>0.15</b>	<b>94.82</b>
	<b>2022-23</b>	<b>(78.06)</b>	<b>(0.02)</b>	-	-	<b>(0.21)</b>	<b>(78.29)</b>
Viva Lifescience Private Limited	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-

## Statement B- RPT-2 (Contd.)

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	2023-24	-	-	-	-	-	-
	2022-23	-	(0.02)	-	-	-	(0.02)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	0.15	0.15
	2022-23	-	-	-	-	(0.21)	(0.21)
Yellowstone Fine Chemicals Pvt Ltd	2023-24	94.67	-	-	-	-	94.67
	2022-23	(78.06)	-	-	-	-	(78.06)
<b>Reimbursement of payment made on behalf of related party</b>	<b>2023-24</b>	<b>116.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116.47</b>
	<b>2022-23</b>	<b>(369.13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(369.13)</b>
Yellowstone Fine Chemicals Pvt Ltd	2023-24	105.25	-	-	-	-	105.25
	2022-23	(365.63)	-	-	-	-	(365.63)
Viva Lifescience Private Limited	2023-24	11.23	-	-	-	-	11.23
	2022-23	(3.50)	-	-	-	-	(3.50)
<b>Sales of Held (Lease Land)</b>	<b>2023-24</b>	<b>61.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.60</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Yellowstone Fine Chemicals Pvt Ltd	2023-24	61.60	-	-	-	-	61.60
	2022-23	-	-	-	-	-	-
<b>Sales</b>	<b>2023-24</b>	<b>1,004.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.55</b>	<b>1,029.20</b>
	<b>2022-23</b>	<b>(3,082.99)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31.25)</b>	<b>(3,114.24)</b>
Laxmi Organic Industries (Europe) BV	2023-24	881.86	-	-	-	-	881.86
	2022-23	(3,005.51)	-	-	-	-	(3,005.51)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2023-24	97.98	-	-	-	-	97.98
	2022-23	(72.65)	-	-	-	-	(72.65)
Saideep Traders	2023-24	6.56	-	-	-	-	6.56
	2022-23	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt Ltd	2023-24	18.25	-	-	-	-	18.25
	2022-23	(4.83)	-	-	-	-	(4.83)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	24.55	24.55
	2022-23	-	-	-	-	(31.25)	(31.25)
<b>Purchases</b>	<b>2023-24</b>	<b>72.38</b>	<b>50.46</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>122.86</b>
	<b>2022-23</b>	<b>(515.96)</b>	<b>(26.53)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(542.50)</b>
Cleanwin Energy One LLP	2023-24	-	30.60	-	-	-	30.60
	2022-23	-	(26.53)	-	-	-	(26.53)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	0.02	0.02
	2022-23	-	-	-	-	-	-



Statement B- RPT-2 (Contd.)

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	2023-24	0.11	-	-	-	-	0.11
	2022-23	-	-	-	-	-	-
Radiance MH Sunrise Seven Private	2023-24	-	19.86	-	-	-	19.86
	2022-23	-	-	-	-	-	-
Saideep Traders	2023-24	72.38	-	-	-	-	72.38
	2022-23	(515.96)	-	-	-	-	(515.96)
<b>Sitting Fees</b>	<b>2023-24</b>	<b>-</b>	<b>-</b>	<b>3.21</b>	<b>-</b>	<b>-</b>	<b>3.21</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>(3.07)</b>	<b>-</b>	<b>-</b>	<b>(3.07)</b>
Rajeev Goenka	2023-24	-	-	0.38	-	-	0.38
	2022-23	-	-	(0.35)	-	-	(0.35)
Rajiv Banavali	2023-24	-	-	0.58	-	-	0.58
	2022-23	-	-	(0.55)	-	-	(0.55)
Omprakash Bundellu	2023-24	-	-	0.54	-	-	0.54
	2022-23	-	-	(0.49)	-	-	(0.49)
Manish Chokhani	2023-24	-	-	0.45	-	-	0.45
	2022-23	-	-	(0.45)	-	-	(0.45)
Rajeev Vaidya	2023-24	-	-	0.60	-	-	0.60
	2022-23	-	-	(0.73)	-	-	(0.73)
Sangeeta Singh	2023-24	-	-	0.67	-	-	0.67
	2022-23	-	-	(0.51)	-	-	(0.51)
<b>Directors Remuneration</b>	<b>2023-24</b>	<b>-</b>	<b>-</b>	<b>215.42</b>	<b>-</b>	<b>-</b>	<b>215.42</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>(140.67)</b>	<b>-</b>	<b>-</b>	<b>(140.67)</b>
Ravi Goenka	2023-24	-	-	99.63	-	-	99.63
	2022-23	-	-	(92.28)	-	-	(92.28)
Harshvardhan Goenka	2023-24	-	-	29.21	-	-	29.21
	2022-23	-	-	(23.00)	-	-	(23.00)
Rajan Venkatesh	2023-24	-	-	86.58	-	-	86.58
	2022-23	-	-	-	-	-	-
Satej Nabar	2023-24	-	-	-	-	-	-
	2022-23	-	-	(25.39)	-	-	(25.39)
<b>Equity Investment</b>	<b>2023-24</b>	<b>301.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.75</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Yellowstone Fine Chemicals Pvt Ltd	2023-24	301.75	-	-	-	-	301.75
	2022-23	-	-	-	-	-	-
<b>Investment in Preference Share Capital</b>	<b>2023-24</b>	<b>227.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227.50</b>
	<b>2022-23</b>	<b>(2,372.50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,372.50)</b>
Yellowstone Fine Chemicals Pvt Ltd	2023-24	227.50	-	-	-	-	227.50
	2022-23	(2,372.50)	-	-	-	-	(2,372.50)

## Statement B- RPT-2 (Contd.)

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
<b>Purchase of Fixed Assets</b>	<b>2023-24</b>	-	-	-	-	-	-
	<b>2022-23</b>	<b>(40.90)</b>	-	-	-	-	<b>(40.90)</b>
Viva Lifescience Private Limited	2023-24	-	-	-	-	-	-
	2022-23	(40.90)	-	-	-	-	(40.90)
<b>Loan / Advance Given</b>	<b>2023-24</b>	<b>711.80</b>	-	-	-	-	<b>711.80</b>
	<b>2022-23</b>	<b>(1,245.40)</b>	-	-	-	-	<b>(1,245.40)</b>
Viva Lifescience Private Limited	2023-24	-	-	-	-	-	-
	2022-23	(25.20)	-	-	-	-	(25.20)
Laxmi Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(0.20)	-	-	-	-	(0.20)
Yellowstone Fine Chemicals Pvt Ltd	2023-24	711.80	-	-	-	-	711.80
	2022-23	(1,220.00)	-	-	-	-	(1,220.00)
<b>Advance Given Against Service Agreement</b>	<b>2023-24</b>	<b>42.20</b>	-	-	-	-	<b>42.20</b>
	<b>2022-23</b>	<b>(43.50)</b>	-	-	-	-	<b>(43.50)</b>
Viva Lifescience Private Limited	2023-24	42.20	-	-	-	-	42.20
	2022-23	(43.50)	-	-	-	-	(43.50)
<b>Repayment of Loan / Advance Given</b>	<b>2023-24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2022-23</b>	<b>(2,156.84)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,156.84)</b>
Viva Lifescience Private Limited	2023-24	-	-	-	-	-	-
	2022-23	(1,194.10)	-	-	-	-	(1,194.10)
Yellowstone Fine Chemicals Pvt Ltd	2023-24	-	-	-	-	-	-
	2022-23	(942.50)	-	-	-	-	(942.50)
Cellbion Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(20.24)	-	-	-	-	(20.24)
<b>Provision for impairment of Investment &amp; Loans and advances</b>	<b>2023-24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2022-23</b>	<b>(1.34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.34)</b>
Laxmi Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(0.34)	-	-	-	-	(0.34)
Yellowstone Speciality Chemicals Pvt. Ltd	2023-24	-	-	-	-	-	-
	2022-23	(1.00)	-	-	-	-	(1.00)
<b>Dividend Paid</b>	<b>2023-24</b>	<b>88.35</b>	<b>-</b>	<b>1.20</b>	<b>4.82</b>	<b>2.35</b>	<b>96.73</b>
	<b>2022-23</b>	<b>(123.69)</b>	<b>-</b>	<b>(1.08)</b>	<b>(7.13)</b>	<b>(3.29)</b>	<b>(135.19)</b>
Ravi Goenka	2023-24	-	-	0.90	-	-	0.90
	2022-23	-	-	(0.89)	-	-	(0.89)
Rajeev Goenka	2023-24	-	-	0.05	-	-	0.05
	2022-23	-	-	(0.08)	-	-	(0.08)



Statement B- RPT-2 (Contd.)

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
Manisha Goenka	2023-24	-	-	-	4.44	-	4.44
	2022-23	-	-	-	(6.60)	-	(6.60)
Aryavrat Goenka	2023-24	-	-	-	0.38	-	0.38
	2022-23	-	-	-	(0.53)	-	(0.53)
Satej Nabar	2023-24	-	-	0.21	-	-	0.21
	2022-23	-	-	(0.07)	-	-	(0.07)
Omprakash Bundellu	2023-24	-	-	0.03	-	-	0.03
	2022-23	-	-	(0.04)	-	-	(0.04)
Ravi Goenka Trustee of Yellowstone Trust	2023-24	88.35	-	-	-	-	88.35
	2022-23	(123.69)	-	-	-	-	(123.69)
Ravi Goenka HUF	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-
Brady Investments Pvt. Ltd.	2023-24	-	-	-	-	2.35	2.35
	2022-23	-	-	-	-	(3.29)	(3.29)
<b>Balance Payable</b>	<b>2023-24</b>	<b>-</b>	<b>3.25</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>3.41</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>(0.05)</b>	<b>-</b>	<b>-</b>	<b>(0.05)</b>
Rajeev Goenka	2023-24	-	-	-	-	-	-
	2022-23	-	-	(0.02)	-	-	(0.02)
Rajiv Banavali	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-
Sangeeta Singh	2023-24	-	-	-	-	-	-
	2022-23	-	-	(0.02)	-	-	(0.02)
Radiance MH Sunrise Seven Private	2023-24	-	3.25	-	-	-	3.25
	2022-23	-	-	-	-	-	-
Brady Investments Pvt. Ltd.	2023-24	-	-	-	-	0.16	0.16
	2022-23	-	-	-	-	-	-
<b>Commission Payable to Non-Executive Directors</b>	<b>2023-24</b>	<b>-</b>	<b>-</b>	<b>10.28</b>	<b>-</b>	<b>-</b>	<b>10.28</b>
	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>(10.30)</b>	<b>-</b>	<b>-</b>	<b>(10.30)</b>
Omprakash Bundellu	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)

## Statement B- RPT-2 (Contd.)

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
Rajiv Banavali	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
<b>Balance Receivable</b>	<b>2023-24</b>	<b>3,510.18</b>	-	-	-	<b>11.00</b>	<b>3,521.18</b>
	<b>2022-23</b>	<b>(2,736.14)</b>	-	-	-	<b>(12.49)</b>	<b>(2,748.63)</b>
Viva Lifescience Private Limited	2023-24	85.73	-	-	-	-	85.73
	2022-23	(185.11)	-	-	-	-	(185.11)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2023-24	40.30	-	-	-	-	40.30
	2022-23	(51.96)	-	-	-	-	(51.96)
Laxmi Organic Industries (Europe) BV	2023-24	420.81	-	-	-	-	420.81
	2022-23	(633.39)	-	-	-	-	(633.39)
Saideep Traders	2023-24	59.09	-	-	-	-	59.09
	2022-23	(40.67)	-	-	-	-	(40.67)
Laxmi Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(0.24)	-	-	-	-	(0.24)
Yellowstone Fine Chemicals Pvt Ltd	2023-24	2,904.25	-	-	-	-	2,904.25
	2022-23	(1,817.76)	-	-	-	-	(1,817.76)
Ravi Goenka Trustee of Yellowstone Trust	2023-24	-	-	-	-	-	-
	2022-23	(7.01)	-	-	-	-	(7.01)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	8.80	8.80
	2022-23	-	-	-	-	(10.29)	(10.29)
Pedestal Finance & Trading Pvt. Ltd.	2023-24	-	-	-	-	2.20	2.20
	2022-23	-	-	-	-	(2.20)	(2.20)
<b>Provision for receivables</b>	<b>2023-24</b>	-	-	-	-	-	-
	<b>2022-23</b>	<b>(1.34)</b>	-	-	-	-	<b>(1.34)</b>
Laxmi Lifesciences Pvt. Ltd.	2023-24	-	-	-	-	-	-
	2022-23	(0.34)	-	-	-	-	(0.34)
Yellowstone Speciality Chemicals Pvt. Ltd	2023-24	-	-	-	-	-	-
	2022-23	(1.00)	-	-	-	-	(1.00)

Note:

The above transactions does not include provision provided for commission to non-executive directors, Commission to Non-executive directors and performance based incentive to Key Management Personal.



**LAXMI ORGANIC INDUSTRIES LIMITED****Statement C- Analytical Ratios**

Financial Year 2023-2024

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2023-24)	Ratio (2022-23)	% of Variation	Reason for variance
1	Current ratio	Current Asset Current Liabilities	1.68	1.52	11.00	The Current Assets for the company have increased almost 30% on the back of QIP funds raised which are currently awaiting deployment. The higher CA is driving the improvement in CR.
2	Debt-Equity ratio	Total Debts Shareholders Equity	0.07	0.26	(71.42)	The company has only rupee term loan outstanding which was drawn in FY23. As there has been repayment of the same in FY24 the long term debt has reduced. Higher import procurement has led to lower fund based borrowings thus improving short term borrowings. The QIP funds raised have increased the shareholder's equity. Both factors have led to a lower D/E ratio
3	Debt Service Coverage ratio	Earnings available for debt service* Debt Service	11.34	7.95	42.78	Improving profitability and cash profit with lower debt have led to a significantly better DSCR
4	Return on Equity ratio ( ROE)	Net Profits after taxes – Preference Dividend Average Shareholder's Equity	9.56%	9.97%	(4.14)	While the PAT has improved 16% the equity base has increased 21% post the QIP and thus the RoE is lower.
5	Inventory Turnover Ratio	Cost of goods sold Average Inventory	7.81	6.30	24.00	The volumes have increased 20% YoY thus increasing the COGS. The average inventory YoY has actually reduced driven by active inventory management.
6	Trade Receivables turnover ratio	Revenue Average Accounts Receivable	4.89	4.62	5.69	The YoY sales has increased ca. 5%, driven by higher volume while the average accounts receivable reducing ca. 2%. This has led to a small increase in the Trade receivables ratio.
7	Trade payables turnover ratio	Purchases Average Trade Payables	3.48	3.39	2.77	Increase in volume has led to higher purchases at the same time the proportion of imports has increased increasing the average payable days. Thus the trade payables ratio remains almost flat
8	Net capital turnover ratio	Revenue Average working capital	5.74	5.89	(2.58)	While the revenue has increased ca. 5%, the average working capital has also seen a similar increase and hence the ratio is almost flat
9	Net profit ratio	Net Profit after Tax Revenue	5.57%	5.01%	11.02	Improved product mix has led to better profitability (ca. 16% increase in PAT) thus leading to an improved profit %

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2023-24)	Ratio (2022-23)	% of Variation	Reason for variance
10	Return on Capital employed (ROCE)	Earning before interest and taxes Capital Employed**	11.44%	11.09%	3.16	The two large projects capitalised in Unit 2 will start generating full year profits from FY24. This along with lower commodity prices has impacted the RoCE
11	Return on Investment (ROI)	Income generated from Investments Time weighted average investments	7.75%	4.73%	63.85	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 ("the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which includes its associates, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements subsidiaries, and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We

believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and sustainability Report, Director's Report including annexures to the Director's Report and Corporate Governance Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other

## Independent Auditor's Report (Contd.)

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 Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities 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 and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are



## Independent Auditor's Report (Contd.)

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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

- We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 5,867.35 Mn as at March 31, 2024 and total revenues of ₹ 92.27 Mn, total net loss after tax of ₹ 277.87 Mn, total comprehensive net loss is ₹ 277.87 Mn and net cash inflows of ₹ 15.16 Mn for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the consolidated financial statements 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.

- The consolidated financial statements includes the unaudited financial information of four subsidiaries, whose financial information reflect total assets of ₹ 1,070.86 Mn as at March 31, 2024 and total revenues of ₹ 1,467.93 Mn, total net loss after tax of ₹ 75.91 Mn, total comprehensive net loss ₹ 75.91 Mn and net cash inflows of ₹ 148.21 Mn for the year on that date, as considered in the Consolidated Financial Statements. The consolidated financial statement also includes the Group's share of loss after tax of ₹ Nil and total comprehensive loss of ₹ Nil for the year ended on that date, as considered in the Statement, in respect of two associates whose financial information have not been audited by us. This financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information are not material to the Group.

Our report on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of the Directors.

- The consolidated financial statements of the Holding

## Independent Auditor's Report (Contd.)

Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 12, 2023.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and associate companies referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law maintained by the Group and its associate including relevant records 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, except (a) in relation to compliance with the requirements of audit trail, refer paragraph i)vi) below.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
  - g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies and associate companies incorporated in India, the remuneration paid by the Holding Company and such subsidiary companies, and associate companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 28 to the consolidated financial statements;
    - ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts;
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
  - iv) (a) The respective Managements of the Holding

**Independent Auditor's Report (Contd.)**

Company and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 40(i) to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associates to or in any other person or entity, including foreign entities.

- (b) The respective Managements of the Holding Company and its subsidiaries, and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 40(ii) to the consolidated financial statement, no funds have been received by the Holding Company or any of such subsidiaries and associates from any person or entity, including foreign entities.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The final dividend proposed in the previous year, declared and paid by the Holding Company which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 42 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi) Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary companies whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent Company, its subsidiary companies and associate companies have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except for;

In respect of Parent Company and one subsidiary, a) the audit trail feature was not enabled for changes made by certain privileged/ administrative users, and b) the audit trail feature was not enabled at the database level to log direct data changes.

In respect of one subsidiary, the accounting software used by the subsidiary for maintaining its books of account for the financial year ended March 31, 2024 have a feature of recording audit trail (edit log) facility, enabled but was not operated during the year for any of the transactions recorded in the software as reported by the respective other auditor.

In respect of four subsidiaries and two associates where the accounts are unaudited, we are unable to comment on the reporting requirement under Rule 11 (g).

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from

## Independent Auditor's Report (Contd.)

April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided

to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**

(Partner)

(Membership No. 046930)

Mumbai, May 21, 2024

UDIN: 24046930BKEZWK9646





## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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 Ind AS financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Laxmi Organic Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements, its subsidiaries, its associate companies 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, its subsidiary companies, and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 the respective 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, and its associate companies, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial

statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, and associate companies, which are companies incorporated in India, 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 internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

## Annexure "A" To The Independent Auditor's Report (Contd.)

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 CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal

financial control with reference to consolidated financial statements established by the respective companies 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to seven subsidiary companies, and two associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

### **REPORTING ON COMPARATIVES IN CASE THE PREVIOUS YEAR WAS AUDITED BY THE PREDECESSOR AUDITOR.**

The consolidated financial statements of the Holding Company for the year ended March 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 12, 2023.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Rupen K. Bhatt**  
(Partner)

(Membership No. 046930)

Mumbai, May 21, 2024

UDIN: 24046930BKEZWK9646



# Consolidated Balance Sheet

as at March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3.1	8,707.96	7,056.55
(b) Capital work-in-progress	3.3	4,441.60	4,470.62
(c) Other intangible assets	3.2	13.18	4.48
(d) Right-of-use assets	3.4	66.27	84.91
(e) Financial assets			
(i) Investment	4.1	27.62	27.62
(ii) Others	4.4	71.29	103.54
(f) Income Tax Assets (Net)	11.1	25.60	44.25
(g) Other non-current assets	5	146.34	162.57
<b>Total Non-current assets</b>		<b>13,499.85</b>	<b>11,954.54</b>
<b>(2) Current assets</b>			
(a) Inventories	6	2,833.36	2,942.14
(b) Financial assets			
(i) Investment	4.1	1,230.88	200.12
(ii) Trade receivables	4.2	5,834.36	5,702.47
(iii) Cash and cash equivalents	4.3	1,111.39	810.14
(iv) Bank balance other than (iii) above	4.3	2,059.37	498.40
(v) Others	4.4	440.78	713.58
(c) Other current assets	5	1,262.21	1,300.60
<b>Total Current assets</b>		<b>14,772.36</b>	<b>12,167.47</b>
<b>Total assets</b>		<b>28,272.21</b>	<b>24,122.01</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	551.56	530.35
(b) Other Equity	8	17,424.65	13,587.35
		17,976.21	14,117.70
(c) Non-controlling interest	8	3.71	6.14
<b>Total Equity</b>		<b>17,979.92</b>	<b>14,123.84</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	9.1	972.24	1,303.40
(ii) Lease liability	9.2	64.12	81.22
(b) Provisions	10	61.19	40.59
(c) Deferred tax liabilities	11	283.46	271.77
<b>Total Non-current liabilities</b>		<b>1,381.01</b>	<b>1,696.99</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	385.22	2,666.31
(ii) Lease liabilities	9.2	6.26	6.26
(iii) Trade payables			
- total outstanding dues of micro and small enterprise	14	93.53	99.79
- total outstanding dues of other than micro and small enterprise	14	7,527.72	4,563.56
(iv) Other financial liabilities	9.3	567.24	482.98
(b) Other current liabilities	12	94.18	352.95
(c) Provisions	10	49.77	46.72
(d) Income Tax Liabilities (Net)	15	187.36	82.61
<b>Total Current liabilities</b>		<b>8,911.28</b>	<b>8,301.19</b>
<b>Total equity and liabilities</b>		<b>28,272.21</b>	<b>24,122.01</b>

The accompanying notes form an integral part of the consolidated financial statements 1 to 51

As per our report of even date

For and on behalf of the Board of Directors  
**Laxmi Organic Industries Limited**For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018**Ravi Goenka**  
Executive Chairman  
DIN-00059267**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058**Rupen K. Bhatt**  
Partner  
Membership No : 046930**Tanushree Bagrodia**  
Chief Financial Officer**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805Place : Mumbai  
Date : May 21, 2024Place : Mumbai  
Date : May 21, 2024

## Consolidated Statement of Profit & Loss

for the Year ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>I) INCOME:</b>			
Revenue from operations (gross)	16	28,650.07	27,911.69
Other income	17	282.29	175.27
<b>Total income (I)</b>		<b>28,932.36</b>	<b>28,086.96</b>
<b>II) EXPENSES:</b>			
Cost of raw materials consumed	18	18,492.51	16,677.64
Purchase of stock in trade	19	609.16	1,648.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	145.83	226.37
Power & Fuel	21	2,287.32	2,518.13
Employee benefits expense	22	1,478.51	1,159.01
Finance cost	23	65.48	112.58
Depreciation and amortization expenses	24	1,065.92	724.12
Other expenses	25	3,079.68	3,291.75
<b>Total expenses (II)</b>		<b>27,224.42</b>	<b>26,357.83</b>
<b>III) Profit/(Loss) before share of profit/(loss) of associate and exceptional items</b>		<b>1,707.95</b>	<b>1,729.13</b>
Share of profit/(loss) of associates		-	-
<b>IV) Profit/(Loss) before exceptional items and tax</b>		<b>1,707.95</b>	<b>1,729.13</b>
<b>V) Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>		<b>1,707.95</b>	<b>1,729.13</b>
Tax expense	26	<b>502.60</b>	<b>483.01</b>
1. Current tax		490.80	378.77
2. Deferred tax liability / (asset)		11.80	104.24
<b>Profit for the period from continuing operations</b>		<b>1,205.35</b>	<b>1,246.12</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the defined benefit (net of tax)		5.07	3.85
<b>Total other comprehensive income, net of tax</b>		<b>5.07</b>	<b>3.85</b>
<b>Total comprehensive income for the year</b>		<b>1,210.42</b>	<b>1,249.97</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		1,205.35	1,245.72
Non-controlling interest		-	0.40
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		5.07	3.85
Non-controlling interest		-	-
<b>Earnings per equity share (face value of share ₹ 2/- each)</b>			
Basic (₹)	27	4.46	4.70
Diluted (₹)	27	4.43	4.67

The accompanying notes form an integral part of the standalone financial statements 1 to 51

As per our report of even date

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Place : Mumbai  
Date : May 21, 2024

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805



# Consolidated Statement of Cash Flows

for the Year ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax for the year	1,707.95	1,729.13
Adjustments for:		
Depreciation and amortisation expense	1,065.92	724.12
(Gain)/Loss on disposal of property, plant and equipment	(1.87)	(0.33)
Finance Cost	59.84	105.45
Unwinding of lease Liability	5.18	5.25
Interest on direct tax	0.46	1.87
Interest on indirect tax	2.83	-
Interest income	(142.58)	(81.61)
MTM on Mutual Funds held at FVTPL	(10.39)	(0.13)
Profit on sale of investments (mutual funds)	(32.87)	(6.96)
Provision/ (reversal) of expected credit loss	39.54	62.21
Sundry balances written back	(4.40)	(15.02)
ESOP compensation cost	168.43	114.17
Net unrealised exchange (gain) / loss	42.21	(13.23)
	<b>1,192.28</b>	<b>895.78</b>
<b>Operating profit / (loss) before changes in working capital</b>	<b>2,900.23</b>	<b>2,624.92</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	108.78	795.95
Trade receivables	(171.42)	919.56
Financial assets	276.26	76.27
Non financial assets	50.95	322.71
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	2,962.26	(2,438.17)
Financial liabilities	89.34	0.19
Non financial liabilities	(258.77)	229.65
Provisions	28.74	(39.09)
<b>Working Capital Changes</b>	<b>3,086.13</b>	<b>(132.94)</b>
<b>Cash generated from operations</b>	<b>5,986.36</b>	<b>2,491.98</b>
Net income tax (paid) / refunds (net)	(370.69)	(501.41)
<b>Net cash flow generated from operating activities (A)</b>	<b>5,615.67</b>	<b>1,990.57</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property plant and equipment	(2,476.66)	(4,758.93)
Proceeds from sale of property plant and equipment	1.87	1.45
Movement in other bank balances	(1,560.97)	988.01
Loan Repaid	-	12.07
Equity Investments / Contribution in subsidiaries	-	(15.12)
Purchase of current investments (mutual funds)	(11,880.71)	(10,049.50)
Sale of current investments (mutual funds)	10,893.22	9,896.47
Interest received on financials assets	127.87	84.42
<b>Net cash flow (used in) investing activities (B)</b>	<b>(4,895.39)</b>	<b>(3,841.12)</b>
<b>C. Cash flow from financing activities</b>		
Movement in Non-controlling interest	(2.43)	2.46
Proceeds from issue of share capital (including securities premium)	2,675.67	93.75
QIP Share issue expenses	<b>(105.37)</b>	-
Proceeds from long term borrowings	-	1,400.00
Repayment of long term borrowings	(96.60)	(99.76)
Net proceeds from short term borrowings	(2,515.65)	1,331.93
Interest paid	(211.74)	(188.92)
Lease liabilities:		
Principal	(24.94)	(24.08)
Interest	(5.18)	(5.25)

**Consolidated Statement of Cash Flows**  
for the Year ended March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Dividends paid	(132.79)	(185.57)
<b>Net cash flow (used in) investing activities (C)</b>	<b>(419.03)</b>	<b>2,324.56</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>301.25</b>	<b>474.02</b>
Cash and cash equivalents at the beginning of the year	810.14	336.12
Cash and cash equivalents at the end of the year	1,111.39	810.14
	<b>301.25</b>	<b>474.02</b>
Components of Cash and Cash Equivalents (Refer Note 4.3)		
<b>Cash on hand</b>	2.77	2.97
Balances with bank in Current Account	498.62	407.17
Fixed Deposit (Original maturity of less than 3 months)	610.00	400.00
Cash and cash equivalents at the end of the year	<b>1,111.39</b>	<b>810.14</b>

Notes:

- (i) Figure in brackets denote outflows  
(ii) Refer note no. 9.1 (F) for reconciliation of liabilities from financing activities

**Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements 1 to 51**

As per our report of even date

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

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

**Tanushree Bagrodia**  
Chief Financial Officer

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805

Place : Mumbai  
Date : May 21, 2024

Place : Mumbai  
Date : May 21, 2024



# Consolidated Statement of Changes in Equity

for the Year ended March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

## 1) Statement of changes in Equity:

### A EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024			As at March 31, 2023		
	Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance	26,51,76,208	2	530.35	26,36,62,773	2	527.33
Fresh issue of shares (Refer Note 6)	1,06,04,577	2	21.21	15,13,435	2	3.02
<b>Closing balance</b>	<b>27,57,80,785</b>	<b>2</b>	<b>551.56</b>	<b>26,51,76,208</b>	<b>2</b>	<b>530.35</b>

### B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Security Premium	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Share Option Outstanding Account	Amalgamation Adjustment Deficit Account*	Total	Non Controlling Interest
<b>Balance as at March 31, 2022</b>	<b>7,295.78</b>	<b>9.55</b>	<b>4,780.23</b>	<b>49.01</b>	<b>50.29</b>	<b>(9.01)</b>	<b>277.68</b>	<b>(118.69)</b>	<b>12,334.85</b>	<b>3.68</b>
Profit for the year	1,245.72	-	-	-	-	-	-	-	1,245.72	0.40
Dividend Paid	(185.57)	-	-	-	-	-	-	-	(185.57)	-
Issue of equity shares on exercise of employee share options	-	-	90.71	-	-	-	-	-	90.71	-
Effects of Foreign Exchange	-	-	-	-	-	(12.33)	-	-	(12.33)	-
Re-measurement of net defined benefit plans	3.85	-	-	-	-	-	-	-	3.85	-
Capital Reserve-Deconsole	-	(4.05)	-	-	-	-	-	-	(4.05)	-
Transfer on account of exercise of ESOP	-	-	139.08	-	-	-	(139.08)	-	-	-
ESOP Compensation Cost	-	-	-	-	-	-	114.17	-	114.17	-
NCI drawing/infusion of capital	-	-	-	-	-	-	-	-	-	2.05
<b>Balance as at March 31, 2023</b>	<b>8,359.79</b>	<b>5.50</b>	<b>5,010.02</b>	<b>49.01</b>	<b>50.29</b>	<b>(21.34)</b>	<b>252.77</b>	<b>(118.69)</b>	<b>13,587.35</b>	<b>6.14</b>
Profit for the year	1,205.35	-	-	-	-	-	-	-	1,205.35	-
Expenses for Issues of QIP Shares	-	-	(105.37)	-	-	-	-	-	(105.37)	-
<b>Other Comprehensive Income / (Loss)</b>										
Remeasurement of net defined benefit (Refer Note 10 b)	5.07	-	-	-	-	-	-	-	5.07	-
Issue of equity shares on exercise of employee share options	-	-	82.50	-	-	-	-	-	82.50	-
ESOP compensation cost	-	-	-	-	-	-	168.43	-	168.43	-
Effects of Foreign Exchange	-	-	-	-	-	42.21	-	-	42.21	-
On issue of New Equity Shares	-	-	2,571.95	-	-	-	-	-	2,571.95	-
NCI drawing/infusion of capital	-	-	-	-	-	-	-	-	-	(2.43)
Transfer on account of exercise of ESOP	-	-	160.72	-	-	-	(160.72)	-	-	-
Dividend Paid	(132.79)	-	-	-	-	-	-	-	(132.79)	-
<b>Balance as at March 31, 2024</b>	<b>9,437.42</b>	<b>5.50</b>	<b>7,719.84</b>	<b>49.01</b>	<b>50.29</b>	<b>20.87</b>	<b>260.48</b>	<b>(118.69)</b>	<b>17,424.65</b>	<b>3.71</b>

As per our report of even date

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**Rupen K. Bhatt**  
Partner  
Membership No : 046930

Place : Mumbai  
Date : May 21, 2024

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

Place : Mumbai  
Date : May 21, 2024

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805

# 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 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 financial year 2020-2021

The consolidated financial statements were authorised for issue in accordance vide resolution of the Board of Directors in the meeting held on May 21, 2024.

Pursuant to the scheme of merger between the Company and Acetyls Holding Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) approved by the Honourable NCLT vide its order dated August 25, 2022, the Assets and Liabilities of the amalgamating entities have been incorporated into these Financial Statements.

## 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, 2024, 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, 2024, 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 21, 2024. .

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 Rupees ('INR') and all values are rounded to the nearest Mn, 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 unrealised 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 recognised under foreign currency translation reserve.





## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

The consolidated financial statements comprises of the financial statements of the Company and its subsidiaries as at March 31, 2024. 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, 2024.

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 recognised at cost, and the carrying amount is increased or decreased to recognise 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 recognised 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 (up to December 08, 2022)	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.	Subsidiary	100%	India
9.	Saideep Traders	Stepdown Subsidiary	95%	India

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
10.	Laxmi Italy SRL(Through Yellowstone Fine Chemicals Private Limited)	Step down Subsidiary	100%	Italy
11.	Laxmi U.S.A. LLC (August 31, 2021)*	Subsidiary	100%	India
12.	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate	26%	India
13.	Radiances Sunrise Seven Private Limited (w.e.f February 09, 2022)	Associate	26%	India

- Laxmi USA LLC was incorporated during previous 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 recognised 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



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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 the Companies (Indian Accounting Standards) Rules as issued and amended from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

### • Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### • Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### • Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are " monetary amounts in financial statements that are

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

subject to measurement uncertainty" Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this 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 derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised 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 recognised 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.



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

- 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 recognised 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 amortised 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

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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 capitalisation 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 recognised 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



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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 recognised 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 recognised 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 recognised 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 recognised 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 recognises 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 recognised for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates. Long term provisions are fair valued to the net present value and the same are increased each year by providing for the finance portion at the effective interest rate "EIR" of the respective company.

#### B. Contingent liabilities

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

#### C. Contingent assets

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 recognises 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

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 recognised 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 amortised 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 amortised cost

Where assets are measured at fair value, gains and losses are either





## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

recognised entirely in the statement of profit and loss (i.e., fair value through profit or loss), or recognised in other comprehensive income (i.e., fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised 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 realise 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 amortised 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 recognising 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 recognised 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 derecognised (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

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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 amortised 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 recognises 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 recognising 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 recognised 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.



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised 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 amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation 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 recognised 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 recognised less cumulative amortisation.

### v. Derecognition

A financial liability is derecognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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. i. 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 recognised. 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 recognised 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 recognised 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



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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 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 recognised 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 recognises 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 recognises 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 recognised 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 recognised in the statement of profit and loss in the period of plan amendment.

The Company recognises 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 recognised 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 recognises 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.



## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

Termination benefits are recognised 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 recognised directly in equity is recognised 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised 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.

## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

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 recognised as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.





## Statement of Significant Accounting Policies and other Related Notes to the Consolidated Financial Statements (Contd.)

### 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 March 31, 2024

(All figures are rupees in Mn unless otherwise stated)

### 3.1 PROPERTY, PLANT AND EQUIPMENT

Class of Assets	Freehold Land	Factory building	Non factory building	Plant and Equipment	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Windmill	Land Under Lease	Tangible Total
<b>As at April 01, 2022</b>	-	<b>736.46</b>	<b>246.93</b>	<b>4,590.70</b>	<b>60.39</b>	<b>24.58</b>	<b>36.71</b>	<b>79.67</b>	<b>22.31</b>	<b>239.85</b>	<b>6,037.61</b>
Additions	1,058.13	765.08	-	2,219.00	12.53	1.28	2.12	-	-	15.89	<b>4,074.03</b>
Disclosed under other financial assets (Refer Note-1.5)	-	(16.53)	-	(128.23)	(0.23)	(0.01)	(0.17)	-	-	-	<b>(145.17)</b>
Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	(1.43)	<b>(1.43)</b>
Exchange Fluctuation	-	-	-	-	-	-	(0.17)	-	-	-	<b>(0.17)</b>
<b>As at March 31, 2023</b>	<b>1,058.13</b>	<b>1,485.01</b>	<b>246.93</b>	<b>6,681.48</b>	<b>72.69</b>	<b>25.85</b>	<b>38.48</b>	<b>79.67</b>	<b>22.31</b>	<b>254.31</b>	<b>9,964.87</b>
Additions	-	738.27	13.87	1,779.53	12.28	43.23	5.15	39.74	-	125.38	<b>2,757.44</b>
Disclosed under other financial assets (Refer Note-1.5)	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-	-	-	15.55	-	61.60	<b>77.15</b>
Exchange Fluctuation	-	-	-	-	-	-	0.64	-	-	-	<b>0.64</b>
<b>As at March 31, 2024</b>	<b>1,058.13</b>	<b>2,223.28</b>	<b>260.80</b>	<b>8,461.01</b>	<b>84.97</b>	<b>69.08</b>	<b>44.27</b>	<b>103.86</b>	<b>22.31</b>	<b>318.09</b>	<b>12,645.80</b>
<b>Depreciation</b>											
Depreciation April 01, 2022	-	<b>221.69</b>	<b>77.49</b>	<b>1,889.98</b>	<b>40.07</b>	<b>18.45</b>	<b>26.54</b>	<b>29.96</b>	<b>12.06</b>	<b>5.52</b>	<b>2,321.76</b>
Charge for the Year	-	85.01	9.84	561.94	4.92	2.39	5.24	15.40	1.31	2.62	<b>688.66</b>
Disclosed under other financial assets (Refer Note-1.5)	-	9.58	-	91.72	0.20	0.01	0.15	-	-	0.31	<b>101.97</b>
Disposals/ Adjustments	-	-	-	-	-	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	-	(0.14)	-	-	-	<b>(0.14)</b>
<b>As at March 31, 2023</b>	<b>-</b>	<b>297.11</b>	<b>87.33</b>	<b>2,360.20</b>	<b>44.78</b>	<b>20.83</b>	<b>31.50</b>	<b>45.36</b>	<b>13.36</b>	<b>7.83</b>	<b>2,908.32</b>
Charge for the Year	-	161.71	9.52	827.44	7.78	15.83	4.46	15.02	1.14	3.70	<b>1,046.58</b>
Disclosed under other financial assets (Refer Note-1.5)	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	4.40	-	-	-	13.35	-	-	<b>17.75</b>
Exchange Fluctuation	-	-	-	0.14	-	-	0.54	-	-	-	<b>0.68</b>
<b>As at March 31, 2024</b>	<b>-</b>	<b>458.82</b>	<b>96.85</b>	<b>3,183.38</b>	<b>52.56</b>	<b>36.66</b>	<b>36.50</b>	<b>47.03</b>	<b>14.50</b>	<b>11.53</b>	<b>3,937.84</b>
<b>NET BLOCK</b>											
<b>As at March 31, 2023</b>	<b>1,058.13</b>	<b>1,187.89</b>	<b>159.61</b>	<b>4,321.28</b>	<b>27.91</b>	<b>5.02</b>	<b>6.98</b>	<b>34.31</b>	<b>8.95</b>	<b>246.48</b>	<b>7,056.55</b>
<b>As at March 31, 2024</b>	<b>1,058.13</b>	<b>1,764.46</b>	<b>163.95</b>	<b>5,277.63</b>	<b>32.41</b>	<b>32.42</b>	<b>7.77</b>	<b>56.82</b>	<b>7.81</b>	<b>306.56</b>	<b>8,707.96</b>



Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

### 3.2 OTHER INTANGIBLE ASSET

Class of Assets	Intangibles - Softwares	Total
<b>Cost</b>		
As at April 01, 2022	25.63	25.63
Additions	0.49	0.49
Transfer to other Receivables	0.07	0.07
Disposals/adjustments	-	-
<b>As at March 31, 2023</b>	<b>26.04</b>	<b>26.04</b>
Additions	11.48	11.48
Transfer to other Receivables	-	-
Disposals/adjustments	-	-
<b>As at March 31, 2024</b>	<b>37.53</b>	<b>37.53</b>
<b>Depreciation</b>		
As at April 01, 2022	17.98	17.98
Charge for the year	3.65	3.65
Transfer to other Receivables	0.07	0.07
Disposals/adjustments	-	-
<b>As at March 31, 2023</b>	<b>21.56</b>	<b>21.56</b>
Charge for the year	2.79	2.79
Transfer to other Receivables	-	-
Disposals/adjustments	-	-
<b>As at March 31, 2024</b>	<b>24.35</b>	<b>24.35</b>
<b>NET BLOCK</b>		
<b>As at March 31, 2023</b>	<b>4.48</b>	<b>4.48</b>
<b>As at March 31, 2024</b>	<b>13.18</b>	<b>13.18</b>

### 3.3 CAPITAL WORK-IN-PROGRESS

Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance
<b>March 31, 2024</b>	4,470.62	2,702.48	2,731.50	4,441.60
March 31, 2023	3,737.76	4,982.07	4,249.21	4,470.62

#### CWIP Ageing Schedule

##### As at March 31, 2024

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	2,188.08	-	2,188.08
1-2 years	2,248.99	-	2,248.99
2-3 years	2.81	-	2.81
More than 3 years	1.71	-	1.71
<b>Total</b>	<b>4,441.60</b>	<b>-</b>	<b>4,441.60</b>

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**As at March 31, 2023**

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	3,538.00	-	3,538.00
1-2 years	783.66	-	783.66
2-3 years	148.95	-	148.95
More than 3 years	-	-	-
<b>Total</b>	<b>4,470.62</b>	<b>-</b>	<b>4,470.62</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, 2024**

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-23-01	73.98	-	-	-	73.98
LOIL-23-02	68.74	-	-	-	68.74
LOIL-23-03	43.87	-	-	-	43.87
LOIL-23-04	42.62	-	-	-	42.62
LOIL-23-05	41.25	-	-	-	41.25
LOIL-23-06	39.84	-	-	-	39.84
LOIL-23-07	21.98	-	-	-	21.98
LOIL-23-08	21.15	-	-	-	21.15
Others( Individually less than 5%)	144.60	0.38	-	-	144.98
YFCPL Project 01	3,218.77	-	-	-	3,218.77
<b>Total</b>	<b>3,716.80</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>3,717.19</b>

**As at March 31, 2023**

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL2-22-01	67.55	-	-	-	67.55
LOIL2-22-02	66.21	-	-	-	66.21
LOIL2-22-03	62.56	-	-	-	62.56
LOIL2-22-05	37.82	-	-	-	37.82
LOIL2-22-06	35.06	-	-	-	35.06
LOIL2-22-07	34.51	-	-	-	34.51
LOIL2-22-08	33.70	-	-	-	33.70
LOIL2-22-09	30.38	-	-	-	30.38
Others( Individually less than 5%)	224.19	2.14	-	-	226.32
YFCPL Project 01	3,732.11	-	-	-	3,732.11
<b>Total</b>	<b>4,324.09</b>	<b>2.14</b>	<b>-</b>	<b>-</b>	<b>4,326.22</b>



**Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)**  
(All figures are rupees in Mn unless otherwise stated)

**3.4 RIGHT-OF-USE ASSET**

Class of Assets	Right of Use		Total
	Building	Land(+)	
<b>Cost</b>			
As at April 01, 2022	63.40	86.83	150.23
Additions	55.34	-	55.34
Disposals/adjustments	-	16.53	16.53
<b>As at March 31, 2023</b>	<b>118.74</b>	<b>70.30</b>	<b>189.04</b>
Additions	8.07	-	8.07
Disposals/adjustments	-	-	-
<b>As at March 31, 2024</b>	<b>126.81</b>	<b>70.30</b>	<b>197.11</b>
<b>Depreciation</b>			
As at April 01, 2022	55.11	32.61	87.72
Charge for the year	18.20	14.74	32.94
Disposals/adjustments	-	16.53	16.53
<b>As at March 31, 2023</b>	<b>73.31</b>	<b>30.83</b>	<b>104.14</b>
Charge for the year	19.70	7.00	26.70
Disposals/adjustments	-	-	-
<b>As at March 31, 2024</b>	<b>93.01</b>	<b>37.83</b>	<b>130.84</b>
<b>NET BLOCK</b>			
<b>As at March 31, 2023</b>	<b>45.43</b>	<b>39.48</b>	<b>84.91</b>
<b>As at March 31, 2024</b>	<b>33.80</b>	<b>32.47</b>	<b>66.27</b>

**3.5** 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 BOT agreement has expired as on date and hence the company has transferred the depreciated value of the assets relating to Distillery plant as receivable and have disclosed the same under other financial assets as per the terms of the agreement.

However the Company is negotiating with the concerned party for the lease renewal. During the current year company has provided 100% against the same (Refer Note 4.4).

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

Particulars	As at March 31, 2024	As at March 31, 2023
Factory building	6.94	6.94
Plant and equipment	36.51	36.51
Furniture & fixture	0.03	0.03
Computers	0.02	0.02
Less: Disclosed under other financial assets	(43.50)	(43.50)
<b>Total</b>	<b>-</b>	<b>-</b>

**3.6 Details of additions made during the year w.r.t research and development**

Particulars	As at March 31, 2024	As at March 31, 2023
Factory building	0.06	3.56
Plant and equipment	1.28	1.72
Computers	-	0.25
Furniture and fixtures	-	0.27
CWIP	35.35	-
<b>Total</b>	<b>36.70</b>	<b>5.80</b>

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

#### 4.1 INVESTMENT

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
<b>Investments in Equity Instruments- Associates</b>				
Cleanwin Energy One LLP (26% Holding)* (Equity Method)	12.50	12.50	-	-
Radiances MH Sunrise Seven Private Limited of ₹ 10 each (15,12,000 shares (March 31, 2023: 15,12,000))	15.12	15.12	-	-
<b>Investments in mutual funds (Quoted)</b>				
<i>Investments at fair value through P&amp;L (fully Paid)</i>				
SBI Mutual Funds	-	-	1,230.88	200.12
<b>Total</b>	<b>27.62</b>	<b>27.62</b>	<b>1,230.88</b>	<b>200.12</b>

#### \*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.

#### The Company has made the following investments:

##### i) Radiances Sunrise Seven Private Limited

The Company has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Company has executed a Share Subscription and Shareholder's Agreement dated February 09, 2022 to acquire 26% stake in Radiances MH Sunrise Seven Private Limited for supply of 4.2 MW electricity generated through Solar Power Plant ("Solar Plant") at a concessional rate with a minimum entitlement of 51% of power generated from the Solar Plant. To this effect the Company has subscribed 15,12,000 equity shares of ₹ 10 each of Radiances MH Sunrise Seven Private Limited on June 30, 2022.

##### (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 of the loans given, investments made, guarantees given and security provided by the Group:

Name of Party	Purpose of Loan	As At March 31, 2024	As At March 31, 2023
Radiances MH Sunrise Seven Private Limited	Investment	-	15.12

##### b) Market value disclosure of Investments:

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Aggregate value of quoted investments</b>		
Book Value	1,230.88	200.12
Market Value	1,230.88	200.12
<b>Aggregate value of unquoted investments</b>	27.62	27.62
<b>Aggregate amount of impairment in value of investment</b>	-	-



Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

#### 4.2 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
<i>(Unsecured considered good, at amortised cost)</i>				
Trade Receivables – Considered Good	-	-	5,834.36	5,702.47
Trade Receivables – Considered Doubtful	-	-	24.27	40.53
Less: Allowance for Expected Credit Loss	-	-	(24.27)	(40.53)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,834.36</b>	<b>5,702.47</b>

#### (A) Expected credit loss:

##### Allowance for Expected Credit Loss

In accordance with Ind AS 109, the Group uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. 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.

#### (B) Movement in allowance for credit loss

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the beginning of the period	40.53	86.99
Addition during the year	8.90	21.49
Reversal during the year	25.16	67.95
<b>Provision at the end of the period</b>	<b>24.27</b>	<b>40.53</b>

#### (C) Trade Receivable Ageing Schedule (Ageing from due date of payment)

##### (i) As at March 31, 2024

Range of O/s period	Undisputed		Total
	Considered Good	Considered Doubtful	
Unbilled	-	-	-
Not Due	4,679.43	-	4,679.43
less than 6 months	1,143.30	7.43	1,150.73
6 months - 1 year	7.27	-	7.27
1-2 year	1.80	0.95	2.75
2-3 year	2.56	-	2.56
> 3 years	-	15.89	15.89
<b>Total</b>	<b>5,834.36</b>	<b>24.27</b>	<b>5,858.63</b>
<b>Less: Allowance for Expected Credit Loss</b>			<b>(24.27)</b>
<b>Total</b>			<b>5,834.36</b>

Note - There are no disputed trade receivables as at March 31, 2024

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

(ii) As at March 31, 2023

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	3,803.59	-	3,803.59
less than 6 months	1,825.30	39.66	1,864.97
6 months - 1 year	6.60	0.21	6.81
1-2 year	41.19	0.02	41.21
2-3 year	14.31	0.45	14.76
> 3 years	11.47	0.19	11.66
<b>Total</b>	<b>5,702.46</b>	<b>40.53</b>	<b>5,742.99</b>
<b>Less: Allowance for Expected Credit Loss</b>			<b>(40.53)</b>
<b>Total</b>			<b>5,702.47</b>

Note - There are no disputed trade receivables as at March 31, 2023

D) 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, 2024	As At March 31, 2023
Maharashtra Aldehydes & Chemicals Ltd.	8.75	10.29
	<b>8.75</b>	<b>10.29</b>

4.3 CASH AND BANK BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
<b>A Cash and cash equivalents</b>				
i) Balances with banks	-	-	498.62	407.17
ii) Cash on hand	-	-	2.77	2.97
iii) Fixed deposit (original maturity within 3 months)	-	-	610.00	400.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,111.39</b>	<b>810.14</b>
<b>B Other bank balances</b>				
i) Fixed deposit (from IPO proceeds)	-	-	377.41	377.41
ii) Fixed deposit (from QIP proceeds)	-	-	1,488.76	-
iii) Fixed deposit (other)	-	-	-	80.00
iv) Unspent CSR Bank Account	-	-	13.24	8.27
v) Fixed deposit against margin money*	-	-	179.96	32.72
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,059.37</b>	<b>498.40</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,170.76</b>	<b>1,308.55</b>

\*The Fixed Deposit against margin money are kept for non-fund based facility.





## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### 4.4 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
<b>(Unsecured considered good unless otherwise stated)</b>				
Advance to staff	0.79	0.26	1.33	6.14
Interest accrued receivable				
From banks	-	-	22.39	7.78
From others	-	-	0.15	0.05
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	8.60	0.15	-	-
Insurance claim receivable (Refer note (b) below)	-	-	200.54	469.25
Other receivables (Refer note (a) below)	-	-	6.81	50.33
Discount and Incentives Receivable from Vendors			163.38	178.65
Security deposit	61.43	102.46	46.19	1.38
Guarantee rental obligation	0.46	0.67	-	-
<b>Total</b>	<b>71.29</b>	<b>103.54</b>	<b>440.78</b>	<b>713.58</b>

(a) Other receivable Includes ₹ 43.50 Mn receivable as detailed in note no 3.5 relating to Jarandeshwar BOT project. During the year 100% provision made.

#### (b) Insurance claim receivable

The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. Loss assessment and insurance survey for the stock part of the claim have been completed and ₹ 189.42 Mn has been received against the stock claim. Further claim with respect to Plant & Machinery and Stock (Unit II) is underway as on the Balance Sheet date.

### 5. OTHER ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
i) Capital advance	82.16	85.83	-	-
ii) Prepaid expenses	13.39	14.31	40.77	39.87
iii) Balance with government authorities	50.62	62.44	1,080.78	1,024.93
iv) Advances to supplier				
- Considered good	-	-	118.09	164.45
- Considered doubtful	-	-	71.59	125.63
			189.69	290.08
Less : Impairment of doubtful advances	-	-	(71.59)	(125.63)
			<b>118.09</b>	<b>164.45</b>
v) Export incentive receivable	-	-	1.19	1.59
vi) Export licenses on hand	-	-	-	3.43
vii) Other receivables	0.17	-	21.37	66.32
<b>Total</b>	<b>146.34</b>	<b>162.57</b>	<b>1,262.21</b>	<b>1,300.60</b>

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**6. INVENTORIES** (at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
A) Raw material	1,540.41	1,572.18
b) Work-in-progress	57.18	37.83
c) Finished goods	628.71	674.47
d) Consumable stores and spares	210.56	150.75
e) Fuels and consumables	36.82	36.57
f) Packing material	17.82	16.57
g) Traded material	341.85	453.77
<b>Total</b>	<b>2,833.36</b>	<b>2,942.14</b>

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

Particulars	As at March 31, 2024	As at March 31, 2023
i) Amount of inventories recognised as an expense	21,334.60	20,839.17
ii) Amount of write - down of inventories recognised as an expense	4.35	5.29
	<b>21,338.95</b>	<b>20,844.46</b>

**7. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Authorised shares:</b>		
38,00,00,000 equity shares of face value of ₹ 2/- each (March 31, 2022: 38,00,00,000 equity share of face value of ₹ 2/- each)	760.00	760.00
<b>Total</b>	<b>760.00</b>	<b>760.00</b>
<b>ii) Issued, subscribed and paid-up shares :</b>		
27,57,80,785 equity shares of face value of ₹ 2/- each (March 31, 2023: 26,51,76,208 equity shares of face value of ₹ 2/- each)	551.56	530.35
<b>Total Issued, subscribed and paid-up share capital</b>	<b>551.56</b>	<b>530.35</b>

**A Reconciliation of the equity shares outstanding at the beginning and at the end of the period**

Particulars	As at March 31, 2024		As a March 31, 2023	
	Number	Amount	Number	Amount
Opening balance (Face Value of ₹ 2/- each)	26,51,76,208	530.35	26,36,62,773	527.33
Fresh issue (Face Value of ₹ 2/- each)	1,06,04,577	21.21	15,13,435	3.02
<b>Closing balance (Face Value of ₹ 2/- each)</b>	<b>27,57,80,785</b>	<b>551.56</b>	<b>26,51,76,208</b>	<b>530.35</b>

**B Initial Public Offer**

In 2020-21, the Company had 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 Mn.

The Offer comprised of a fresh issue of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 Mn and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 Mn 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 Mn ("Pre-IPO Placement").

**Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 Mn and is reduced by the Company's share of IPO related expenses of ₹ 156.99 Mn resulted into net receipt of securities premium of ₹ 4,765.85 Mn.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

**(i) Utilisation of IPO proceeds ( gross of IPO expenses) as per the Prospectus are as follows As at March 31, 2024**

Particulars	Planned as per Prospectus	Spent upto 2022-23	Utilisation in 2023-24	Balance up to March 31, 2024 (*#)
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	1,729.25	-	-
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	-	-
v) General corporate purposes (net of issue expenses)*	745.02	745.02	-	-
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) Offer related expenses in relation to the Fresh Issue	156.22	156.22	-	-
viii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>5,000.00</b>	<b>4,622.59</b>	<b>-</b>	<b>377.41</b>

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

Further the actual utilisation towards repayment of loan was lower by ₹ 63.94 Mn 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 purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to ₹ 744.76 Mn. During the current year, there is a increase in the available funds for general corporate purpose of ₹ 0.26 Mn resulting in total of ₹ 745.02 Mn which is fully utilised in current year.

**(ii) Utilisation of IPO proceeds ( net of IPO expenses) as per the Prospectus are as follows As at March 31, 2023**

Particulars	Planned as per Prospectus	Spent upto 2021-22	Utilisation in 2022-23	Balance up to March 31, 2023 (*#)
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	1,729.25	-	-
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)*	745.02	744.76	0.26	-
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) Offer related expenses in relation to the Fresh Issue	156.22	-	156.22	-
viii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>5,000.00</b>	<b>-</b>	<b>-</b>	<b>377.41</b>

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

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

Further the actual utilisation towards repayment of loan was lower by ₹ 63.94 Mn 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 purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 Mn to ₹ 744.76 Mn.

(\*#) Balance of IPO proceeds as at March 31, 2024 and as at March 31, 2023 which are kept in fixed deposit and bank balance are shown under Other bank balances.

### C Qualified Institutional Placement

In October 10, 2023, the Company had completed the Qualified Institutional Placement offer ("QIP") of 96,25,579 equity shares of face value of ₹ 2/- each at a price of ₹ 269.20/- per share (including a premium of ₹ 267.20/- per share) aggregating to ₹ 2,591.21 Mn.

Total securities premium received from QIP placement is ₹ 2,571.95 Mn and is reduced by the Company's share of QIP related expenses of ₹ 105.37 Mn resulted into net receipt of securities premium of ₹ 2,466.46 Mn.

### (i) Utilisation of QIP proceeds ( gross of QIP expenses) as per the Placement Document are as follows as at March 31, 2024

Particulars	Planned as per Placement Document	Actual bifercation**	Utilisation in 2023-24	Balance up to March 31, 2024
i) Funding the capital expenditure requirements for setting up of the new innovation centre at plot bearing number A-309 located at Mahape, MIDC ("Mahape")	360.01	360.01	66.14	293.87
ii) Funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at village Jolve and Vadadla, Bharuch, Gujarat ("Dahej")	1,619.66	1,619.66	9.51	1,610.15
iii) General Corporate Purposes	500.97	506.05	506.05	-
iv) Offer related expenses in relation to the Fresh Issue	110.57	105.49	105.49	-
<b>Total</b>	<b>2,591.21</b>	<b>2,591.21</b>	<b>687.19</b>	<b>1,904.02</b>

\*\*There has been a saving of ₹ 5.08 Mn in the original estimate of QIP issue expenses which has resulted in the increase in total available fund (net off expenses) from ₹ 2,480.64 Mn to ₹ 2,485.72 Mn. This amount is utilised for general corporate purposes, which has resulted in increase from ₹ 500.97 Mn. to ₹ 506.05 Mn.

### D Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### E Details of shareholders holding more than 5% shares in the Group

Particulars	As at March 31, 2024		As At March 31, 2022	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	17,67,04,984	64.07%	17,67,04,984	66.64%



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### E Shareholding of Promoters

#### (i) Shares held by promoters at March 31, 2024

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2023-24
1	Ravi Goenka	18,09,179	0.66%	-
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	64.07%	-
3	Manisha Ravi Goenka	88,82,646	3.22%	-
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Brady Investments Private Ltd	47,00,000	1.70%	-
<b>Total</b>		<b>19,22,62,806</b>	<b>69.72%</b>	
<b>Total No of Shares issued and Subscribed</b>		<b>27,57,80,785</b>	<b>100.00%</b>	

#### (ii) Shares held by promoters at March 31, 2023

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2022-23
1	Ravi Goenka	18,09,179	0.68%	0.20
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	66.64%	-
3	Manisha Ravi Goenka	88,82,646	3.35%	-
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Brady Investments Private Ltd	47,00,000	1.77%	-
<b>Total</b>		<b>19,22,62,806</b>	<b>72.50%</b>	
<b>Total No of Shares issued and Subscribed</b>		<b>26,51,76,208</b>	<b>100.00%</b>	

**F** 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.

**G** 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.

**H** 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 Mn. 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 Mn by debiting the balance in General Reserve.

**I** Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

**J** Shares reserved for issue under stock option plan to employees are detailed in note no 33.

**K** Merger of Acetyls Holding Private Limited(AHPL) and Yellowstone Chemicals Private Limited(YCPL) with Laxmi Organic Industries Limited(LOIL).

Pursuant to the Scheme of Merger ('the Scheme') of Acetyls Holding Private Limited, Yellowstone Chemicals Private Limited and Laxmi Organic Industries Limited under the provisions of Sections 230 to 232 of the Companies Act, 2013 which has been approved by the National Company Law Tribunal vide their order delivered on August 25, 2022, which

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

has been filed with the Registrar of Companies on September 30, 2022, to make the Scheme effective. All the assets and liabilities, both movable and immovable, all other interest, rights and power of every kind, and all its debts, liabilities, including contingent liabilities, duties and obligations have been transferred to and vested in the LOIL with effect from the Appointed Date, October 02, 2021. Accordingly, the Scheme has been given effect to in these accounts. Since the Business Combination is of entities under common control in accordance with the Appendix C of INDAS 103, the financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date of business combination i.e. October 01, 2021. Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 01, 2021 as required by Appendix C of Ind AS 103 "Business Combination".

- L Shares reserved for issue under stock option plan to employees are detailed in note no 32.

Issue Of Shares/Consideration: Since AHPL and YCPL are the wholly owned subsidiaries of the Company, there was no exchange/issue of shares by the Company to AHPL and YCPL.

### Salient Features of the Scheme of Merger by Absorption

#### (i) Brief of Acetyls Holding Private Limited(AHPL)

Acetyls Holding Private Limited('the Company') has been incorporated on May 23, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides administrative (services) to its group company. The Company commenced business operations on May 23, 2019. The Company's Board of Directors has provided in principal approval to the merger of the Company with LOIL, at its board meeting on November 02, 2021. Subsequently, at a board meeting held on November 02, 2021, the Board of Directors approved the scheme of merger and swap ratio, identifying the effective date for merger as October 2, 2021. National Company Law Tribunal (NCLT) order approving the scheme of merger has been pronounced on August 25, 2022 and issued on August 25, 2022.

#### (ii) Brief of Yellowstone Chemicals Private Limited

Yellowstone Chemicals Private Limited('the Company') has been incorporated on June 12, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides engaged in the business of manufacturing of Ethyl Acetate, Acetaldehyde and supply of organic & Specialty Chemicals (services) to its group company. The Company commenced business operations on June 12, 2019. The Company's Board of Directors has provided in principal approval to the merger of the Company with LOIL, at its board meeting on November 02, 2021. Subsequently, at a board meeting held on November 02, 2021, the Board of Directors approved the scheme of merger and swap ratio, identifying the effective date for merger as October 02, 2021. National Company Law Tribunal (NCLT) order approving the scheme of merger has been pronounced on August 25, 2022 and issued on August 25, 2022.

#### (iii) Appointed date

The appointed date for the purpose of this amalgamation is October 02, 2021.

#### (iv) Accounting Treatment

In accordance with the scheme approved, the accounting for this amalgamation has been done in accordance with the "Pooling of Interest Method" referred to in Appendix C - Business combinations of entities under common control of Indian Accounting Standard 103- "Business Combination" of the Companies (Indian Accounting Standards) Rules, 2015.

LOIL has accounted for the Scheme in its books of account with effect from October 2,2021 as explained in para 5(K) above.

- 1 With effect from October 2, 2021 all assets and liabilities appearing in the books of accounts of AHPL and YCPL have been transferred to and vested in LOIL and have been recorded by LOIL at their respective carrying values.
- 2 The difference between the carrying values of net identifiable assets and liabilities of AHPL, YCPL transferred to LOIL pursuant to this scheme and the value of value of investments in the books of LOIL of AHPL and YCPL) has been disclosed as Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103.
- 3 All inter company transactions have been eliminated on incorporation of the accounts of AHPL and YCPL in LOIL.



**Disclosure in accordance with Appendix C of INDAS 103- Business combinations of entities under common control:**

<p>* Names and general nature of business of the combining entities</p>	<p><b>A. Acetyls Holding Private Limited ('the Company')</b> has been incorporated on May 23, 2019 under the Companies Act, 2013 (the Act). The Company primarily provides administrative (services) to other entities.</p> <p><b>B. Yellowstone Chemicals Private Limited:</b> ('the Company') has been incorporated on June 12, 2019 under the Companies Act, 2013 (the Act). The Company primarily engaged in the business of manufacturing of Ethyl Acetate, Acetaldehyde and supply of organic &amp; Specialty Chemicals (services).</p> <p><b>C. Laxmi Organic Industries Limited</b> ('the Company') has been incorporated on May 15, 1989 under the Companies Act, 2013 (the Act). The Company primarily engaged in the business of manufacturing of organic and Specialty Chemicals (services).</p>
<p>* The date on which the transferor obtains control of the transferee</p>	<p><b>October 2, 2021</b></p>
<p>* Description and number of shares issued, together with the percentage of each entity's equity shares exchanged to effect the business combination</p>	<p>None</p>
<p>The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.</p>	<p><b>Assets Recognised</b></p> <p>PPE including CWIP - ₹ 249.90 Mn  Inventory - ₹ 470.80 Mn  Trade Receivable - ₹ 409.33 Mn  Other Current Assets - ₹ 373.11 Mn  Deferred tax asset (net) - ₹ 2.07 Mn  Non-Current Assets - ₹ 7.66 Mn  <b>Total - ₹ 1,512.87 Mn</b></p> <p><b>Liabilities Recognised</b></p> <p>Trade Payables - ₹ 1,036.75 Mn  Loans - ₹ 96.55 Mn  <b>Other liabilities - ₹ 98.16 Mn</b>  <b>Total - ₹ 1,231.46 Mn</b></p> <p>Consideration Paid- ₹ 400.10 Mn  Amalgamation Adjustment Deficit Account - ₹ (118.69) Mn</p>
<p>* The amount of any difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof</p>	<p>The difference between the carrying values of net identifiable assets and liabilities of AHPL and YCPL transferred to LOIL pursuant to this scheme and the the value of consideration paid ,amounting to ₹ 118.69 Mn has been disclosed as Negative Capital Reserve / Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103</p>

**8. OTHER EQUITY**

Particulars	As at March 31, 2024	As at March 31, 2023
i) Retained Earnings	9,437.42	8,359.79
ii) General Reserve	49.01	49.01
iii) Security Premium	7,719.82	5,010.02
iv) Capital Reserve	5.50	5.50
v) Foreign Currency Translation Reserve	20.87	(21.34)
vi) Capital Redemption Reserve (refer note 7(H) above)	50.29	50.29
vii) Share Option Outstanding Account (Refer Note no. 33)	260.48	252.77
viii) Amalgamation Adjustment Deficit Account pursuant to business combination (Refer Note 7(K) above)	(118.69)	(118.69)
<b>Total</b>	<b>17,424.65</b>	<b>13,587.35</b>

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### Description of nature and purpose of each reserve :

#### General Reserve:

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

#### Securities Premium:

This represents premium received on allotment of equity shares.

#### Capital Reserve:

It represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transactions in earlier years.

#### Capital Redemption Reserve:

This reserve was created for issue of bonus shares. The bonus shares were issued in FY 2019-20.

#### Share Option Outstanding Account:

This represents the fair value of the stock options granted by the Company under the 2020 Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

### 9. FINANCIAL LIABILITIES (AT AMORTISED COST)

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>9.1 Long term borrowings</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
<b>(a) Term loans :</b>				
Rupee term loan from bank	972.24	1,303.40	331.16	96.60
Foreign currency loan from bank	-	-	-	18.42
<b>(b) Government grant</b>				
	-	-	-	3.24
	<b>972.24</b>	<b>1,303.40</b>	<b>331.16</b>	<b>118.26</b>
Less: Current Maturities disclosed under short term borrowings	-	-	(331.16)	(118.26)
<b>Total</b>	<b>972.24</b>	<b>1,303.40</b>	<b>-</b>	<b>-</b>
<b>The break-up of above:</b>				
Secured	972.24	1,303.40	-	-
Unsecured	-	-	-	-
	<b>972.24</b>	<b>1,303.40</b>	<b>-</b>	<b>-</b>

#### Notes:

#### A) Term loan includes :

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

Tenure of loan: max 60 months with moratorium of 6 months.

Repayment: First 4 quarterly instalment of 3.22%, next 13 quarterly instalments of 6.22% and final instalment of 6.26% of loan amount.

Interest : Linked with HDFC Bank 1 year MCLR + 0 bps

Tenure of loan: max 60 months (Previous year - loan under moratorium)

##### ii) Rupee term loans from NBFC (AXIS Finance Ltd):

Tenure of loan: max 72 months with moratorium of 18 months.

Repayment: 18 equal installments.

Interest: Linked with Axi Bank 1 year MCLR + 0 bps

Tenure of loan: max 72 months (Previous year – loan under moratorium)

#### 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.





## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

- 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) External Commercial Borrowing (Term Loan)

- 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 all present and future current assets of borrower.

### D) Government grant:

There are multiple interest free sales tax loans which are repayable in five installments from their due date . The Company has fully repaid ₹ 3.24 Mn as at March 31, 2024 (outstanding March 31, 2023: ₹ 3.24 Mn). 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, 2024	As at March 31, 2023
Installment payable within one year	-	-
Installment payable between 1 to 2 years	331.16	331.16
Installment payable between 2 to 5 years	641.08	900.48
Installment payable beyond 5 years	-	71.76
<b>Total</b>	<b>972.24</b>	<b>1,303.40</b>

### F) 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
<b>Balance as at March 31, 2022</b>	21.66	1,311.51	<b>1,333.17</b>
Changes from financing cash flows	1,400.00	(99.76)	<b>1,300.24</b>
Effects of changes in foreign exchange rates	-	4.37	<b>4.37</b>
Proceeds from bill discounting & Cash credit	-	1,331.93	<b>1,331.93</b>
Other changes (transfer within categories)	(118.26)	118.26	-
<b>Balance as at March 31, 2023</b>	<b>1,303.40</b>	<b>2,666.31</b>	<b>3,969.71</b>
Changes from financing cash flows	-	(96.60)	<b>(96.60)</b>
Proceeds from short term borrowings	-	(2,515.65)	<b>(2,515.65)</b>
Other changes (transfer within categories)	(331.16)	331.16	-
<b>Balance as at March 31, 2024</b>	<b>972.24</b>	<b>385.21</b>	<b>1,357.45</b>

### G) Registration of charges or satisfaction with Registrar of Companies

In current year, all the charges as per the sanction are duly registered with Registrar of Companies as at March 31, 2024

In 2022-23, all the charges as per the sanction are duly registered with Registrar of Companies as at March 31, 2023 in favour of the lenders for facilities availed by the Company except for charges related to term debt availed during the year from HDFC and AXIS Bank for ₹ 2,750 Mn (Actual drawdown loan amount is ₹ 1,400 Mn) for which mortgage is pending to be created as at balance sheet date.

### H) Disclosure of repayments

During the current year, there are no defaults in repayment of principal and interest to the lenders.

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

I) The term loans taken during the year have been utilised for the purposes for which they were taken.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>9.2 Lease liability</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
Lease liability	64.12	81.22	6.26	6.26
<b>Total</b>	<b>64.12</b>	<b>81.22</b>	<b>6.26</b>	<b>6.26</b>

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>9.3 Other financial liabilities (at amortised cost)</b>	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
Payable for capital goods	-	-	309.71	308.01
Interest accrued on financial liabilities	-	-	15.73	20.81
Deposit received	-	-	11.77	9.83
Staff salary and other payable	-	-	221.51	111.66
Other liabilities	-	-	5.36	24.48
Amount payable on hedging transactions	-	-	3.16	8.18
<b>Total</b>	<b>-</b>	<b>-</b>	<b>567.24</b>	<b>482.98</b>

## 10. PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	<b>Non-current</b>	<b>Non-current</b>	<b>Current</b>	<b>Current</b>
I) Provision for employee benefits :				
Leave encashment	61.19	40.59	25.06	24.67
Gratuity	-	-	6.73	4.33
II) Provision for sales return	-	-	17.88	16.86
III) Provision others	-	-	0.11	0.87
<b>Total</b>	<b>61.19</b>	<b>40.59</b>	<b>49.77</b>	<b>46.72</b>

### (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
<b>March 31, 2024</b>	16.86	3.14	2.12	17.88
March 31, 2023	26.74	18.41	28.30	16.86

### (b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits

#### (i) Defined contribution plans:

The Company's State governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the service.

#### (ii) Defined benefit plans:

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 Mn (March 31, 2023 : ₹ 2.00 Mn ) The company's gratuity liability is entirely funded and leave encashment is non-funded.:



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

Disclosure of changes in net defined benefit obligation of gratuity herein is made only of the Holding company and Indian subsidiaries covered by Payment of Gratuity Act.

### 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, 2024	As at March 31, 2023
<b>(a) Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the year	98.66	85.16
Current service cost	15.02	13.29
Interest cost	7.17	5.68
Actuarial (gain) /loss - Other comprehensive income	(1.78)	(7.25)
Transfer in/(Out)	-	1.78
<b>Defined benefit obligation at the year end</b>	<b>119.06</b>	<b>98.66</b>
<b>(b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	94.33	45.17
Investment income	6.85	3.00
Employer contribution	18.00	47.61
Benefits paid	(6.85)	(1.45)
<b>Fair value of plan assets at the year end</b>	<b>112.33</b>	<b>94.33</b>
<b>(c) Reconciliation of fair value of assets and obligations</b>		
Present value of defined benefit obligation	119.06	98.66
Fair value of plan assets	112.33	94.33
<b>Net asset / (liability)</b>	<b>(6.73)</b>	<b>(4.33)</b>
<b>(d) Expenses recognised during the year (Under the head "Employees benefit expenses")</b>		
In Income Statement	15.02	13.28
In Other Comprehensive Income	5.07	2.69
<b>Total expenses recognised during the period</b>	<b>20.09</b>	<b>15.97</b>
<b>(e) Actuarial (gain)/loss- Other comprehensive income</b>	<b>5.07</b>	<b>3.85</b>
<b>(f) Net liabilities recognised in the balance sheet</b>		
Long term provisions	-	-
Short term provisions	6.73	4.33
	<b>6.73</b>	<b>4.33</b>

### ii) Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.15%	7.25%
Salary growth rate (per annum)	11%	11%
Attrition rate	15.94%	20.00%
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.

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### iii) Sensitivity analysis

#### A quantitative sensitivity analysis for significant assumption

Particulars	Discount rate	Salary growth rate	Attrition rate	Mortality rate
<b>Changes in assumption</b>				
March 31, 2024 (%)	1%	1%	50%	10%
March 31, 2023 (%)	1%	1%	50%	10%
<b>Increase in assumption</b>				
<b>March 31, 2024</b>	<b>113.43</b>	<b>124.00</b>	<b>112.88</b>	<b>119.05</b>
March 31, 2023	94.72	102.16	93.78	98.65
<b>Decrease in assumption</b>				
<b>March 31, 2024</b>	<b>125.27</b>	<b>114.38</b>	<b>130.51</b>	<b>119.08</b>
March 31, 2023	102.93	95.29	107.90	98.67

#### Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability .

(ii) Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 Mn).

(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, 2024	As at March 31, 2023
<b>a) Deferred tax liability on account of :</b>		
i) Property plant & equipment	420.64	385.36
iii) Right-of-use assets (Net)	-	2.90
iv) Share Issue Expenses	7.36	-



**Notes to Consolidated Financial Statements**  
**as at March 31, 2024 (Contd.)**  
 (All figures are rupees in Mn unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
v) Tax Disallowance	0.85	-
	<b>428.85</b>	<b>388.26</b>
<b>b) Deferred tax asset on account of :</b>		
i) Provision for doubtful advances and debts	33.49	58.14
ii) Tax Disallowance	-	0.38
iii) Right-of-use assets (Net)	0.07	-
iv) Provision for Employees Benefits	31.78	21.48
v) On unrealised profit on Intra group transactions	6.49	25.92
vi) Unabsorbed losses on Subsidiaries	73.56	10.15
	<b>145.39</b>	<b>116.07</b>
<b>Total deferred tax liability (net)</b>	<b>283.46</b>	<b>271.77</b>

### 11.1 Income Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Payment of Income Tax (net)	25.60	44.25
<b>Income Tax Assets (Net)</b>	<b>25.60</b>	<b>44.25</b>

### 12. OTHER LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Non-current	Non-current	Current	Current
i) Duties and taxes payable	-	-	78.20	46.97
ii) Advance from customers	-	-	15.75	233.72
iii) Other liabilities	-	-	0.22	62.19
iv) Liability towards CSR Obligation	-	-	-	10.07
<b>Total</b>	<b>-</b>	<b>-</b>	<b>94.18</b>	<b>352.95</b>

### 13. SHORT TERM BORROWINGS (AT AMORTISED COST)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>From Banks:</b>		
Cash Credit	54.06	2,054.59
Commercial Papers	-	486.96
From Others	-	6.50
<b>Current Maturities of long term borrowings:</b>		
Rupee term loan from bank	331.16	96.60
Foreign Currency Loan	-	18.42
Government grant	-	3.24
<b>Total</b>	<b>385.22</b>	<b>2,666.31</b>
Secured	385.22	2,169.61
Unsecured	-	496.70

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### a) 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.

Quarterly returns or Statements of current assets filed by the Group with banks or financial institutions for the year 2023-2024 are in agreement with the books of accounts, which is detailed in Statement A.

### b) Utilisation of Borrowings taken from Bank and Financial Institution

The Company have used the borrowings for the purpose it was availed for.

### c) Foreign Currency Term Loan

The loan was structured with 15 equal quarterly installments in foreign currency, starting from October 2019. Interest payable at 3 months US\$ Libor plus 175 basis points per annum. The Company converted this External Commercial Borrowing (ECB) into an Indian Rupee (₹) loan under a Currency Swap (CCY SWAP) on April 02, 2019, at a fixed interest rate of 7.90% per annum. The final installment was repaid on April 19, 2024.

### d) Commercial Papers

During the year, the Company has issued its second tranche of Commercial Papers ("CPs") of ₹ 500 Mn on October 06, 2023. The same has been repaid on January 04, 2024. (Tranche-1 issued in previous year : ₹ 500 Mn repaid on August 04, 2023).

Terms of Commercial Papers :	Tranche -2	Tranche -1
Issue Value	₹ 500 Mn	₹ 500 Mn
Date of Allotment	February 07, 2023	October 06, 2023
Date of Maturity	August 04, 2023	January 04, 2024
Coupon/Discount Rate	7.85% per annum	7.35% per annum
Schedule of Interest Payment	Upfront	Upfront
Schedule of payment of principal amount	Payment on maturity i.e., on August 04, 2023	Payment on maturity i.e., on January 04, 2024
Charge/security	Unsecured	Unsecured
Issued in Favour of	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
Credit Rating	IND A1+	IND A1+

## 14. TRADE PAYABLES (AT AMORTISED COST)

Particulars	As at March 31, 2024	As at March 31, 2023
i) Dues of micro and small enterprise	93.53	99.79
ii) Other than micro and small enterprise	7,527.72	4,563.56
<b>Total</b>	<b>7,621.25</b>	<b>4,663.35</b>

### 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 Group. This is relied upon by the auditors.

Particulars	As at March 31, 2024	As at March 31, 2023
Material and Service Vendor	93.53	69.55
Capital Vendor	98.20	19.76
<b>Principal amount due</b>	<b>191.73</b>	<b>89.31</b>

### Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) ("MSMED Act, 2006"):

Particulars	As at March 31, 2024	As at March 31, 2023
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
Principal	191.73	89.31
Interest	0.20	0.71
ii) the amount of interest paid by the buyer in terms of section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	3.50	-



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	3.64	6.05
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	12.57	12.23
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

### b) Trade Payable Ageing Schedule

(Ageing from due date of payment)

#### (i) As at March 31, 2024

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	15.24	-	1,508.77	-
Not Due	63.02	-	5,631.94	-
Less than 1 year	14.76	-	337.03	-
1-2 years	0.51	-	28.67	-
2-3 year	-	-	3.22	-
> 3 years	-	-	18.08	-
<b>Total</b>	<b>93.53</b>	<b>-</b>	<b>7,527.72</b>	<b>-</b>

#### (ii) As at March 31, 2023

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	49.27	-	1,240.83	-
Not Due	42.71	-	2,999.50	-
Less than 1 year	7.81	-	294.49	-
1-2 years	0.00	-	20.49	-
2-3 year	-	-	2.91	-
> 3 years	-	-	5.33	-
<b>Total</b>	<b>99.79</b>	<b>-</b>	<b>4,563.56</b>	<b>-</b>

### 15. INCOME TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Tax (net of taxes paid)	187.36	82.61
<b>Total</b>	<b>187.36</b>	<b>82.61</b>

### 16. REVENUE FROM OPERATIONS

Particulars	2023-24	2022-23
<b>i) Sales/ Rendering :</b>		
- Products	28,220.69	27,745.08
- Services	140.06	127.87
	<b>28,360.75</b>	<b>27,872.95</b>
<b>ii) Other operating revenue:</b>		
Export incentives	58.08	33.38
Insurance claim (Refer Note 43)	231.24	5.35
	<b>289.32</b>	<b>38.74</b>
<b>Total</b>	<b>28,650.07</b>	<b>27,911.69</b>

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

Disclosure in accordance with IND AS - 115 "Revenue recognition disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

1 Revenue disaggregation based on :

Particulars	April - March 2024	April - March 2023
<b>(a) Category of good and Services</b>		
Chemicals	28,220.69	27,744.87
Jobwork and other services	140.06	127.87
Others	289.32	38.74
<b>Total</b>	<b>28,650.07</b>	<b>27,911.69</b>
<b>(b) Geographical region</b>		
India	19,763.75	15,043.21
International	8,886.32	12,868.48
<b>Total</b>	<b>28,650.07</b>	<b>27,911.69</b>
<b>(c) Timing of Revenue Recognition</b>		
At a point in time	28,650.07	27,911.69
<b>Total</b>	<b>28,650.07</b>	<b>27,911.69</b>

2 Reconcilaton of Gross Revenue with the Revenue from Contracts with Customers:

Particulars	April - March 2024	April - March 2023
Gross Reveunue	28,779.70	27,911.69
Less: Discounts	129.63	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>28,650.07</b>	<b>27,911.69</b>

3 Movement in contract balances

Particulars	Opening	Billed for the Financial Year	Additional receipt outstanding as at year end	Closing
<b>Contract Liabilities (Advance from customer)</b>				
<b>March 31, 2024</b>	233.72	248.26	14.54	15.75
March 31, 2023	63.09	124.28	61.19	233.72

17. OTHER INCOME

Particulars	2023-24	2022-23
Interest income on financial asset		
From bank on deposits	104.10	57.61
Others	38.48	24.00
Sundry balances written back	4.40	15.02
Reversal of provision write back	42.32	-
Miscellaneous income	15.87	8.15
Sale of scrap	31.99	54.74
Reversal of Provison of impairment	-	8.32
Realised Gain on Sale of Mutual Funds	32.87	6.96
MTM on Financial Asset held as FVTPL	10.39	0.13
Profit on sale of Property, plant and equipment (net)	1.87	0.33
<b>Total</b>	<b>282.29</b>	<b>175.27</b>

18. COST OF RAW MATERIALS CONSUMED

Particulars	2023-24	2022-23
Opening stock of raw material	1,572.18	2,034.87
Add: Purchases	18,460.74	16,214.95
	20,032.92	18,249.82
Less : closing stock of raw material	(1,540.41)	(1,572.18)
<b>Total</b>	<b>18,492.51</b>	<b>16,677.64</b>





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**19. PURCHASE OF STOCK-IN-TRADE**

Particulars	2023-24	2022-23
i) Chemicals and other purchases	609.16	1,648.23
<b>Total</b>	<b>609.16</b>	<b>1,648.23</b>

**20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

Particulars	2023-24	2022-23
Inventory of Work-in-progress at the beginning of the year	37.83	21.30
Less: Inventory of Work-in-progress at the end of the year	(57.18)	(37.83)
	<b>(19.35)</b>	<b>(16.53)</b>
Inventory of Finished goods at the beginning of the year	674.47	987.80
Less: Inventory of Finished goods at the end of the year	(628.71)	(674.47)
	<b>45.75</b>	<b>313.33</b>
Inventory of traded goods at the beginning of the year	453.77	375.53
Add: Foreign currency translation adjustments	7.51	7.81
Less: Inventory of traded goods at the end of the year	(341.85)	(453.77)
	<b>119.43</b>	<b>(70.43)</b>
<b>Total</b>	<b>145.83</b>	<b>226.37</b>

**21. POWER & FUELS**

Particulars	2023-24	2022-23
Power & Fuels	2,287.32	2,518.13
<b>Total</b>	<b>2,287.32</b>	<b>2,518.13</b>

**22. EMPLOYEE BENEFIT EXPENSES**

Particulars	2023-24	2022-23
i) Salaries, wages and bonus	950.11	795.77
ii) Director's remuneration (Refer Note 30)	215.42	135.70
iii) Contribution to employees gratuity, leave encashment and other funds	107.80	77.39
iv) ESOP compensation cost (Net)	168.43	114.17
v) Staff welfare expenses	36.75	35.98
<b>Total</b>	<b>1,478.51</b>	<b>1,159.01</b>

**23. FINANCE COST:**

Particulars	2023-24	2022-23
i) Interest on financial liabilities at amortised cost	52.28	94.69
ii) Unwinding of lease liability	5.18	5.25
iii) Interest on direct taxes	0.46	1.87
iv) Interest on indirect taxes	2.83	8.44
v) Other borrowing costs	4.73	2.32
<b>Total</b>	<b>65.48</b>	<b>112.58</b>

**24. DEPRECIATION & AMORTISATION**

Particulars	2023-24	2022-23
i) Depreciation	1,046.58	688.66
ii) Less: Transfer to Capital work in progress	(10.16)	(1.14)
iii) Amortisation of right-of-use assets	26.70	32.94
iv) Amortisation on other intangible assets	2.79	3.65
<b>Total</b>	<b>1,065.92</b>	<b>724.12</b>

**Notes to Consolidated Financial Statements  
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**25. OTHER EXPENSES**

<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Consumption of consumables stores and spares	194.13	192.74
Consumption of packing materials	349.61	270.15
Water charges	64.37	53.81
Labour charges	130.99	128.50
Inward freight charges	46.99	52.20
Outward export freight charges	482.01	909.56
Clearing and forwarding expenses	11.38	28.76
Repairs and maintenance		
Buildings	22.67	43.06
Machineries	118.71	104.26
Others	25.22	28.77
Transportation charges	489.26	503.20
Commission on sales	33.00	79.95
Advertisement	1.19	2.02
Director's sitting fees	3.21	3.07
Books and periodicals	0.10	0.07
Business promotion expenses	19.19	19.54
Commission to non-executive director	10.28	10.30
Computer maintenance	28.41	25.45
Conveyance expenses	3.70	3.80
Donation	1.37	1.86
CSR expenditure (Refer Note 31)	43.59	36.50
General expenses	18.43	38.65
Inspection charges	2.77	3.57
Insurance charges	131.99	151.11
Membership & subscription	40.46	17.22
Postage & telegram	2.61	1.93
Professional & legal expenses	389.52	179.71
Printing & stationery	5.17	4.85
Rent	15.66	12.18
Rates & taxes	20.64	46.82
Security service charges	44.43	28.03
Travelling expenses	59.28	59.56
Telephone expenses	5.63	5.55
Vehicle expenses	32.31	41.68
Auditors' remuneration (Refer Note (a) below)	6.65	4.47
Component auditors fees	8.63	3.46
Bank charges	27.98	36.09
Expected credit loss	39.54	62.21
Foreign Exchange loss	38.52	69.98
Insurance Provision written off*	71.83	-
Miscellaneous expenses	19.81	22.36
GST paid/Sales tax paid	18.47	4.74
<b>Total</b>	<b>3,079.68</b>	<b>3,291.75</b>

\*Charged off due to unrecoverable insurance on Property, plant and equipments and Stock.



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

Particulars	April - March 2024	April - March 2023
<b>(a) Auditors' remuneration comprises (net of tax)</b>		
<b>As Auditor</b>		
Audit fees	3.22	3.07
Tax Audit	0.55	0.55
Limited Review	2.65	0.75
<b>In other capacity</b>		
Certification matters	0.13	0.09
Reimbursement of Expenses	-	-
<b>Total</b>	<b>6.65</b>	<b>4.47</b>

**(b) Details of research and development expenditure**

Particulars	2023-24	2022-23
<b>A Revenue expenses</b>		
Employee benefits expense	86.04	66.56
Legal & professional fees	16.69	8.30
Utility expenses	4.80	4.55
Travelling expenses	3.43	4.56
Contract labour and Security service charge	5.91	5.79
Subscription fees	5.30	3.07
Information Technology fees	1.11	0.23
Training Exps	0.11	0.06
Repairs & maintenance	23.52	22.73
Depreciation	13.09	16.06
Other expenses*	5.12	5.68
<b>B Capital Expenses</b>		
Capital expenditure (Refer Note 3.6)	36.70	5.79
<b>Total</b>	<b>201.82</b>	<b>143.37</b>

\* Other Expenses includes Rent, Testing Fees, Printing & Stationary, Postage & Courier Charges, Rates & Taxes, Telephone and General Expenses.

**26. TAX EXPENSE**

Particulars	2023-24	2022-23
<b>a) Income tax expense in the statement of profit and loss consists of:</b>		
Current Tax	490.80	378.77
Deferred tax	11.80	104.24
<b>Income tax recognised in statement of profit or loss</b>	<b>502.60</b>	<b>483.01</b>

**b) The reconciliation between the provision of income tax of the Group and amounts computed by applying the income tax rate to profit before taxes is as follows:**

Particulars	2023-24	2022-23
<b>A Current Tax</b>		
Profit before tax	1,707.95	1,729.13
Taxable Profit for Indian Entities	2,127.28	1,769.89
Taxable Profit for Foreign Entities	9.08	13.29
Non - Taxable Profit for Indian Entities	(361.22)	(54.04)
Non- Taxable Profit for Foreign Entities	(67.19)	13.29
Enacted tax rates in India (%)	25.15% to 34.94%	25.15% to 34.94%
Enacted tax rates for foreign subsidiary (%)	25%	25%
Computed expected tax expenses	747.00	650.40
Effect of non- deductible expenses	364.28	311.28

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Particulars		2023-24	2022-23
Effects of deductible Expenses		(331.77)	(373.40)
Tax incentives		(288.70)	(209.50)
		<b>490.80</b>	<b>378.77</b>
<b>Income tax expenses - Net</b>	<b>A</b>	<b>490.80</b>	<b>378.77</b>
<b>Tax liability as per Minimum alternate tax on book profits</b>			
Minimum alternate tax rate		17.47%	17.47%
Taxable Profit Eligible for MAT		1,707.95	1,729.13
Computed tax liability on book profits		298.38	302.11
Effect of non deductible expense		-	11.17
Others		-	-
<b>Minimum alternate tax on book profits</b>	<b>B</b>	<b>298.38</b>	<b>313.28</b>
<b>Higher of A or B</b>		<b>490.80</b>	<b>378.77</b>

**B Deferred tax**

**Deferred tax assets/(liabilities) in relation to:-**

Particulars	Opening	Recognised directly in Equity	Recognised in profit and loss Asset/ (liability)	Closing
Property plant & equipment	(243.22)	-	(141.72)	(384.94)
Right-of-use assets (net)	(2.18)	-	(0.72)	(2.90)
Unrealised profit on Intra group transactions	20.75	-	5.17	25.92
Item recognised in OCI	(0.11)	-	0.11	-
Unabsorbed losses	1.13	-	9.02	10.15
Provision for doubtful advances and debts	37.51	-	21.01	58.52
Provision for Employees Benefits	18.59	-	2.51	21.10
Tax disallowances	-	-	0.38	0.38
<b>As at March 31, 2023</b>	<b>(167.53)</b>	<b>-</b>	<b>(104.24)</b>	<b>(271.77)</b>
Property plant & equipment	(384.94)	-	(35.70)	(420.64)
Share Issue Expenses	-	(7.36)	-	(7.36)
Right-of-use assets (net)	(2.90)	-	2.97	0.07
Unrealised profit on Intra group transactions	25.92	-	(19.43)	6.49
Unabsorbed losses on Subsidiaries	10.15	-	63.40	73.56
Provision for doubtful advances and debts	58.52	-	(25.02)	33.49
Provision for Employees Benefits	21.10	-	10.68	31.78
Tax disallowances	0.38	-	(1.23)	(0.85)
<b>As at March 31, 2024</b>	<b>(271.77)</b>	<b>(7.36)</b>	<b>(4.33)</b>	<b>(283.46)</b>

**27. 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 2024	April - March 2023
Net Profit / (Loss) as per Statement of Profit and Loss	1,205.35	1,245.72
Outstanding equity shares at period end (face value of ₹ 2/-)	27,57,80,785	26,51,76,208
Weighted average Number of Shares outstanding during the period – Basic	27,01,86,276	26,49,83,009
Add: Options granted to Employees	19,85,854	19,54,496
Weighted average Number of Shares outstanding during the period - Diluted	27,21,72,130	26,69,37,505



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(All figures are rupees in Mn unless otherwise stated)

Particulars	April - March 2024	April - March 2023
Earnings per Share - Basic (₹)	4.46	4.70
Earnings per Share - Diluted (₹)	4.43	4.67

### Reconciliation of weighted number of outstanding during the period:

Particulars	2023-24	2022-23
Nominal value of equity shares (₹ per share)	2.00	2.00
<b>For Basic EPS :</b>		
Total number of equity shares outstanding at the beginning of the period	26,51,76,208	26,36,62,773
Add : Issue of equity shares	1,06,04,577	15,13,435
<b>Total number of equity shares outstanding at the end of the period</b>	<b>27,57,80,785</b>	<b>26,51,76,208</b>
<b>For Basic EPS :</b>		
Weighted average number of equity shares at the end of the period	27,01,86,276	26,49,83,009
<b>For Dilutive EPS :</b>		
Weighted average number of equity shares at the end of the period	27,21,72,130	26,69,37,505

### 28. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(i) Contingent liabilities</b>		
<b>(a) Liabilities Disputed - Appeals filed with respect to :</b>		
<b>(i) Disputed indirect taxes matters</b>	170.18	219.98
- (Net of Amount paid under protest of ₹ 10.88 Mn (PY: ₹ 6.49 Mn))		
<b>(ii) Disputed Direct Taxes Matters</b>	73.78	383.02
- on account of disallowances / additions and default of TDS"		
<b>(iii) Other Dispute</b>	-	4.53
- with MSEDCL (PY: ₹ 2.30 Mn)		
<b>(b) Guarantees:</b>		
(i) Given on behalf of wholly owned subsidiaries to their Lenders	500.00	-
(ii) Furnished by banks on behalf of the Group	237.30	239.16
<b>(ii) Commitments (Net of advances):</b>		
<b>(a) Capital Commitments-</b>	461.75	5,728.50
- Estimated amount of contracts remaining to be executed on capital account		
<b>(b) Export obligation</b>	0.04	100.32
- under Advance License Scheme on duty free import of specific raw materials remaining outstanding		
<b>(iii) Letters of Credit</b>	6,314.55	1,521.39

#### (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 Mn 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.

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(All figures are rupees in Mn unless otherwise stated)

**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.

The geographic information of the group’s revenue by the Company country of domicile and other countries is tabulated hereunder:

Geographical region	2023 - 24		2022 - 23	
	Amount (₹ In Mn)	% of Total Segment Revenue	Amount (₹ In Mn)	% of Total Segment Revenue
India	19,763.75	69%	15,043.21	54%
International	8,886.32	31%	12,868.48	46%
<b>Total</b>	<b>28,650.07</b>	<b>100%</b>	<b>27,911.69</b>	<b>100%</b>

**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	2023-24		2022-23	
1 Gross amount required to be spent by the Company during the year.		43.39		36.50
2 Amount approved by the Board to be spent during the year		43.39		36.50
- Ongoing		-		9.40
- Other than ongoing		43.39		17.03
3 Amount spent during the year on:				
(a) - Construction/acquisition of any asset		-		-
(b) - On purposes other than (a) above		43.59		26.43
Total		43.59		26.43
Excess Spent of previous year		-		-
4 (Excess)/Shortfall at the end of the year,		(0.20)		10.07
5 Total of previous years shortfall/(Excess),				
6 Reason for shortfall- Nil				
7 Nature of CSR activities-	2023-24		2022-23	
<b>Particulars</b>	<b>Ongoing</b>	<b>Non Ongoing</b>	<b>Ongoing</b>	<b>Non Ongoing</b>
a Education Support	-	6.74	1.97	8.36
b Welfare Measure	-	0.15	-	-
c Animal Measure	-	0.02	-	-
d Community Development	-	2.40	4.09	1.97
e Disaster Management	-	-	-	1.58
f Environmental Sustainability	-	10.53	-	0.52
g Health Care Support	-	0.50	2.50	0.43
h Promoting Sports	-	0.17	-	0.34
i Safe Drinking Water	-	1.09	0.84	0.08
j Skill Development (NAPS)	-	21.98	-	3.75
<b>Total</b>	<b>-</b>	<b>43.59</b>	<b>9.40</b>	<b>17.03</b>



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

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- 8 There are no CSR transaction with Related party.
- 9 There are no amount unspent against other than ongoing project as per section 135 (5)
- 10 Unspent amount as per section 135(6) is paid since the balance sheet date:  
 FY : 2022-23 : ₹ 10.07 Mn : Deposited in unspent CSR Bank account on April 27, 2023.  
 FY : 2021-22 : ₹ 2.31 Mn : Deposited in unspent CSR Bank account on April 29, 2022  
 FY : 2021-22 : ₹ 10.77 Mn : Deposited in unspent CSR Bank account on March 31, 2022

### 32. IND AS 116 "LEASES"

#### (a) Movement in right of use assets - Refer Note 3.4

#### (b) Movement in lease liabilities :

Particulars	2023-24	2022-23
Balance at the beginning	87.49	58.12
Addition	7.84	53.45
Finance cost incurred during the year	5.18	5.25
Payment of lease liability	(30.12)	(29.33)
<b>Closing balance</b>	<b>70.38</b>	<b>87.49</b>

- (c) 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.

#### (d) Undiscounted contractual maturities of lease liability:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	30.54	29.67
One to two years	28.66	28.75
Two to five years	20.48	36.12
More than five years	-	5.45
<b>Total</b>	<b>79.68</b>	<b>99.99</b>

#### (e) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liability	6.26	6.26
Non-current lease liability	64.12	81.22
<b>Closing balance</b>	<b>70.38</b>	<b>87.48</b>

### 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.

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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. The 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.

During the year, additional 14,06,250 Equity shares were granted under Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020").

### i) Summary of options granted under plan:

Particulars	Option Plan				
	ESOP-3	ESOP-2	ESOP-1	RSU	Thank You Grant
Number of options granted	14,06,250	2,76,855	42,45,540	11,43,266	3,01,664
Grant date	April 03, 2023	May 04, 2022	January 27, 2021		
Exercise price	100	100	2	2	2
Fair value on the date of grant of option (₹ per option)	373.35	433.65	73.12	121.48	121.48
Methods of valuation	Black-Scholes				
Method of settlement	Equity				
Method of accounting	Fair value				
Vesting period	April 02, 2024: 20%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 20%; March 31, 2028: 20%;	May 05, 2023: 15%; March 31, 2024: 15%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 20%; March 31, 2027: 30%;	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				

During the year, 9,78,998 (PY:15,13,435) options were exercised.

### ii) Reconciliation of options granted under plan:

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding at the beginning of the year	33,37,255	50,56,446
Granted during the year	14,06,250	2,76,855
Exercised during the year	9,78,998	15,13,435
Number of options vested during the Period	11,48,504	-
Lapses/Forfeited during the year	5,65,049	4,82,611
Outstanding at the end of the year	31,99,458	33,37,255
Options exercisable at the end of the year	15,99,409	14,29,903





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as at March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

**iii) Share options outstanding at the end of period have following expiry date and exercise prices.**

Nature of options	Exercise Price	Share options March 31, 2024	Share options March 31, 2023
ESOP-3	100	14,06,250	-
ESOP-2	100	2,76,855	2,76,855
ESOP-1	100	11,64,242	24,51,775
RSU	2	3,52,111	6,08,625
Thank You Grant	2	-	-
<b>Total</b>		<b>31,99,458</b>	<b>33,37,255</b>

**iv) Fair value of options at the grant date is as under**

Type of Option	Fair value (in ₹)
ESOP-3	373.35
ESOP-2	433.65
ESOP-1	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-3	ESOP-2	ESOP-1	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%	0.30%	0.30%
Years to expiration	6	6	7	7	7
Risk free rates	6.96%	6.96%	6.12%	6.12%	6.12%
Expected volatility	46.22%	46.22%	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 annualised 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 instant 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	2023-24	2022-23
ESOP compensation cost (Net)	168.43	114.17
<b>Total Expenses</b>	<b>168.43</b>	<b>114.17</b>

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**34. FINANCIAL INSTRUMENTS**

i) The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Carrying value		Fair value	
<b>a) Financial assets</b>				
<b>Amortised cost</b>				
Others	512.07	817.13	512.07	817.13
Trade receivables	5,834.36	5,702.47	5,834.36	5,702.47
Cash and cash equivalents	1,111.39	810.14	1,111.39	810.14
Other bank balances	2,059.37	498.40	2,059.37	498.40
Fair Value through Profit & Loss				
Investments	1,230.88	200.12	1,230.88	200.12
<b>Total financial assets</b>	<b>9,517.19</b>	<b>7,828.15</b>	<b>9,517.19</b>	<b>7,828.15</b>
<b>b) Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	1,357.46	3,969.71	1,357.46	3,969.71
Trade payables	7,621.25	4,663.35	7,621.25	4,663.35
Lease liability	70.38	87.48	70.38	87.48
Others	567.24	482.98	567.24	482.98
<b>Total financial liabilities</b>	<b>9,616.32</b>	<b>9,203.52</b>	<b>9,616.32</b>	<b>9,203.52</b>

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, 2024 and March 31, 2023.



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

Particulars	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial liabilities/(assets) measured at fair value:</b>				
Forward contracts	March 31, 2024	-	3.16	-
Forward contracts	March 31, 2023	-	8.18	-
Mutual funds	March 31, 2024	(1,230.88)	-	-
Mutual funds	March 31, 2023	(200.12)	-	-

### 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.

#### 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 (US\$) and Euro (EUR) and Chinese Yuan Renminbi (CNY).

#### Foreign currency sensitivity analysis:

The Group is mainly exposed to US\$ 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

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

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 ₹ 53.98 Mn and floating interest loan is ₹ 1303.40 Mn (March 31, 2023: Fixed interest loan ₹ 21.66 Mn and Floating interest loan ₹ 1400 Mn). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2023-24		2022-23	
	Rupee loans interest rate (increase) / decreases by 100 bps	US\$ loans interest (increase)/ decreases by 15 bps	Rupee loans interest rate (increase) / decreases by 100 bps	US\$ loans interest (increase)/ decreases by 15 bps
Increase in profit	1.30	-	1.40	-
Decrease in profit	(1.30)	-	(1.40)	-

### C) Credit risk management

Credit risk is the risk that counter party 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 to minimise the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer Note 4.2)	5,834.36	5,702.47
Allowances for credit loss (Refer Note 4.2 (A))	24.27	40.53

### 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



## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

March 31, 2024 and March 31, 2023. 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
<b>As at March 31, 2024</b>				
Borrowings	385.22	331.16	641.08	-
Trade payables	7,621.25	-	-	-
Other financial liabilities	567.24	-	-	-
	<b>8,573.70</b>	<b>331.16</b>	<b>641.08</b>	<b>-</b>
<b>As at March 31, 2023</b>				
Borrowings	2,666.31	331.16	900.48	71.76
Trade payables	4,663.34	-	-	-
Other financial liabilities	482.98	-	-	-
	<b>7,812.63</b>	<b>331.16</b>	<b>900.48</b>	<b>71.76</b>

Note - The above maturity profile does not includes contractual maturities of lease liability and the same is given in Note 32(D).

### 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, 2024	March 31, 2023
Gross debt	1,357.46	3,969.71
Less: Cash and cash equivalent *	1,111.39	810.14
Less: Other Bank Balances and FD kept as margin money**	188.57	-
<b>Net debt (A)</b>	<b>57.50</b>	<b>3,159.57</b>
<b>Total equity (B)</b>	<b>17,979.92</b>	<b>14,123.84</b>
<b>Gearing ratio (A/B)</b>	<b>0.00</b>	<b>0.22</b>

\*Cash and cash equivalent does not includes unutilised IPO and QIP proceeds lying in bank and fixed deposits.

\*\*Other Bank Balance includes Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)

Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)  
(All figures are rupees in Mn unless otherwise stated)

**38. DISCLOSURE AS PER SCHEDULE III OF THE COMPANIES ACT 2013 OF THE ENTITIES CONSOLIDATED IN THESE FINANCIAL STATEMENTS**

A 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)
<b>Parent :</b>				
<b>Laxmi Organic Industries Limited</b>				
Current year	100.46%	18,058.71	128.17%	1,551.43
Previous year	99.01%	(13,978.04)	111.36%	(1,391.98)
<b>Subsidiary - Indian :</b>				
<b>Laxmi Lifesciences Private Limited</b>				
Current year	0.00%	-	0.00%	-
Previous year	0.00%	0.10	0.01%	(0.11)
<b>Viva Lifesciences Private Limited</b>				
Current year	0.03%	6.17	1.58%	19.15
Previous year	(0.57%)	80.99	(6.56%)	82.03
<b>Cellbion Lifesciences Private Limited</b>				
Current year	(0.02%)	(4.33)	(0.01%)	(0.07)
Previous year	(0.08%)	11.88	(0.04%)	0.45
<b>Saideep Traders</b>				
Current year	(0.19%)	(34.41)	(2.77%)	(33.51)
Previous year	(0.01%)	0.90	0.58%	(7.20)
<b>Yellowstone Fine Chemical Private Limited</b>				
Current year	(1.91%)	(343.90)	(21.87%)	(264.75)
Previous year	(0.56%)	79.18	(3.46%)	43.24
<b>Yellowstone Speciality Chemical Private Limited</b>				
Current year	0.00%	-	0.00%	-
Previous year	0.00%	0.11	0.00%	(0.07)
<b>Subsidiary - Foreign :</b>				
<b>Laxmi Petrochem Middle East FZE</b>				
Current year	0.00%	-	0.00%	-
Previous year	0.00%	-	(1.33%)	16.64
<b>Laxmi Organic Industries (Europe) B.V.</b>				
Current year	1.62%	291.03	(5.81%)	(70.32)
Previous year	2.26%	(319.26)	(0.94%)	11.80
<b>Laxmi Speciality Chemicals (Shanghai) Co. Ltd.</b>				
Current year	0.04%	7.82	0.72%	8.70
Previous year	0.00%	0.59	0.56%	(7.03)
<b>Laxmi Italy S.R.L</b>				
Current year	(0.03%)	(4.86)	(0.02%)	(0.21)
Previous year	(0.04%)	4.96	(0.10%)	1.30

**Notes to Consolidated Financial Statements  
as at March 31, 2024 (Contd.)**

(All figures are rupees in Mn unless otherwise stated)

**B) Subsidiaries considered in preparation of CFS is:-**

Name of Subsidiary	Principal Activity Place of Incorporation	Shareholding (in %)	
		March 31, 2024	March 31, 2023
Viva Lifesciences Private Limited	Trading of Chemcials	100%	100%
Cellbion Lifesciences Private Limited	Trading of Chemcials	100%	100%
Saideep Traders	Trading of Chemcials	100%	100%
Laxmi Lifesciences Private Limited	Trading of Chemcials	0%	100%
Yellowstone Speciality Chemical Private Limited	Trading of Chemcials	0%	100%
Yellowstone Fine Chemical Private Limited	Manufacturing of Chemicals	100%	100%
Laxmi Petrochem Middle East FZE	Trading of Chemcials	0%	100%
Laxmi Organic Industries (Europe) B.V.	Trading of Chemcials	100%	100%
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Trading of Chemcials	100%	100%
Laxmi Italy S.R.L	Trading of Chemcials	100%	100%

**39.** The Board of Directors at it's Meeting held on May 21, 2024 have approved the Scheme of Amalgamation for merger of Yellowstone Fine Chemicals Private Limited ("Transferor Company", a wholly owned subsidiary of LOIL) with the Company under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder ("Scheme"). The Appointed Date for the Scheme is April 01, 2024.

The Company is in the process of filing the first motion application for approval of the Scheme with the Mumbai Bench of the National Company Law Tribunal ("NCLT"). The Scheme as aforesaid is subject to necessary approvals by shareholders and creditors of the Company and Transferor Company and NCLT Mumbai Bench and such other statutory and regulatory approvals as may be required.

**40. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:**

- (i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary 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).
- (ii) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**41.** Disclosure related to interest in other entities as per IND AS 112 is given in Statement C.

**42.** The Board of Directors at their meeting held on May 21, 2024 has recommended dividend of ₹ 0.60 per share (30% of FV) 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.

**43.** During previous year in the case of one of the subsidiary, M/s Yellowstone Fine Chemicals Private Limited there has been restatement on account of errors which is not material for these consolidated financial statements and is adjusted in the opening retained earnings.

**44.** The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021. During the year, the Company has on receipt basis accounted for Loss of Profit of ₹ 190 Mn on account of Loss of production and consequent loss of revenue and disclosed under "Other Operating Income".

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

### 45. 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.

### 46. MAINTENANCE OF BOOKS OF ACCOUNTS AND BACK-UP

As per the MCA notification dated 05 August 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up on daily basis of books of account and other relevant books and papers maintained in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of books of account on servers physically located in India on a daily basis.

The books of account of the Company are maintained in electronic mode and these are readily accessible in India at all times. Currently, the Company is maintaining back-up of books of account on server physically located in India on daily basis.

#### Audit Trail

The Parent and its subsidiary companies has been maintaining its books of account in the SAP S4 HANA which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of Rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021.

However, in case of Parent and 1 subsidiary, the audit trail feature is not enabled for direct changes to data in the underlying database. Presently, privileged access to database of accounting softwares mentioned above continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

There were no instance of audit trail feature being tampered with in respect of the accounting software.

Further, in case of 1 subsidiary, the accounting software though have a feature of recording audit trail (edit log) facility and the same did not operate throughout the year for all relevant transactions recorded in the accounting software.

### 47. SUBSEQUENT EVENT

There are no subsequent event after the year end March 31, 2024 till the date of signing of this standalone financial statement.

### 48. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013:

- i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii) The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- iv) The Group has not traded or invested in crypto currency or virtual currency during the year.
- v) The Group does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

49. The balance sheet, statement of profit and loss, statement of cash flow, 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, 2024.





LAXMI ORGANIC INDUSTRIES LTD

CIN :L24200MH1989PLC051736

## Notes to Consolidated Financial Statements as at March 31, 2024 (Contd.)

(All figures are rupees in Mn unless otherwise stated)

- 50.** The Consolidated Financial Statement were authorised for issue in accordance with a resolution of the Board of Directors in its meeting held on May 21, 2024
- 51.** Figures of the previous year have been regrouped wherever necessary including to conform to current period's classification.

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

**Ravi Goenka**  
Executive Chairman  
DIN-00059267

**Tanushree Bagrodia**  
Chief Financial Officer

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN-10057058

**Aniket Hirpara**  
Company Secretary  
M. No. ACS18805

Place : Mumbai  
Date : May 21, 2024

## Statement A

Returns/statements submitted to the Bank and Financials Institution

(All figures are rupees in Mn unless otherwise stated)

Financial Year :2023-24

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	4,074.24	4,074.24	-
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,256.37	5,256.37	-
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	6,869.54	6,869.54	-
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,908.49	1,908.49	-
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,508.67	4,508.67	-
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,120.83	4,120.83	-
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,058.21	2,058.21	-
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,947.32	4,947.32	-
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,435.89	4,435.89	-
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,421.89	2,421.89	-
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,049.92	6,049.92	-
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	7,156.57	7,156.57	-



## Statement B- RPT-1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

<b>A Enterprises Exercising Control</b>		
1	Yellowstone Trust (Through It's Managing Trustee Mr. Ravi Goenka )	Ultimate Holding entity
<b>B Enterprises Where Control exist</b>		
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiary
2	Laxmi Lifesciences Pvt. Ltd. (Strike off w.e.f September 21, 2023)	Subsidiary
3	Laxmi Organic Industries (Europe) BV	Subsidiary
4	Laxmi Petrochem Middle East FZE (Wind up approved by HFZA w.e.f December 8, 2022)	Subsidiary
5	Viva Lifesciences Pvt Ltd.	Subsidiary
6	Saideep Traders (Partnership of Cellbion Lifesciences Pvt. Ltd.)	Step down partnership of subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiary
8	Yellowstone Fine Chemicals Pvt. Ltd.	Subsidiary
9	Yellowstone Speciality Chemicals Pvt. Ltd. (Applied for Strike off with MCA w.e.f March 20, 2023)	Subsidiary
10	Laxmi Italy S.R.L (WOS of Yellowstone Fine Chemicals Pvt Ltd	Step down subsidiary
11	Laxmi USA LLC (Formation is done, Capital infusion is not yet done)	Subsidiary
12	Cleanwin Energy One LLP	Associate
13	Radiance MH Sunrise Seven Private Ltd	Associate
<b>C Key Management Personnel</b>		
1	Ravi Goenka (w.e.f April 3, 2023)	Executive Chairman
2	Ravi Goenka (up to April 3, 2023)	Chairman & Managing Director
3	Dr. Rajan Venkatesh ( w.e.f. April 3, 2023)	Chief Executive Officer & Executive director
4	Satej Naber (up to April 3, 2023)	Executive director
5	Harshvardhan Goenka	Executive director
6	Rajeev Goenka	Non-Executive director
7	Rajiv Banavali	Independent Director
8	Omprakash Bundellu	Independent Director
9	Manish Chokhani	Independent Director
10	Sangeeta Singh	Independent Women Director
11	Rajeev Vaidya	Independent Director
12	Tanushree Bagrodia	Chief Financial Officer
13	Aniket Hirpara	Company Secretary & SVP (Legal and Secretarial)
<b>D Relatives of Key Management Personnel</b>		
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Manisha Goenka	
5	Niharika Goenka	
<b>E Enterprises over which any person described in (C) is able to exercise control</b>		
1	Brady Investments Pvt. Ltd.	
2	Maharashtra Aldehydes & Chemicals Ltd.	
3	Pedestal Finance & Trading Pvt. Ltd.	
4	Rajeev Goenka HUF	
5	Ravi Goenka HUF	
6	Laxmi Foundation	
7	Yellowstone Clean Energy LLP	
<b>F Employee Benefit Plan</b>		
1	Laxmi Organic Industries Ltd Employees Gratuity Fund	

## 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
<b>Commission to Non-Executive Directors</b>	<b>2023-24</b>	-	-	<b>10.28</b>	-	-	<b>10.28</b>
	<b>2022-23</b>	-	-	<b>(10.30)</b>	-	-	<b>(10.30)</b>
Omprakash Bundellu	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
<b>Commission &amp; Other Expenses</b>	<b>2023-24</b>	-	-	-	-	<b>0.86</b>	<b>0.86</b>
	<b>2022-23</b>	-	-	-	-	<b>(0.82)</b>	<b>(0.82)</b>
Brady Investments Pvt. Ltd.	2023-24	-	-	-	-	0.86	0.86
	2022-23	-	-	-	-	(0.82)	(0.82)
<b>Reimbursement of exp charged</b>	<b>2023-24</b>	-	-	-	-	<b>0.15</b>	<b>0.15</b>
	<b>2022-23</b>	-	<b>(0.02)</b>	-	-	<b>(0.21)</b>	<b>(0.23)</b>
Cleanwin Energy One LLP	2023-24	-	-	-	-	-	-
	2022-23	-	(0.02)	-	-	-	(0.02)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	0.15	0.15
	2022-23	-	-	-	-	(0.21)	(0.21)
<b>Sales</b>	<b>2023-24</b>	-	-	-	-	<b>24.55</b>	<b>24.55</b>
	<b>2022-23</b>	-	-	-	-	<b>(31.25)</b>	<b>(31.25)</b>
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	24.55	24.55
	2022-23	-	-	-	-	(31.25)	(31.25)
<b>Purchases</b>	<b>2023-24</b>	-	<b>50.46</b>	-	-	<b>0.02</b>	<b>50.48</b>
	<b>2022-23</b>	-	<b>(26.53)</b>	-	-	-	<b>(26.53)</b>
Cleanwin Energy One LLP	2023-24	-	30.60	-	-	-	30.60
	2022-23	-	(26.53)	-	-	-	(26.53)
Radiance MH Sunrise Seven Private	2023-24	-	19.86	-	-	-	19.86
	2022-23	-	-	-	-	-	-
<b>Sitting Fees</b>	<b>2023-24</b>	-	-	<b>3.21</b>	-	-	<b>3.21</b>
	<b>2022-23</b>	-	-	<b>(3.07)</b>	-	-	<b>(3.07)</b>
Vasudeo Goenka	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-
Rajeev Goenka	2023-24	-	-	0.38	-	-	0.38
	2022-23	-	-	(0.35)	-	-	(0.35)
Rajiv Banavali	2023-24	-	-	0.58	-	-	0.58
	2022-23	-	-	(0.55)	-	-	(0.55)
Omprakash Bundellu	2023-24	-	-	0.54	-	-	0.54
	2022-23	-	-	(0.49)	-	-	(0.49)
Manish Chokhani	2023-24	-	-	0.45	-	-	0.45
	2022-23	-	-	(0.45)	-	-	(0.45)



Statement B- RPT-2 (Contd.)

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
Rajeev Vaidya	2023-24	-	-	0.60	-	-	0.60
	2022-23	-	-	(0.73)	-	-	(0.73)
Sangeeta Singh	2023-24	-	-	0.67	-	-	0.67
	2022-23	-	-	(0.51)	-	-	(0.51)
<b>Directors Remuneration</b>	<b>2023-24</b>	-	-	<b>215.42</b>	-	-	<b>215.42</b>
	<b>2022-23</b>	-	-	<b>(140.67)</b>	-	-	<b>(140.67)</b>
Ravi Goenka	2023-24	-	-	99.63	-	-	99.63
	2022-23	-	-	(92.28)	-	-	(92.28)
Harshvardhan Goenka	2023-24	-	-	29.21	-	-	29.21
	2022-23	-	-	(23.00)	-	-	(23.00)
Rajan Venkatesh	2023-24	-	-	86.58	-	-	86.58
	2022-23	-	-	-	-	-	-
Satej Nabar	2023-24	-	-	-	-	-	-
	2022-23	-	-	(25.39)	-	-	(25.39)
<b>Dividend Paid</b>	<b>2023-24</b>	<b>88.35</b>	-	<b>1.20</b>	<b>4.82</b>	<b>2.35</b>	<b>96.73</b>
	<b>2022-23</b>	<b>(123.69)</b>	-	<b>(1.08)</b>	<b>(7.13)</b>	<b>(3.29)</b>	<b>(135.19)</b>
Ravi Goenka	2023-24	-	-	0.90	-	-	0.90
	2022-23	-	-	(0.89)	-	-	(0.89)
Rajeev Goenka	2023-24	-	-	0.05	-	-	0.05
	2022-23	-	-	(0.08)	-	-	(0.08)
Manisha Goenka	2023-24	-	-	-	4.44	-	4.44
	2022-23	-	-	-	(6.60)	-	(6.60)
Aryavrat Goenka	2023-24	-	-	-	0.38	-	0.38
	2022-23	-	-	-	(0.53)	-	(0.53)
Satej Nabar	2023-24	-	-	0.21	-	-	0.21
	2022-23	-	-	(0.07)	-	-	(0.07)
Omprakash Bundellu	2023-24	-	-	0.03	-	-	0.03
	2022-23	-	-	(0.04)	-	-	(0.04)
Ravi Goenka Trustee of Yellowstone Trust	2023-24	88.35	-	-	-	-	88.35
	2022-23	(123.69)	-	-	-	-	(123.69)
Ravi Goenka HUF	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-
Brady Investments Pvt. Ltd.	2023-24	-	-	-	-	2.35	2.35
	2022-23	-	-	-	-	(3.29)	(3.29)
<b>Balance Payable</b>	<b>2023-24</b>	-	<b>3.25</b>	-	-	<b>0.16</b>	<b>3.41</b>
	<b>2022-23</b>	-	-	<b>(0.05)</b>	-	-	<b>(0.05)</b>
Rajeev Goenka	2023-24	-	-	-	-	-	-
	2022-23	-	-	(0.02)	-	-	(0.02)
Rajiv Banavali	2023-24	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-
Sangeeta Singh	2023-24	-	-	-	-	-	-
	2022-23	-	-	(0.02)	-	-	(0.02)
	2023-24	-	3.25	-	-	-	3.25
Radiance MH Sunrise Seven Private	2022-23	-	-	-	-	-	-
	2023-24	-	-	-	-	0.16	0.16

## Statement B- RPT-2 (Contd.)

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
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	-	-
<b>Commission Payable to Non-Executive Directors</b>	<b>2023-24</b>	-	-	<b>10.28</b>	-	-	<b>10.28</b>
	<b>2022-23</b>	-	-	<b>(10.30)</b>	-	-	<b>(10.30)</b>
Omprakash Bundellu	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2023-24	-	-	2.06	-	-	2.06
	2022-23	-	-	(2.06)	-	-	(2.06)
<b>Balance Receivable</b>	<b>2023-24</b>	-	-	-	-	<b>11.00</b>	<b>11.00</b>
	<b>2022-23</b>	<b>(7.01)</b>	-	-	-	<b>(12.49)</b>	<b>(19.51)</b>
Ravi Goenka Trustee of Yellowstone Trust	2023-24	-	-	-	-	-	-
	2022-23	(7.01)	-	-	-	-	(7.01)
Maharashtra Aldehydes & Chemicals Ltd.	2023-24	-	-	-	-	8.80	8.80
	2022-23	-	-	-	-	(10.29)	(10.29)
Pedestal Finance & Trading Pvt. Ltd.	2023-24	-	-	-	-	2.20	2.20
	2022-23	-	-	-	-	(2.20)	(2.20)

**Note:**

The above transactions does not include provision provided for commission to non-executive directors, Commission to Non-executive directors and performance based incentive to Key Management Personal.



## Statement C

### Disclosure as per Ind AS 112 " Disclosure of Interest in Other Entities"

(A) The following table summarises the information relating to subsidiaries of the group.

Particulars	Laxmi Organic Industries (Europe) B.V.		Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current assets	1.69	1.94	-	-
Current assets	917.09	1,462.34	42.21	46.42
Non-current liabilities	-	-	-	-
Current liabilities	442.50	980.24	30.81	43.43
<b>Net assets</b>	<b>476.28</b>	<b>484.04</b>	<b>11.40</b>	<b>2.99</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	1,266.63	4,005.83	129.13	80.40
Profit for the year	(50.88)	(16.97)	8.70	7.03
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Cellbion Lifesciences Pvt. Ltd.		Saideep Traders*	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current assets	1.83	35.54	71.96	73.20
Current assets	0.14	0.16	34.34	94.99
Non-current liabilities	-	-	30.12	36.38
Current liabilities	0.01	0.02	79.01	98.65
<b>Net assets</b>	<b>1.96</b>	<b>35.68</b>	<b>(2.83)</b>	<b>33.16</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	71.50	519.29
Profit for the year	(0.07)	7.17	(33.51)	7.20
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Yellowstone Fine Chemical Pvt. Ltd.		Viva Lifesciences Pvt. Ltd.	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current assets	4,875.86	3,849.75	61.19	128.80
Current assets	792.75	687.24	96.99	364.67
Non-current liabilities	(72.34)	1,060.05	7.93	-
Current liabilities	3,132.10	2,172.33	142.52	506.12
<b>Net assets</b>	<b>2,608.85</b>	<b>1,304.62</b>	<b>7.73</b>	<b>(12.66)</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	588.47	-	-
Revenue	15.42	0.02	76.85	1,781.95
Profit for the year	(327.64)	(43.21)	31.53	(13.80)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

## Statement C (Contd.)

Particulars	Laxmi Italy S.r.l.**		Yellowstone Speciality Chemical Pvt. Ltd.	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current assets	0.15	-	-	-
Current assets	0.51	0.56	-	-
Non-current liabilities	(1.21)	(1.11)	-	-
Current liabilities	0.16	0.05	-	-
<b>Net assets</b>	<b>1.71</b>	<b>2.88</b>	-	-
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	0.66	2.33	-	-
Profit for the year	(0.21)	(1.30)	-	(0.89)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	1.27	-	-	-
OCI allocated to NCI	-	-	-	-
Particulars	Laxmi Petrochem Middle East FZE***		Laxmi Lifesciences Pvt. Ltd.	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Non-current assets	-	-	-	-
Current assets	-	-	-	-
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
<b>Net assets</b>	-	-	-	-
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	39.28	-	0.24
Profit for the year	-	30.11	-	0.11
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

\* Saideep Traders is stepdown Partnership of Cellbion Lifesciences Pvt. Ltd.

\*\* Laxmi Italy SRL is subsidiary of Yellowstone Fine Chemicals Pvt. Ltd.

\*\*\* Laxmi Petrochem Middle East FZE (Wind up approved by HFZA w.e.f December 8, 2022)





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Website: www.laxmi.com | Email: investors@laxmi.com

## NOTICE

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on **TUESDAY, JULY 30, 2024** 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 Standalone Financial Statement of the Company for the financial year ended March 31, 2024, 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, 2024, the reports of the Auditors thereon and in this connection, to consider 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, 2024 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, 2024 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 30 % (₹ 0.60 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, 2024, to whose name appears on the Register of Equity Shareholders of the Company as on July 19, 2024 ('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 19, 2024 or to their mandates."

3. To appoint Director in place of Mr. Ravi Goenka (DIN: 00059267) who retires by rotation and being eligible, offers himself for re-appointment and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ravi Goenka (DIN: 00059267), Director of the Company, who retires by rotation at this meeting, being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotations."

### SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2025, 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 ₹0.23 Mn (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, 2025, be and is hereby ratified."

5. To consider and approve the appointment of Mr. Manish Chokhani (DIN: 00204011) as Non-Executive Non-Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules

## NOTICE (Contd.)

2014, the consent of the Members be and is hereby accorded for appointment of Mr. Manish Chokhani as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, w.e.f. July 31, 2024 and shall be entitled to receive sitting and other fees for attending meetings of the Board or any committees, 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 the Financial Year 2024-25 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. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN: 08239696), during Financial Year 2024-25 w.e.f. April 01, 2024 from present ₹24.48 Mn (CTC) to ₹ 25.70 Mn (CTC) as per the remuneration structure as set out below:

CTC Component	Annual Amount (₹ in Mn)
Fixed Pay	20.56
<b>Performance Linked Incentive (PLI)</b> (PLI is dependent on Company Policy and will be determined and payable at the end of the year based on the performance of the Company as well as Individual)	5.14
<b>Total CTC (Total Fixed Pay + PLI)</b>	<b>25.70</b>

**RESOLVED FURTHER THAT** the actual amount of Performance Linked Incentive (PLI) as specified in remuneration structure is dependent of Company Policy and the Nomination & Remuneration Committee be and is hereby authorised to determine the actual PLI amount payable to Mr. Harshvardhan Goenka based on his individual performance and the Company's performance in Financial Year 2024-25, without

obtaining a separate approval of members, even if it exceeds the PLI amount as mentioned in the remuneration structure.

**RESOLVED FURTHER THAT** pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in Financial Year 2024-25, 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 Dr. Rajan Venkatesh, Managing Director & CEO (DIN: 10057058) for the Financial Year 2024-25 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 Dr. Rajan Venkatesh, Managing Director & Chief Executive officer (CEO) (DIN: 10057058), during Financial Year 2024-25 w.e.f. April 01, 2024 from present ₹ 75.88 Mn (CTC) to ₹ 79.65 Mn (CTC) as per the remuneration structure as set out below:

CTC Component	Annual Amount (₹ in Mn)
Fixed Pay	42.91
<b>Performance Linked Incentive (PLI)</b> (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)	36.74
<b>Total CTC (Total Fixed Pay + PLI)</b>	<b>79.65</b>



## NOTICE (Contd.)

**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 Dr. Rajan Venkatesh based on his individual performance and the Company's performance in Financial Year 2024-25, without obtaining a separate approval of members, even if it exceeds the PLI amount as mentioned in the remuneration structure.

**RESOLVED FURTHER THAT,** alongside the aforementioned remunerations, Dr. Rajan Venkatesh shall be entitled to all allowances, perquisites, benefits, restrictions, obligations, etc., as outlined in the Employment Agreement executed with the Company on February 21, 2023.

**RESOLVED FURTHER THAT** pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in Financial Year 2024-25, the remuneration set out here-above shall be paid to Dr. Rajan Venkatesh, 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 Dr. Rajan Venkatesh, except the remuneration as revised above shall remain unchanged.

8. To consider and approve the re-appointment of Mr. Ravi Goenka, Executive Chairman & Whole-time 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, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the Central Government, if required, and such other approvals, permissions and sanctions, if any, as may be required, and subject to the such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, the shareholders of the Company do hereby approve the re-appointment of Mr. Ravi Goenka (DIN: 00059267) as Whole-time Director of the Company designated as Executive Chairman, liable to be retire by rotation, for a period of 5 (five) years with

effect from September 01, 2024 till August 31, 2029 on the terms and conditions including remuneration, which are as follows :

- a. The Annual fixed remuneration to be paid to Mr. Ravi Goenka, Executive Chairman (DIN: 000592767) during 2024-25 with effect from April 01, 2024 shall be ₹ 61.38 Mn (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 members.
  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 ₹2.5 Mn per annum.
  6. Club Fees and Entertainment expenses on an 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, as may be determined by the Board of the Company at the end of each financial year, Mr. Ravi Goenka (DIN: 000592767) shall be paid a remuneration by way of commission of such percentage of the net profits of the Company for 2024-25 calculated in accordance with section 198 of the Act, so that his overall remuneration (including Annual Fixed Remuneration and Commission) shall not exceed 5% of the Net profit of the Company for 2024-25. The specific amount payable to Mr. Ravi Goenka 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.

## NOTICE (Contd.)

**RESOLVED FURTHER THAT** the approval of the Shareholders be and is hereby accorded for the payment of aggregate annual remuneration beyond the limits specified regulation 17(6)(e) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), to Mr. Ravi Goenka, Executive Chairman, who is promoter during his renewed term upto August 31, 2029.

**RESOLVED FURTHER THAT** pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in Financial Year 2024-25, 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."

9. To consider and approve Laxmi Employee Stock Option Scheme 2024' ("Laxmi ESOP 2024") and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to Section 62 (1) (b) of the Companies Act 2013, read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Memorandum of Association and Articles of Association of the Company, pursuant to the approval of the Nomination and Remuneration Committee ("Committee"), the consent and approval of the members be and is hereby accorded to the 'Laxmi Employee Stock Option Scheme 2024' ("Laxmi ESOP 2024").

**RESOLVED FURTHER THAT** pursuant to Section 62(1) (b) and all other applicable provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the SEBI SBEB Regulations, the Listing Regulations, the circulars / guidelines issued by SEBI, the Memorandum of Association and Articles of Association of the Company, pursuant to

the approval of the Committee and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the members be and is hereby accorded to create, offer and grant, issue and allot up to 42,50,000 (Forty-two Lakh Fifty Thousand) employee stock options or restricted stock units or thank you grants to the eligible employees of the Company, as determined in terms of Laxmi ESOP 2024, in one or more tranches, from time to time, exercisable in aggregate into not more than 42,50,000 (Forty-two Lakh Fifty Thousand) equity shares of face value of Rs.2/- each fully paid up, to be issued to the options granted by the Company on payment of the requisite exercise price, where one employee stock option or restricted stock unit or thank you grant would convert in to one equity share upon grant, vesting and exercise and on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of Laxmi ESOP 2024.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantee.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded authorising the Board to take necessary steps for listing of the equity shares allotted under the Laxmi ESOP 2024 on the Stock Exchanges, where the equity shares of the Company

**NOTICE (Contd.)**

are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEBS Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Laxmi ESOP 2024.

**RESOLVED FURTHER THAT** the consent and approval of the members be and is hereby accorded, authorising the Nomination and Remuneration Committee, in addition to its present terms of reference, to administer and superintend, Laxmi ESOP 2024. Further, the Nomination and Remuneration Committee is hereby authorised to formulate the detailed terms and conditions of the scheme including the provisions as specified by Board in this regard.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company authorised representatives of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limiting to including the agenda regarding approval of Laxmi ESOP 2024.

10. To consider and approve the appointment of Mr. Vijay Ratnaparkhe (DIN: 03211521) as an Independent Director 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, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act")

read with the Rules framed thereunder, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Vijay Ratnaparkhe (DIN: 03211521), who was appointed as an Additional Director in the capacity of an Independent Director with effect from July 1, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 3 (three) years from July 1, 2024 till June 30, 2027, and that he shall not be liable to retire by rotation and shall be entitled to receive sitting and other fees for attending meetings of the Board or any committees, as may be determined by the Board from time to time.

**By Order of the Board of Directors  
FOR LAXMI ORGANIC INDUSTRIES LIMITED**

Date : July 1, 2024  
Place : Mumbai

**Aniket Hirpara**  
Company Secretary and  
Compliance Officer

## Notes:

- The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, 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", General Circular Nos. 20/2020 dated May 05, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 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") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
  - The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3, 5 & 8 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
  - In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories"
  - 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.
  - 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.
  - The Company has fixed July 19, 2024 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2024, if approved at the AGM.
  - 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 04, 2024 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 19, 2024;
  - 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.
  - 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.
  - In compliance with aforesaid MCA circulars and SEBI circulars, Notice of the AGM along with the Annual Report 2023-24 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 the financial year 2024 and Notice of the 35<sup>th</sup> AGM of the Company, may send request to the Company's e-mail address at investors@laxmi.com mentioning Foilo No./DP ID and Client ID.

**Notes: (Contd.)****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 July 12, 2024, to receive the Notice of the AGM along with the Annual Report 2023-24 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](https://linkintime.co.in/emailreg/email_register.html) in their web site [www.linkintime.co.in](http://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](mailto: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.

11. 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.
12. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, July 26, 2024 through e-mail on [investors@laxmi.com](mailto:investors@laxmi.com). The same will be replied by the Company suitably.
13. 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.

14. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
15. 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](mailto:laxmiorganicdivtax@linkintime.com) by 11:59 p.m. IST on July 17, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
16. 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](mailto:investors@laxmi.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 17, 2024.
17. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Link Intime, for assistance in this regard.

## Notes: (Contd.)

18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
19. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

**20. 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.

Shareholders 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 is given below:**

**Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - If registered with NSDL IDeAS facility**

**Users who have registered for NSDL IDeAS facility:**

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- Enter user id and password. Post successful authentication, click on "Access to e-voting".

- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**OR**

**User not registered for IDeAS facility:**

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post registration, user will be provided with Login ID and password.
- After successful login, click on "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - BY DIRECTLY VISITING THE E-VOTING WEBSITE OF NSDL:**

- Visit URL: <https://www.evoting.nsdl.com/>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".
- Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL:**

**METHOD 1 – From Easi/Easiest**

**Users who have registered/ opted for Easi/ Easiest**

- Visit URL: <https://web.cdslindia.com/myeasinew/home/login> or [www.cdslindia.com](http://www.cdslindia.com).
- Click on New System Myeasi



**Notes: (Contd.)**

- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**OR****Users not registered for Easi/Easiest**

- a) To register, visit URL: <https://web.cdslindia.com/myeasinew/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - By directly visiting the e-voting website of CDSL.**

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/ CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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)

## Notes: (Contd.)

**D. Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

*\*Shareholders holding shares in **NSDL form**, shall provide '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).
3. Click on 'Login' under '**SHARE HOLDER**' tab.
  4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. 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).
4. 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.

**Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):****STEP 1 – Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"

- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

**STEP 2 –Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - a. 'Investor ID' -
    - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
  - b. 'Investor's Name' - Enter full name of the entity.
  - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
- d) 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".



## Notes: (Contd.)

**STEP 3 – Voting through remote e-voting.**

The corporate shareholder can vote by two methods, once remote e-voting is activated:

**METHOD 1 - VOTES ENTRY**

- Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- Click on 'Votes Entry' tab under the Menu section.
- Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- Enter '16-digit Demat Account No.' for which you want to cast vote.
- 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).
- 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**OR****VOTES UPLOAD:**

- Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- You will be able to see the notification for e-voting in inbox.
- Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.
- Download sample vote file from 'Download Sample Vote File' option.
- Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:****Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:****Individual shareholders holding securities in physical form has forgotten the password:**

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

## Notes: (Contd.)

- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

**Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under '**Corporate Body/ Custodian/Mutual Fund**' tab and further Click '**forgot password?**'
- o Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 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 has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**21. Process and manner for attending the General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".
  - ▶ 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

**Notes: (Contd.)**

**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).

**Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request with the company.
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 General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer 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 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 General Meeting will be eligible to attend/ participate in the 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](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

## Notes: (Contd.)

22. Details of Directors seeking appointment/re-appointment at the 35<sup>th</sup> AGM to be held on Tuesday, July 30, 2024 (pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

Name	Mr. Ravi Goenka	Mr. Manish Chokhani	Mr. Vijay Ratnaparkhe
Date of Birth	February 11, 1962	October 14, 1966	February 22, 1965
Date of First Appointment	May 15, 1989	March 30, 2012	July 01, 2024
Qualification	B.E (Chemical)	CA, MBA	M.E. (Chemical)
Experience	Mr. Ravi Goenka has been associated with the Company since inception, and has approximately 32 years of experience in the chemicals and paper industries, 18 years of experience in the education industry, and 23 years in the power industry. He is a director on the board of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russell Square International College. He was also the ex-trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and ex-president of the executive committee of the Indian Chemical Council.	Mr., Manish Chokhani has been associated with our Company since March 30, 2012 and has 17 years of experience in the industry. He has served as director of Enam Securities Private Limited from 2006 to 2019. He served as the managing director and chief executive officer of Axis Capital Limited from 2012 to 2013. He served as chairman of TPG Growth India during 2015-2016, and as senior advisor to TPG Growth during 2013 to 2019. He is a member of the Young Presidents' Organization. He has also served as a member of SEBI's Alternative Investment Policy Advisory Committee.	Mr. Vijay Ratnaparkhe is a distinguished executive with over 36 years of experience in managing large-scale operations, spearheading IT transformations, and leading software services organizations. Currently serving as the President of Bosch South East Asia, he oversees a complex matrix organization spanning 10 countries, 9 plants, and 13,000 employees, overseeing a turnover of approximately 2 billion Euros. Previously, as President of IT at Robert Bosch GmbH, Mr. Vijay led a significant organizational transformation, standardizing IT offerings and achieving a 20% sustainable cost reduction. His strategic leadership and expertise in leveraging global talent have consistently resulted in substantial growth and operational efficiency across his diverse roles at Robert Bosch, Infosys Technologies, Tata Consultancy Services, and Larsen & Toubro Ltd.  Mr. Vijay holds a Master's degree in Chemical Engineering from the Indian Institute of Technology, Bombay. His career highlights include leadership positions at Robert Bosch Engineering and Business Solutions, where he managed a huge growth to 22,000 employees worldwide for Bosch, and Infosys Technologies, where he contributed and participated in the company's growth from \$70 million to \$3 billion in revenue. Mr. Vijay has also served in influential industry roles such as Executive Council Member and Chairman of the Engineering Chapter at NASSCOM. Additionally, he has been an Advisory Board Member for the International Institute of Information Technology, Bangalore, and has established Bosch-sponsored centers for Cyber Physical Systems at the Indian Institute of Science, Bangalore, and for Data Sciences and Artificial Intelligence at the Indian Institute of Technology, Madras. His extensive experience and proven track record make him a highly respected leader in the fields of technology and business management.



Notes: (Contd.)

Name	Mr. Ravi Goenka	Mr. Manish Chokhani	Mr. Vijay Ratnaparkhe
Terms & Conditions of Re-Appointment	In terms of Section 152(6) of the Act, Mr. Ravi Goenka is liable to retire by rotation at the Meeting.	In terms of Section 152 of the Act, Mr. Manish Chokhani who will complete his two terms of 10 years as an Independent Director of the Company at the 35 <sup>th</sup> Annual General Meeting, is proposed to be appointed as a Non-executive non-independent Director of the Company liable to retire by rotation	NA
Remuneration last drawn (including Sitting Fees, if any)	₹ 103.23 Mn	₹ 2.51 Mn	NA
Remuneration proposed to be paid	Upon the re-appointment as Director, Mr. Ravi Goenka, in his capacity of Executive Chairman, will receive remuneration as specified in Resolution No.7.	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.	Sitting fees and Commission in accordance with provisions of applicable laws
Shareholding in Company	18,09,179 Equity Shares	NIL	NIL
Relationship with other Directors / Key Managerial Personnel	Mr. Ravi Goenka is Father of Mr. Harshvardhan Goenka, Executive Director and brother of Mr. Rajeev Goenka, Director	Mr. Manish Chokhani is not related to any Director or Key Managerial Personnel	Mr. Vijay Ratnaparkhe is not related to any Director or Key Managerial Personnel
No of Meetings of the Board Attended during Financial Year 2023-24	6 (six)	6 (Six)	NA
Other Directorships held as on March 31, 2024	<ol style="list-style-type: none"> <li>1. Maharashtra Aldehydes &amp; Chemicals Limited</li> <li>2. Amrutsagar Construction Private Limited</li> <li>3. Anugrah Investments Limited</li> <li>4. Laxmi Bioenergie Limited</li> <li>5. Aqua Mischief Private Limited</li> <li>6. Crescent Oils Private Limited</li> <li>7. International Knowledge Park Private Limited</li> <li>8. Unity Papers Private Limited</li> <li>9. Sherry Securities Private Limited</li> <li>10. Yellowstone Oil &amp; Gas Private Limited</li> <li>11. Harshvardhan Impex Private Limited</li> <li>12. Indian Chemical Council</li> <li>13. R R Investments and Estate Private Limited</li> <li>14. Suschem Welfare Foundation</li> </ol>	<ol style="list-style-type: none"> <li>1. Quadrillion Capital Private Limited</li> <li>2. Sears Securities and Investments Private Limited</li> <li>3. Shoppers Stop Limited</li> <li>4. Auxilo Finserve Private Limited</li> <li>5. Landmark Cars Limited</li> <li>6. Welspun Corp Limited</li> </ol>	NIL

<b>Name</b>	<b>Mr. Ravi Goenka</b>	<b>Mr. Manish Chokhani</b>	<b>Mr. Vijay Ratnaparkhe</b>
Membership/ Chairmanship of Committees of Other Company Boards as on March 31, 2024	NA	<p><b>A. Shoppers Stop Limited</b> CSR Committee – Member</p> <p><b>B. Auxilo Finserve Private Limited</b> Audit Committee - Member Nomination &amp; Remuneration Committee – Member Risk Committee - Member</p> <p><b>C. Landmark Cars Limited</b> Risk Committee – Member</p> <p><b>D. Welspun Corp Limited</b> Share Transfer and Investor Grievance and Stakeholders Relationship Committee – Chairman</p>	NIL



**Notes: (Contd.)****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, 2025 on the remuneration ₹ 0.23 Mn (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, 2025.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.4 as the Ordinary Resolution.

**ITEM NO.5:**

The Board has upon the recommendation of the Nomination & Remuneration Committee (NRC) approved the appointment of Mr. Manish Chokhani (DIN 00204011) as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Mr. Manish Chokhani is not disqualified from being re-appointed as Director in the terms of Section 164 of the Companies Act, 2013 and has given consent in writing to act as a Non-Executive Non-Independent Director.

The brief profile of Mr. Manish Chokhani is as under:

Mr., Manish Chokhani is a Chartered Accountant and MBA and has been associated with our Company since March 30, 2012 and has 17 years of experience in the industry. He has served as director of Enam Securities Private Limited from 2006 to 2019. He served as the managing director and chief executive officer of Axis Capital Limited from 2012 to 2013. He served as chairman of TPG Growth India during

2015-2016, and as senior advisor to TPG Growth during 2013 to 2019. He is a member of the Young Presidents' Organization. He has also served as a member of SEBI's Alternative Investment Policy Advisory Committee.

In terms of the provisions of Section 152 of the Companies Act, 2013, the proposed special resolution seeks approval of the Members of the Company.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Manish Chokhani under Section 190 of the Act.

Mr. Manish Chokhani is interested in the said resolution, which pertains to his appointment and the other relatives of Mr. Manish Chokhani may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

The Board recommends the resolution set forth in Item no. 5 for the approval of members.

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.6:**

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Directors have at their meeting held on May 21, 2024, approved an increase in the annual remuneration to be paid to Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy (DIN: 08239696) during FY 24-25 with effect from April 01, 2024 from present ₹ 24.48 Mn (CTC) to ₹ 25.70 Mn. The overall increase in the Annual CTC of Mr. Harshvardhan Goenka for FY 24-25 is 5% per annum. 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.

**Notes: (Contd.)**

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 have at their meeting held on May 21, 2024, approved an increase in the annual remuneration to be paid to Dr. Rajan Venkatesh, Managing Director & Chief Executive officer (CEO) (DIN 10057058), during FY 24-25 w.e.f. April 01, 2024 from present ₹ 75.88 Mn (CTC) to ₹ 79.65 Mn (CTC). The overall increase in the Annual CTC of Dr. Rajan Venkatesh for FY 24-25 is 4.97% per annum. The other terms of appointment of Dr. Rajan Venkatesh 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 Dr. Rajan Venkatesh to the Company. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No.7 as the Special Resolution.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Executive Director requires approval of the Members.

Dr. Rajan Venkatesh 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:**

At an Extraordinary General Meeting of the Company held on June 22, 2019, Mr. Ravi Goenka was appointed as Managing Director for 5 years, starting from September 01, 2019, till

August 31, 2024. Subsequently, through a postal ballot dated June 06, 2023, the Members have approved a change in the designation of Mr. Ravi Goenka from "Managing Director" to "Executive Chairman". The current tenure of Mr. Ravi Goenka is going to expire on August 31, 2024.

The Board has, upon the recommendation of the Nomination & Remuneration Committee, at their meeting held on May 21, 2024, approved the re-appointment of Ravi Goenka (DIN: 00059267) as Whole-time Director of the Company designated as Executive Chairman, liable to be retire by rotation, for a further period of 5 (five) years with effect from September 01, 2024 till August 31, 2029 on the terms and conditions including remuneration as specified in the resolution.

Mr. Ravi Goenka is not disqualified from being re-appointed as Director in the terms of Section 164 of the Companies Act, 2013 and has given consent in writing to act as Whole-time Director designated as Executive Chairman. Mr. Ravi Goenka satisfies all the conditions set out in Part-I of Schedule V to the Act as well as conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment.

In line with Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, approval from members by special resolution is required for the compensation payable to executive directors who are promoters or members of the promoter group if it exceeds certain thresholds. Therefore, we seek your approval for the compensation payable to Mr. Ravi Goenka during his renewed term, up to August 31, 2029. It's worth noting that the proposed remuneration reflects Mr. Ravi Goenka's substantial contributions to the growth and sustainability of the Company.

The terms and conditions of his appointment are specified in the resolution. The brief profile of Mr. Ravi Goenka is as under:

Mr. Ravi Goenka holds a bachelors' degree in chemical engineering from Bangalore University. He has been associated with our Company since inception, and has approximately 32 years of experience in the chemicals and paper industries, 18 years of experience in the education industry, and 23 years in the power industry. He is a director on the board of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russell Square International College. He was also the ex-trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and ex-president of the executive committee of the Indian Chemical Council.

Mr. Ravi Goenka shall perform such duties as shall from time to time be entrusted to him by the Board of Directors,

**Notes: (Contd.)**

subject to superintendence, guidance and control of the Board of Directors

In terms of the provisions of Section 197 of the Companies Act, 2013, the proposed special resolutions seek approval of the Members of the Company.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Ravi Goenka under Section 190 of the Act.

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.

The Board recommends the resolution set forth in Item no. 8 for the approval of members.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**ITEM NO. 9:**

The Company appreciates the critical role people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize critical talents, the Company is intending to issue employee stock options under an employee stock option scheme namely Laxmi Employee Stock Option Scheme 2024 ("Laxmi ESOP 2024") to the employees and Directors of the Company as determined from time to time.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company at their respective meetings held on May 20, 2024 and May 21, 2024 had approved the introduction of Laxmi ESOP 2024, subject to your approval.

As per prevailing rules, approval of the members is required for implementation of the Laxmi ESOP 2024.

Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulation") the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), are given below:

**a) Brief description of the Laxmi ESOP 2024:**

Laxmi ESOP 2024 contemplates grant of employee stock options to the eligible employees and Directors of the Company, as may be determined in due compliance of extant law and provisions of Laxmi ESOP 2024. After vesting of Options, the option grantee earns a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall administer the Laxmi ESOP 2024. All questions of interpretation of the Laxmi ESOP 2024 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Laxmi ESOP 2024.

**b) Total number of options to be granted:**

A total of 42,50,000 (Forty-Two Lakh Fifty Thousand) options would be available for being granted to eligible employees of the Company under Laxmi ESOP 2024. Each option when exercised would be converted into one equity share of ₹2/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date.

The Committee is authorized to re-grant such lapsed / cancelled options as per Laxmi ESOP 2024.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares stated above shall be deemed to increase to the extent of such additional equity shares issued.

**c) Identification of classes of employees entitled to participate in the Laxmi ESOP 2024:****"Employee" means:**

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a subsidiary or its associate company, in India

## Notes: (Contd.)

or outside India, or of a holding company of the company, but does not include—

- a. an employee who is a promoter or a person belonging to the promoter group; or
- b. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

**d) Appraisal Process for determining the eligibility of the employees to employee stock options:**

The options shall be granted to the employees as per performance appraisal system of the Company. The process for determining the eligibility of the employees will be specified by the Committee and will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

**e) Requirements of vesting and period of vesting:**

The options granted shall vest so long as the employee continues to be in the employment of the Company, as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of options granted shall vest in not earlier than 1 (One) year and not more than 5 (five) years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Committee, subject to the minimum vesting period of one year from the date of grant of options.

**f) The maximum period within which the options shall be vested:**

The options granted shall vest not later than 5 (Five) years from the date of grant of such options.

**g) Exercise price or pricing formula:**

The Exercise Price will be determined by the Nomination & Remuneration Committee, adhering to the accounting policies outlined in SEBI SBEB Regulations. However, it will not be below 70% of the average share price of the Company over the preceding three months from the

Grant date. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI ESOP Regulations.

**h) Exercise Period and the process of exercise:**

In case of continuation of employment, the exercise period in respect of a vested option shall be subject to a maximum period of 8 (Eight) years commencing after the date of vesting of such option.

In case of cessation of employment due any reason, shorter exercise periods have been respectively prescribed in the Laxmi ESOP 2024.

The vested options will be exercisable by the employees by a written application to the Company as may be prescribed to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time. The options will lapse if not exercised within the specified exercise period.

**i) Lock-in period:**

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions particularly after listing of shares of the Company as may be prescribed under applicable laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and code of conduct framed, if any, by the Company after listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

**j) Maximum number of options to be issued per employee and in aggregate:**

The maximum number of Options that may be granted to each Employee shall vary depending upon the designation and the appraisal/assessment process. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

**k) Method of option valuation:**

The Company shall adopt fair value method for valuation of options as prescribed under IND AS 102 or under any relevant accounting standard notified by appropriate authorities from time to time. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee's compensation cost so computed

**Notes: (Contd.)**

and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report.

**l) Accounting and Disclosure Policies:**

The Company shall follow the relevant Indian Accounting Standards (Ind-AS) / Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein

**m) The conditions under which option vested in employees may lapse:**

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

**n) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:**

In case of termination of employment as specified above, all the vested options shall lapse and cannot be exercised. In case of resignation/ termination (other than due to misconduct), the vested options can be exercised by the employee by the last working day of the concerned employee.

**o) Route of administration of Laxmi ESOP 2024:**

The Laxmi ESOP 2024 shall be implemented and administered directly by the Company.

**p) Source of acquisition of shares under the Laxmi ESOP 2024:**

The Laxmi ESOP 2024 contemplates the issue of fresh/ primary shares by the Company.

**q) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc:**

This is currently not contemplated under the present Laxmi ESOP 2024.

**r) Maximum percentage of secondary acquisition:**

This is not relevant under the present Laxmi ESOP 2024.

**s) Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing Accounting guidelines and upon listing of securities of the Company, the Company shall comply with the accounting policies and disclosure requirements as prescribed under SEBI SBEB Regulation.

For more information regarding lock in period, method which the company shall use to value its options, conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct, specified time period within which the employees shall exercise the vested options in the event of a proposed termination of employment or resignation of employee, statement to the effect that the company shall comply with the applicable accounting standards, please refer to the Laxmi ESOP 2024.

As the Laxmi ESOP 2024 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), by way of a special resolution.

The Nomination and Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the Laxmi ESOP 2024. In terms of the provisions of the SEBI ESOP Regulations, Laxmi ESOP 2024 is required to be approved by the members by passing of special resolution.

A draft copy of the Laxmi ESOP 2024 is available for inspection at the Company's Registered Office during official hours on all working days till the date of the 35<sup>th</sup> Annual General Meeting.

None of the Directors, or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in these resolutions, except to the extent of the securities that may be offered to them under the Laxmi ESOP 2024.

**Notes: (Contd.)**

Accordingly, your Board recommends passing of the resolution as set out in the accompanying notice.

**ITEM NO. 10**

Pursuant to Section 161 of the Companies Act, 2013, and other applicable provisions the Board, at its meeting held on July 1, 2024, appointed Mr. Vijay Ratnaparkhe (DIN: 03211521) as an Additional Director in the capacity of Independent Director of the Company for a term of three (3) years with effect from July 1, 2024, to June 30, 2027 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received all statutory disclosures / declarations, including:

- (i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules");
- (ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act
- (iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations
- (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority
- (v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as an Independent Director of the Company
- (vi) A notice in writing by a member proposing his candidature under Section 160(1) of the Act
- (vii) Confirmation that he is in compliance with Rules 6(1) and 6(2) of the Appointment Rules, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, and
- (viii) Confirmation that he had not been a partner of a firm that had transactions during the last three financial years with Laxmi Organic Industries Limited or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

In the opinion of the Board, Mr. Vijay Ratnaparkhe fulfils the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company and he is independent of the Management.

The Board noted that Mr. Vijay Ratnaparkhe's background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The resolution seeks the approval of members for the appointment of Mr. Vijay Ratnaparkhe as an Independent Director of the Company from July 1, 2024 to June 31, 2027 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

Brief Profile and other details of Mr. Vijay Ratnaparkhe 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.

Mr. Vijay Ratnaparkhe shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of the letter of appointment of Mr. Vijay Ratnaparkhe setting out the terms and conditions of appointment is available for inspection by the Members on the website of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Mr. Vijay Ratnaparkhe as an Independent Director of the Company, as a Special Resolution as set out above.

The Board further considers that Mr. Vijay Ratnaparkhe's association would be of immense benefit to the Company and accordingly the Board of Directors of your Company recommends the passing of the resolution as set out at Item No.10 as a Special Resolution.

Except Mr. Vijay Ratnaparkhe, 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.10.













**LAXMI ORGANIC INDUSTRIES LTD**

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Registered Office :

A-22/2/3, MIDC, Mahad,  
Dist Raigad - 402 309