



LAXMI ORGANIC INDUSTRIES LTD



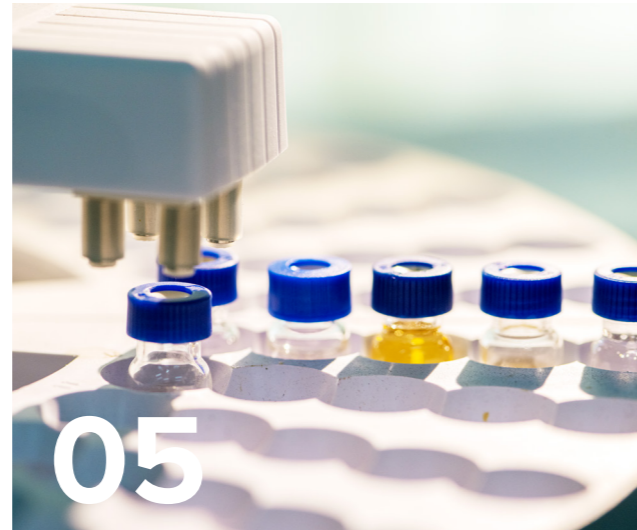
Excellence that  
**customers trust**

ANNUAL REPORT 2022-23

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**READ MORE ABOUT OUR MANUFACTURING FACILITIES AND HOW WE ARE LEVERAGING INTEGRATION TO DRIVE EFFICIENCIES ACROSS OPERATIONS**



**READ MORE ABOUT OUR DRIVING EXCELLENCE AND HUMAN RESOURCE MANAGEMENT**

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### Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

# Excellence that customers trust

*In a world where excellence is not simply an aspiration but a prerequisite for success, Laxmi Organic Industries Limited embodies a commitment to high-quality performance. Over the years, the Company has crafted a niche as a trusted partner to over 600 customers globally, transcending traditional boundaries to offer world-class products and unparalleled service.*

Fuelled by its drive for innovation and unwavering quality, the Company has consistently enhanced its product portfolio, braced by its state-of-the-art manufacturing facilities and highly skilled workforce. Its strong focus on customer-centricity, coupled with its robust R&D efforts, have been instrumental in the Company's noteworthy success.

Reflecting a blend of resilience and adaptability, the Company stands tall, navigating the volatile tides of the chemical industry with a spirit of excellence that customers trust.

Explore Online: For further information, log on to: [www.laxmi.com](http://www.laxmi.com)

Social Media: Follow us and join the conversation [LinkedIn](#)

Moreover, the Company's legacy is embedded in its steadfast commitment to environmental stewardship and community wellbeing, lending itself to a sustainable future.



## About the Company

# Excellence that customers trust



Laxmi Organic Industries Limited 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.

**The Company's product portfolio includes a wide range of solutions such as Acetyl Intermediates, Speciality Intermediates, and the soon-to-be-launched Fluorine Intermediates. These products serve diverse applications, spanning industries from pharmaceuticals to packaging and extending to agrochemicals, along with paints, coatings, and dyes.**

Embracing a culture of innovation and continuous learning early on, the Company continues to expand its product portfolio, technical competencies and knowledge of chemistries. Through the years, the Company has invested in sustainability from both an ESG and customer service perspective. In addition to research, manufacturing, and process excellence, the Company has invested in renewable energy since the early 2000s and developed state-of-the-art ETP and STP processes. Safety standards are ingrained in the Company's culture, and training is provided not only to employees but also to stakeholders in the vicinity of manufacturing units.

Underpinning the commitment to excellence is a visionary and experienced management team enabling the Company to remain at the forefront of innovation and consistently delivering to satisfy customers.

## 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 customers' lives by providing best-in-class solutions, while also being responsible towards the environment.

## VALUES



### Innovation

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



### Integrity

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



### Customer centricity

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



### Sustainability

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

## STRENGTHS

### Customer Led Innovation 1

With a focus on customer success and the establishment of a sustainable business, the Company places great emphasis on investing in innovation. This involves close collaboration with customers to not only comprehend their specific needs and offer tailored solutions but also to gain insights into best practices that can propel the Laxmi team in advancing its mission and vision.

### Environmental Stewardship 2

The Company has a steadfast commitment to upholding the highest standards of corporate citizenship, with a primary focus on ensuring the safety of individuals, communities, and the environment. The Company's legacy of three decades is deeply rooted in the values of quality, safety, and sustainability. In the fiscal year 2023, the Company underwent a comprehensive assessment by industry experts and assessors, successfully retaining the Responsible Care certification for another three years. This certification, achieved for the third consecutive time, serves as a testament to the collective efforts of the entire organization in adhering to our guiding principles. Additionally, LOIL 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 3

The Company's robust and diverse client base includes partnerships with global industry leaders across various sectors. Its customer-centric approach prioritises exceptional quality, reliability, and integrated solutions. By meeting evolving customer demands, the Company has solidified its position as a preferred partner to its customers.

### Focused R&D 4

The Company's DSIR-certified research and development (R&D) centres fuel new product development, process improvements, and sustainability initiatives. Through these R&D efforts, the Company has successfully scaled up its Speciality Intermediates (SI) business and optimised its Acetyl Intermediates (AI) business, instilling confidence in replicating this success in the Fluorine Intermediates (FI) vertical.

## COMPANY SNAPSHOT

# 50+

Products

# 620+

Customers

# 04

Manufacturing facilities

# 874+

Employees

# Operating synergies drive efficiencies

Laxmi Organic Industries Limited's robust manufacturing infrastructure serves as the backbone of its operations, driving efficiency and cost savings. The Company has fortified its manufacturing facilities with cutting-edge technology and skilled manpower to produce tailor-made solutions that meet the specific requirements of its clients.

## CHEMICAL REACTIONS UNDERTAKEN AT OUR FACILITIES

- 1 Ketene Synthesis
- 2 Diketene Synthesis
- 3 Ethoxylation
- 4 Chlorination and Thiolation
- 5 Diazotization
- 6 Reactive Distillation
- 7 Esterification
- 8 Catalytic Oxidation
- 9 Homogeneous Catalyst
- 10 Air Oxidation

## ACCREDITATIONS AND CERTIFICATIONS

Accredited facilities with ISO 45001:2018, ISO 9001:2015, and ISO 14001:2015 certifications



USDA Certified Biobased Product Label for its Ethyl Acetate, authorized by the U.S. Department of Agriculture



Recognized for its sustainable practices and received the RESPONSIBLE CARE and REACH certification from the Indian Chemical Council



## ACETYL INTERMEDIATES

The Acetyl Intermediates manufacturing facility in Mahad stands as a testament to Laxmi Organic Industries' unwavering dedication to operational excellence. Leveraging the strategic location, the Company has established two distilleries in Satara and Kolhapur, Maharashtra, exclusively for Ethanol production. These distilleries play a pivotal role in achieving seamless backward integration, fortifying the vertical's self-sufficiency and ensuring resilience within the supply chain.

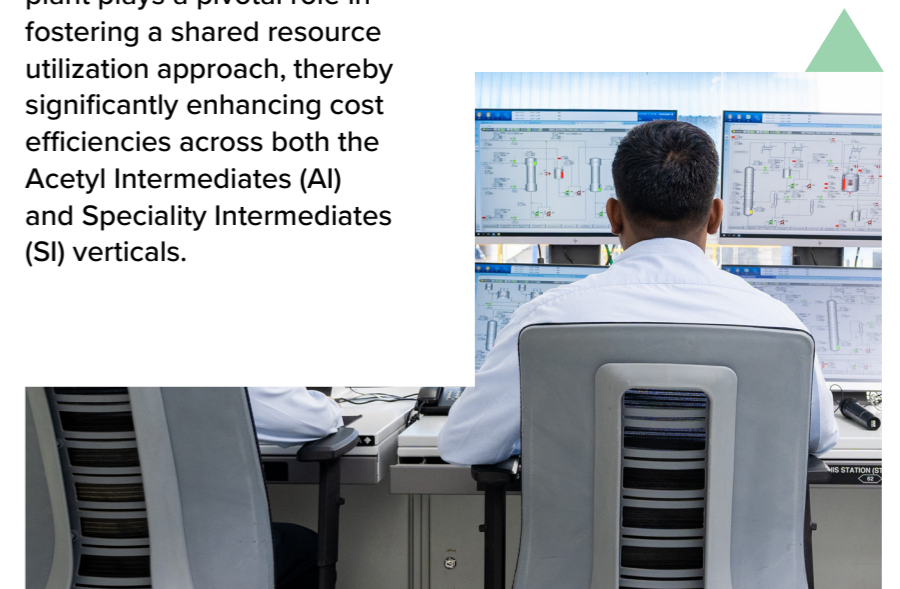


## FLUOROSPECILITY INTERMEDIATES

The recently operationalized Fluorospeciality Intermediates facility, showcases state-of-the-art technology and infrastructure. Nurtured in Italy, the acquired technology and assets have found a new home in Lote Parshuram, Maharashtra. With the recent commissioning of phase one the Company is on track to complete the site in the next few months and start its journey of establishing itself as a key supplier of Fluorospeciality intermediate products.

## SPECIALITY INTERMEDIATES

Backward integration into the supply chain along with investments in R&D have enabled the Speciality Intermediates business to grow ~ 10x in the last 10 years. A co-gen power plant plays a pivotal role in fostering a shared resource utilization approach, thereby significantly enhancing cost efficiencies across both the Acetyl Intermediates (AI) and Speciality Intermediates (SI) verticals.



Global Presence

# Delivering quality across markets

With local presence in Europe and China, the Company has a strong presence in the international markets. Exports by LOIL reached 620+ customers in FY23.

### OFFICES AROUND THE GLOBE

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

### CONTRIBUTION OF EXPORTS

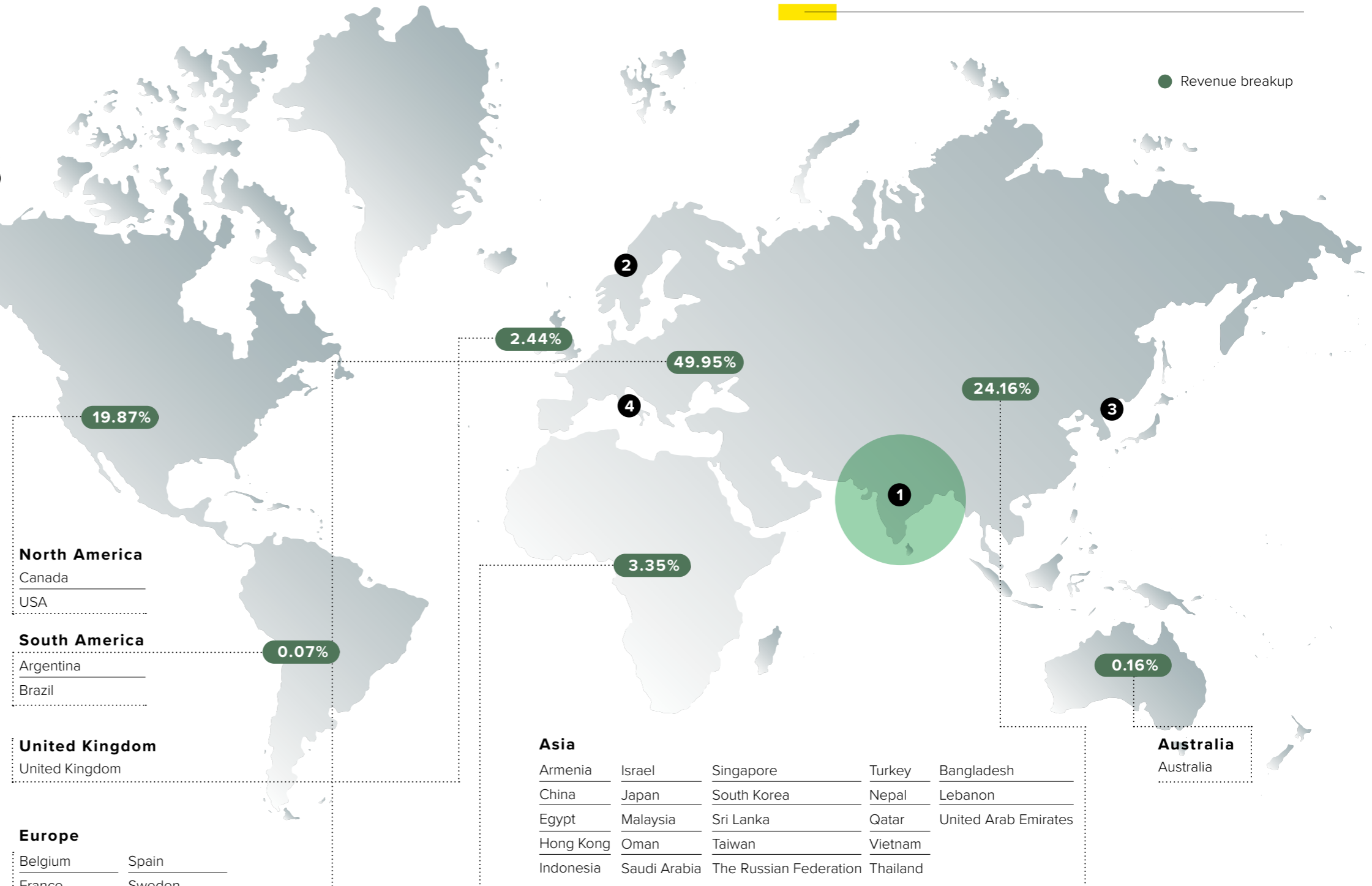
(in ₹ million)



~36% 44%

Exports contribution to overall sales

3 Year CAGR growth in export revenues



#### North America

- Canada
- USA

#### South America

- Argentina
- Brazil

#### United Kingdom

- United Kingdom

#### Europe

- Belgium
- France
- Germany
- Netherlands
- Romania
- Spain
- Sweden
- Greece
- Czech Republic
- Switzerland

#### Africa

- Ghana
- Kenya
- Mauritius
- Morocco
- Nigeria
- Seychelles
- Tanzania
- Uganda
- Djibouti
- Tunisia

#### Asia

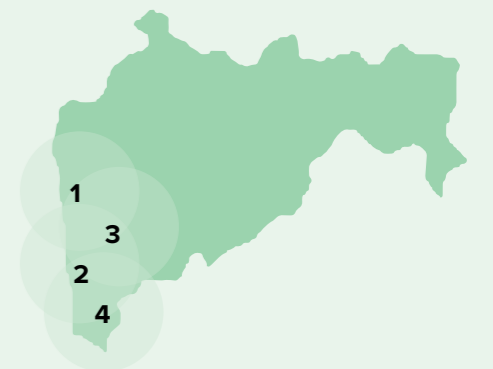
- Armenia
- China
- Egypt
- Hong Kong
- Indonesia
- Israel
- Japan
- Malaysia
- Oman
- Saudi Arabia
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- The Russian Federation
- Turkey
- Nepal
- Qatar
- Vietnam
- Thailand
- Bangladesh
- Lebanon
- United Arab Emirates

#### Australia

- Australia

### MANUFACTURING LOCATIONS IN MAHARASHTRA, INDIA

- 1 Mahad, Raigad district
- 2 Lote-Parshuram, Ratnagiri district
- 3 Jarandeshwar, Satara district
- 4 Panchganga, Kolhapur



# Maintaining strong business performance

Laxmi Organic Industries Limited's strategic journey from alcohol-based bulk Acetyl Intermediates to complex Fluorospeciality Intermediates is a testament to the Company's commitment to constant learning and innovation to be able to serve its customers.

Through smart CAPEX, focus on quality and investments in R&D, the Company has successfully ascended the value chain, providing unparalleled value to customers globally with a wide range of products across chemistries.

**Our Businesses**

- 

**ACETYL INTERMEDIATES**
- 

**SPECIALITY INTERMEDIATES**
- 

**FLUOROSPECIALITY INTERMEDIATES**

## 1 Acetyl Intermediates

The Acetyl Intermediates (AI) business vertical of Laxmi Organic Industries Limited has been a cornerstone of the Company's operations, contributing significantly to its revenue stream. On the back of its large manufacturing capacity, backward integration for utility and raw materials, consistent debottlenecking efforts, and strategic investments, the Company has emerged as a leading producer of Acetyl Intermediates in India.



### KEY PRODUCTS

- Ethyl Acetate
- Acetaldehyde
- Fuel-Grade Ethanol, and
- Other proprietary solvents

### COMPETITIVE ADVANTAGE

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

### FINANCIAL HIGHLIGHTS: REVENUE (In ₹ million)

FY19	8,954
FY20	8,145
FY21	9,139
FY22	18,092
<b>FY23</b>	<b>17,028</b>

**65%**  
Contribution to revenue in FY23

**30%**  
Contribution to profits in FY23

### INDUSTRIES SERVED

- Pharmaceuticals
- Agrochemicals
- Inks and Paints
- Coatings
- Printing
- Packaging
- Adhesives

### FY23 PERFORMANCE

In FY23, despite market volatility and price fluctuations, the AI business demonstrated resilience and robust performance. The Company maintained its market-leading position in India and as a Tier-I supplier in Europe. Using smart CAPEX the Company also added to the basket of products in the Acetyls space.

Business Review (Cont.)

## 2 Speciality Intermediates

The Speciality Intermediates (SI) business vertical of the Company specialises in downstream derivatives of Diketene, requiring robust process and technical capabilities. With a customer-centric approach and a strong track record of reliability and high-quality supplies, the Company has secured long-term contracts with global customers. Since its inception in 2011, the Company has expanded its product portfolio and production capacity, ascending the value chain. With the largest market share in the domestic business, Laxmi is strategically positioned to capitalise on Speciality Intermediates opportunities through strong integration and synergies.

### KEY PRODUCTS

- Ketene and Diketene Derivatives, including
- Esters
- Acetic Anhydride
- Amides, and Arylides

### COMPETITIVE ADVANTAGE

- Backward integration and common raw materials with Acetyl Intermediates enable cost-efficient procurement
- Captive power generation facilities, including renewable sources, provide cost efficiencies
- Strong focus on R&D leads to enhanced in-house product development capabilities

### PERFORMANCE REVIEW: REVENUE (In ₹ million)

FY19	4,562
FY20	4,368
FY21	5,069
FY22	8,771
FY23	9,102

**35%**  
Contribution to revenue in FY23

**70%**  
Contribution to profits in FY23



### INDUSTRIES SERVED

- Pharmaceuticals
- Agrochemicals
- Dyes and Pigments
- Flavour and Fragrance
- Paints and Coatings

### FY23 PERFORMANCE

The SI business of Laxmi Organic Industries exemplified its dedication to innovation by making substantial investments in R&D and expanding the product portfolio to enhance customer value. Fresh CAPEX of ₹ 2546.16 million further paved the way for future growth, bolstering the business's market position.

## 3 Fluorospeciality Intermediates

The Fluorospeciality Intermediates (FI) business vertical of Laxmi Organic Industries is a highly specialised segment with complex chemistry and limited competition. Leveraging the acquisition of Miteni SpA's Fluoro Specialities and Electrochemical Fluorination assets, the Company has gained access to world-class technology, infrastructure, and a diverse product portfolio with over 100 offerings. With a dedicated facility in Lote-Parshuram, Maharashtra, the Company is strategically positioned to establish a strong foothold in the Fluorospeciality Intermediates market.



### WAY FORWARD

The Company's entry into the Fluorospeciality Intermediaries market begins with the commissioning of the first phase in 2023. Over the coming months, the primary focus will be on operationalising the entire site and achieving operational stability promptly, with utmost emphasis on safety. It is from there on that the full revenue potential of these assets will start coming through.

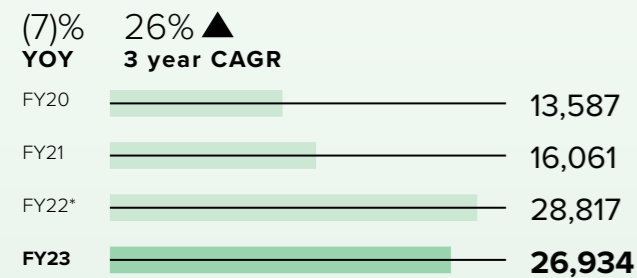


## Financial Highlights

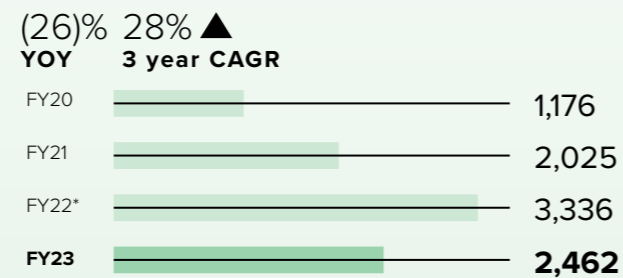
# Resilient performance: the will to succeed

**REVENUE FROM OPERATIONS**

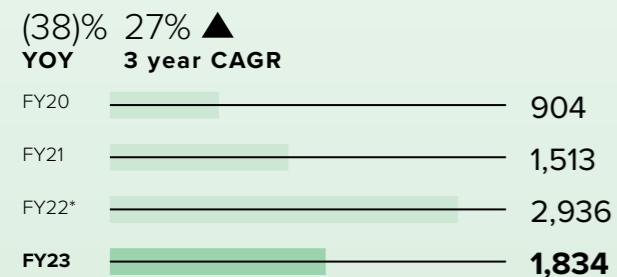
(In ₹ million)

**EBITDA**

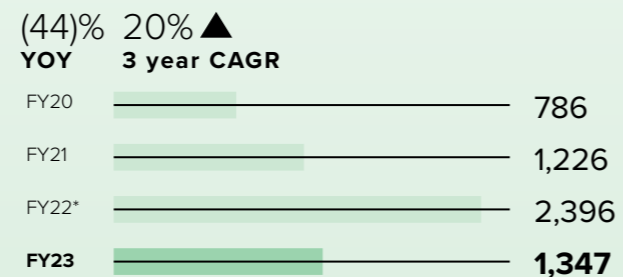
(In ₹ million)

**PBT**

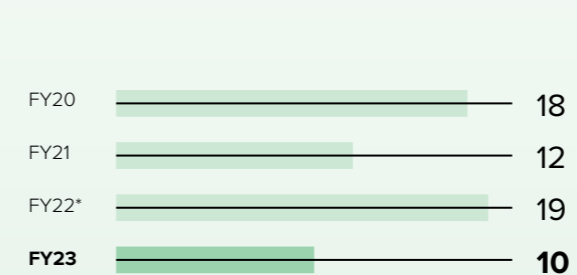
(In ₹ million)

**PAT**

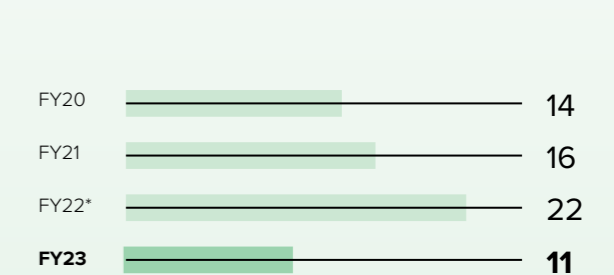
(In ₹ million)

**ROE**

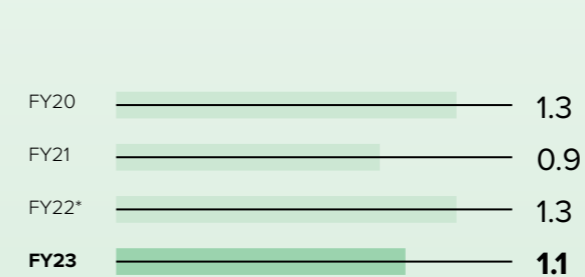
(In %)

**ROCE**

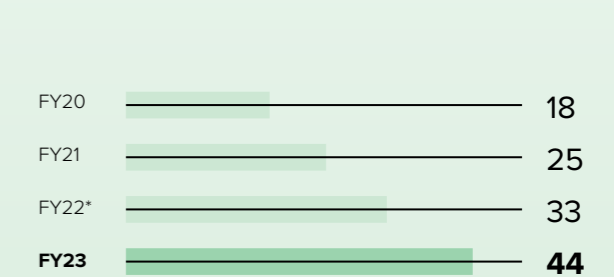
(In %)

**ASSET TURNOVER**

(In X)

**WORKING CAPITAL DAYS\*\***

(In days)



**Team Laxmi exhibited remarkable resilience in the face of a challenging external environment that impacted global customers. While the de-risked business model helped in ensuring that opportunities across industries were maximised, the team's commitment to sustained growth helped create newer opportunities to continue the growth going forward. The financial performance was underscored by an almost 2x improvement in cash flow from operations despite challenging external environment.**

\*Financial Statements are restated for March 31, 2022 to give effect of the acquisition by merger of AHPL and YCPL.

\*\*For calculating working capital cycle, only Current Assets (Trade Receivables & Inventory) and Current Liabilities (Trade Payables) is considered.



# Adapt, overcome, thrive

## DEAR FELLOW SHAREHOLDERS,

As we reflect on the journey of Laxmi Organic Industries Limited and the chemical industry in FY23, I would like to extend a sincere thanks to all of you for your continued support and faith in team Laxmi. FY23 was a year of global economic and geopolitical disruptions, which impacted the chemical industry across the world. Team Laxmi, however, once again displayed its resilience and commitment to excellence in manoeuvring the external circumstances commendably. It thus is with pleasure that I share our journey of the last financial year and discuss the performance of the overall chemical industry and our Company within it.

### Challenges Open Doors to Opportunities

FY23 was a year that has set in motion transformation of the global chemical industry as never before. The disruptions caused by geopolitical and ensuing energy issues, coupled with the rising economic uncertainties highlighted the necessity for the industry to start considering alternatives to Europe and China; so that supply chain sustainability and reliability can be maintained with cost efficiencies. India is the country to be able to benefit the most from this shift and Laxmi Organic is well poised to be able to traverse this upside. Given the rapid shifts created by climate change, global regulatory landscape was afloat with new regulations to ensure environmental sustainability. This once again opens new avenues for Indian companies and in particular Laxmi Organic as we have always been a step ahead in our "green" approach from raw material to energy. Finally, technological advancements are no longer seen as proof-of-concept initiatives, but as large-scale game changing initiatives for the industry. These will not only ensure transparency and ease of monitoring but also provide agility and cost efficiencies that is needed in the times to come. Laxmi Organic has also embraced this move towards increasing digitisation and automation across locations and functions.

All in all, despite the challenges that the world threw at the industry, our industry exhibited resilience and adaptability. In this line team Laxmi continued the journey of steady and renewed growth.

### Building Overall Excellence at Laxmi

As an organisation we have always promoted excellence and innovation in all that we do. Keeping in line with the same, in FY23 we augmented our acetlys and specialties product portfolios and enhanced exports. The diverse industry and customer base enabled effective countering of headwinds, especially the demand drop in Europe in Q2 of the last fiscal.

Our investments in health, safety and sustainability have continued through the year reiterating that this aspect of our business will always get unflinching support. Worth mentioning is the commencement of our usage of solar power in the last fiscal ensuring that we now have all sources of green power available to our facilities. Also, in FY23 we successfully completed a comprehensive assessment by Industry experts and assessors to retain the Responsible Care certification for another three years. This certification, third time in a row, is a testament to our efforts of living by our guiding principles of quality, safety, and sustainability.

As we continued to build on our operations, we also continued to invest in our people and strengthening the Company leadership. We welcomed our new MD & CEO Dr. Rajan Venkatesh who comes with nearly two decades of global experience in the chemical industry across functions. We are excited to commence our next phase of growth under the able leadership of Dr. Rajan.

### Company Performance in Perspective

Unwavering customer commitment, efficient management of operations and optimizing supply chains enabled us to navigate the volatile market conditions to retain and grow market share. Sustained focus on cost optimisation helped keep the fixed costs under control while productivity enhancement measures yielded tangible results ensuring long term sustainability of the business.

Our new project in Lote Parshuram is a new and exciting platform for us, with every third pharma and agro intermediates needing a fluoro compound. The asset which we acquired from Miteni was successfully relocated to this site in FY23. While the site will be commissioned in phased manner over the course of this year, we successfully started phase 1 in CY23. Our initial efforts are to ensure securing a strong foundation for this business which has significant potential in the global marketplace.

To ensure Laxmi is in a state of readiness to benefit from the global chemical industry's focus on India, the Company invested in a ~ 90 acre plot at Dahej. The growth at this facility will be from businesses that will enable us to consolidate our position as a leading partner with the most reputed global integrators.

From a financial perspective the Company's free cash flow from operations grew almost 2x year on year and in a year of such challenges this was a tremendous indication of the team work to generate value. The improved cash flow meant leverage remained well under control at ~ 0.3x. These aspects were acknowledged by our banking partners who enhanced unsecured facilities to the Company and our rating agency that reaffirmed the rating of AA- with an upgrade of the outlook to positive.

### A Bright Future Ahead

As we look ahead, we recognize that the chemical industry continues to evolve at an unprecedented pace. The transition towards a sustainable future, driven by circular economy principles and the need to mitigate climate change, presents us with both challenges and opportunities. Our Company remains committed to actively embracing these changes, investing in sustainable technologies, and fostering strategic partnerships to drive innovation and create long-term value.

Our commitment to excellence, customer-centricity, and sustainable practices has positioned us well for continued growth and value creation. I extend my heartfelt gratitude to our dedicated team, valued shareholders, trusted business partners, esteemed customers and deeply engaged board members for their unwavering support and trust.

Together, let us embark on the journey ahead, as we strive to unlock new horizons of success and further solidify our position as a leading player in the chemical industry.

Warm Regards,

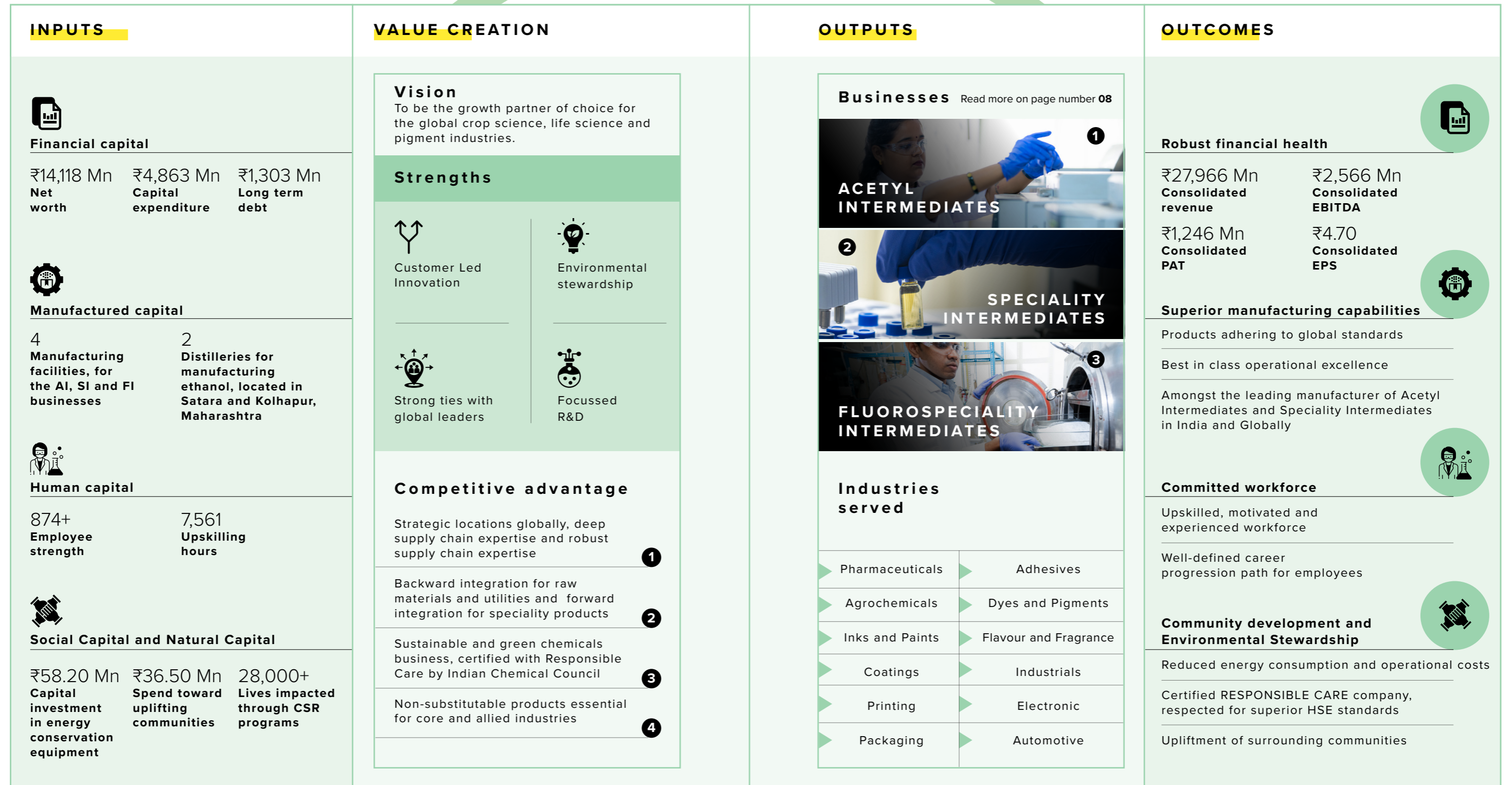
**RAVI GOENKA**  
Executive Chairman

**“All in all, despite the challenges that the world threw at the industry, our industry exhibited resilience and adaptability. In this line team Laxmi continued the journey of steady and renewed growth.”**



# Built to deliver long term value

EXCELLENCE THAT CUSTOMERS TRUST | 2023







# Navigating the turbulent waters

With the world facing high inflation, increasing interest rates and supply chain disruptions, Laxmi Organic Industries exhibited remarkable resilience and adaptability. The Company effectively managed volatile raw material pricing, destocking measures, and a decline in realisations through agile inventory management, cost rationalization, and strategic diversification.

EXCELLENCE THAT CUSTOMERS TRUST | 2023

## Challenges

Challenges		Laxmi Organic's Approach
<p><b>DESTOCKING AND DROP IN REALISATIONS</b></p> 	<p>FY23 witnessed destocking in the chemical industry as companies strategically managed inventories to align with demand patterns and optimize working capital. This approach was necessitated by the uncertain economic environment. Simultaneously, the industry faced a drop in realisations due to intense competition, reduced demand, and pricing pressures.</p>	<p>To navigate these challenges, the Company focused on inventory control, cost rationalisation, operational efficiency, and product differentiation to sustain profitability and mitigate risks associated with pricing fluctuations.</p> <p>1</p>
<p><b>VOLATILE RAW MATERIAL PRICING</b></p> 	<p>Fluctuations in global commodity markets, geopolitical tensions, and supply chain disruptions contributed to the uncertainty. Companies had to navigate price fluctuations of key raw materials, impacting input costs and profit margins.</p>	<p>Effective risk management strategies and agile procurement practices played a pivotal role in mitigating the impact of price volatility and ensuring operational stability. By closely monitoring market trends and engaging in proactive procurement, the Company navigated through price fluctuations and maintained stability in its operations.</p> <p>2</p>
<p><b>HIGH FREIGHT RATES</b></p> 	<p>The high freight rates during the first half of the year, impacted the operations. The surge in freight costs, driven by supply chain disruptions and global trade imbalances, added additional pressures on the industry's operations and cost structures. However, as the year progressed, the situation gradually improved, providing some relief to companies.</p>	<p>Agile logistics management, cost optimization strategies, and proactive collaboration with shipping partners helped maintain supply chain efficiency during the year. In addition, where possible, the Company shifted to domestic procurement.</p> <p>3</p>
<p><b>SLOWDOWN AND GEOPOLITICAL UNCERTAINTIES</b></p> 	<p>The slowdown in the global markets, driven by energy crisis in Europe and high inflation across the world, led to a slow-down in export opportunities and dampened overall demand.</p>	<p>The Company effectively mitigated some of these impacts by not overly relying on a single industry or customer. With on-ground teams operating in both India and Europe, the Company demonstrated efficient handling of the situation.</p> <p>4</p>

Growth Drivers

# Embracing positive mega trends for long term growth

The Company remained resolute in its pursuit of long-term goals, capitalising on positive macro mega trends in the chemical industry. Through strategic initiatives and focused efforts, Laxmi Organic Industries made notable progress in key areas that contributed to its success and strengthened its market position.

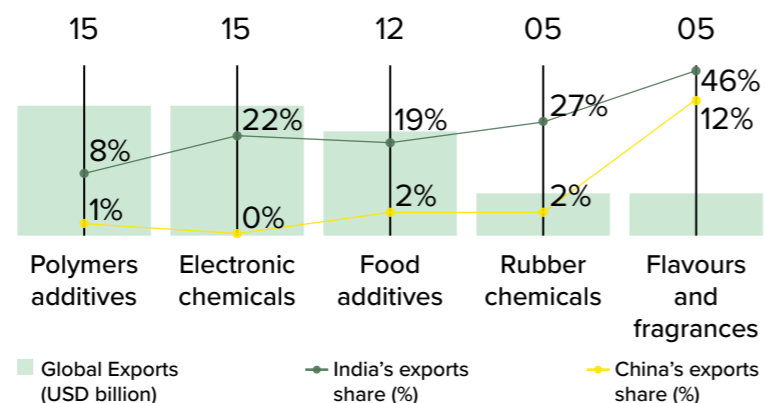
## Mega Trends

### INDIA EMERGING AS A PREFERRED AND VIABLE ALTERNATIVE

The Indian chemical industry is poised to achieve a remarkable milestone, with a projected size of USD 1 trillion by 2040. The industry anticipates a robust annual CAGR in the double digits from the present time until 2040. The “China + 1” strategy has gained traction, resulting in a significant increase in foreign direct investment (FDI) in the Indian chemical industry. Furthermore, the “Europe + 1” perspective has prompted more companies to turn to India for its cost-effective and dependable supply chain. India’s strategic investments in research and development, scale, and cost-efficient production offer a competitive advantage, positioning it to capture a larger market share in the global speciality chemical industry.

### CAPTURING THE EXPORTS OPPORTUNITY

India has the potential to bridge the export capacity gap with China in the speciality chemical industry. Scaling up production in specific sub-segments and enhancing export capabilities can attract global chemical leaders re-evaluating their procurement strategies. Focus on segments like electronics, food additives, rubber, and flavors and fragrances can drive growth in Indian Speciality chemical exports. This presents a significant opportunity for Indian companies to tap into the rising global demand. In fact, by 2040 it is only the speciality sub-segment in the chemicals sector that is projected to be a net exporter from India with annual exports estimated to be ~ USD 70 billion (vs USD 15 billion currently).



## Capitalising on the Opportunity

### EXTENDED FOCUS ON SPECIALITY CHEMICALS

During the year, Laxmi Organic Industries continued to successfully execute its strategic shift towards the speciality intermediates vertical. The Company strategically reinvested the cash flow generated from the acetyls business vertical into the speciality chemicals vertical, driving sustainable growth and profitability. By establishing dedicated facilities for speciality chemicals and fluorospeciality intermediates, Laxmi Organic Industries has fortified its position to capture new opportunities and deliver value to its customers.

### INVESTING IN RESEARCH AND DEVELOPMENT (R&D)

Laxmi Organic Industries demonstrated its commitment to innovation through substantial investments in research and development. In FY23, the Company allocated over 10% of its profits after tax to R&D activities. These investments will fuel the development of new products and processes, enabling Laxmi Organic Industries to scale up its operations and emerge as a key player in the speciality intermediates market. With state-of-the-art R&D centres and a dedicated team focused on engineering and scale-ups, the Company remains at the forefront of innovation.

### FOCUS ON EXPORT MARKETS AND DIVERSIFICATION

The Company strategically focused on diversifying and strengthening its customer base through a concerted emphasis on export markets. By continually targeting newer geographies and clients, the Company expanded its global footprint and further enhanced its export earnings. To ensure timely and reliable supply to international customers, the Company has established subsidiaries in foreign markets such as the US and China, creating stock points that optimise supply chain efficiency and reinforce its commitment to customer satisfaction.

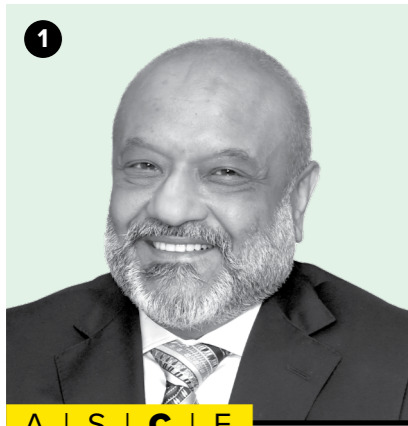
### LONG-TERM PARTNERSHIPS AND CLIENT RELATIONSHIPS

The Company continued to forge enduring partnerships with global market leaders in the chemical industry, fostering long-term contracts and collaborative innovation. These relationships have been instrumental in expanding the Company’s market reach and securing deeper wallet share. By closely understanding the needs of its clients, the Company delivers tailored solutions and strengthens its position as a preferred supplier across a wide range of chemistries.

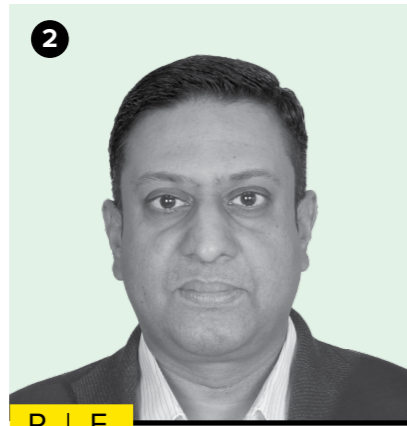


## Board of Directors

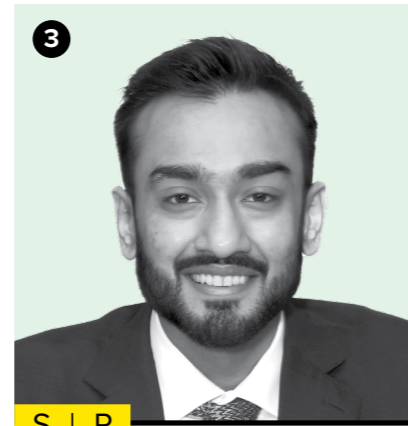
# Visionary leaders - conscience of the company



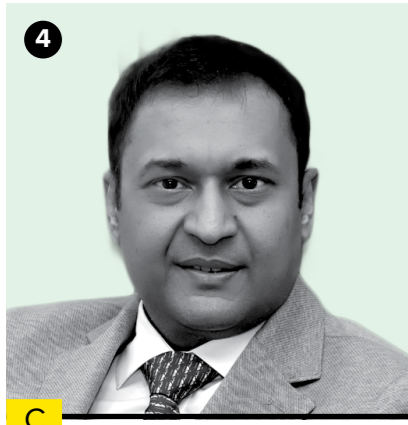
A | S | I | C | I | F



R | I | F



S | I | R



C



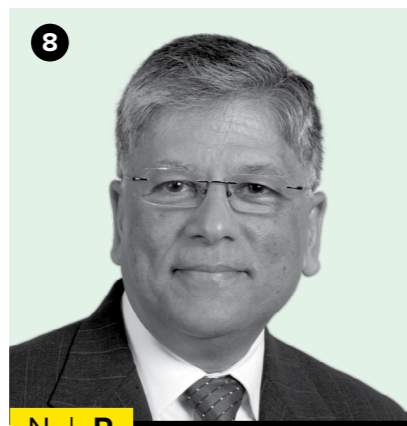
N | I | S



A | I | F



A | I | N | I | C



N | I | R



R

## 1. RAVI GOENKA Executive Chairman

Ravi Goenka is the Executive Chairman of Laxmi Organic Industries Limited. He holds a Bachelor's degree in Chemical Engineering from Bangalore University and has been a part of the Company since its inception in 1989. With over 30 years of experience in the chemicals and paper industries, Mr. Goenka brings extensive expertise to his role. He has also spent 17 years in the education industry and 22 years in the power industry. Mr. Goenka has served as a trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust and has been the President of the Executive Committee of the Indian Chemical Council from 2020 to 2022.

## 2. RAJAN VENKATESH Managing Director and Chief Executive Officer

Dr. Rajan Venkatesh, the Managing Director and Chief Executive Officer, brings a wealth of experience to the Company. He holds a Master's degree in chemistry from IIT-Mumbai, 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 the Company in April 2023, Dr. Rajan's professional journey has exposed him to diverse cultures. He has worked across various markets and cultures throughout his career, spending two decades at BASF. In his tenure at BASF, he successfully led multiple businesses functions, and large-scale projects across Germany, Singapore, India, and Hong Kong. Prior to joining Laxmi, Dr. Rajan held the position of Senior Vice President, Care Chemicals, Asia Pacific at BASF. In this role, he had overall responsibility for P&L and general management, including key customer relations, sales, marketing, HR, controlling, supply chain, R&D, sustainability, investments/M&A, and joint venture management in markets such as Greater China, ASEAN, South Asia, Japan, Korea, and ANZ.

## 3. HARSHVARDHAN GOENKA Executive Director - Strategy and Business Development

Harshvardhan Goenka is the Executive Director of Strategy and Business Development at Laxmi Organic Industries Limited. He holds a Bachelor's degree in Science from Babson College, Boston, USA.

## 4. RAJEEV GOENKA Non-Executive Director

Rajeev Goenka is a Non-Executive Director at Laxmi Organic Industries Limited. He holds a Masters' degree in Business Administration from Lehigh University, Pennsylvania. With over 27 years of experience in the chemicals industry, Mr. Goenka brings 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 Industries, Mr. Goenka serves as a member on the board of directors of Maharashtra Aldehydes Chemicals Limited and is a founding member of International Knowledge Park Private Limited.

## 5. MANISH CHOKHANI Independent Director

Manish Chokhani is an Independent Director at Laxmi Organic Industries Limited. He holds a Master's degree in Business Administration from the London Business School, University of London. With over 17 years of experience in the industry, Mr. Chokhani brings valuable expertise to the board. He is also an Associate at the Institute of Chartered Accountants of India and a Fellow at the All India Management Association.

## 6. OMPRAKASH V. BUNDELLU Independent Director

Omprakash V. Bundellu is an Independent Director at Laxmi Organic Industries Limited. He holds a Master's degree in Mathematics and Science, as well as a Master's degree in Financial Management from the University of Bombay. With over 39 years of experience in the banking industry, Mr. Bundellu brings a wealth of knowledge to the board. He has completed various management programs, including those conducted by the Indian Institute of Management, Ahmedabad, and Harvard Business School.

## 7. SANGEETA SINGH Independent Director

Sangeeta Singh is an Independent Director at Laxmi Organic Industries Limited. She holds a Bachelor's degree in Arts from Wilson College, University of Bombay. With over 37 years of experience in human resources management and operations, Ms. Singh brings valuable insights to the board. She has also completed the Strategic Human Resource Management program from the Harvard Business School.

## 8. RAJEEV VAIDYA Independent Director

Rajeev Vaidya is an Independent Director at Laxmi Organic Industries Limited. He holds a Bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Mumbai, and a Doctorate degree from The University of Southern Mississippi. With over 32 years of experience in the chemicals industry and over 7 years of experience in investment advisory services, Dr. Vaidya brings a strong background in both technical and financial aspects to the board.

## 9. RAJIV BANAVALI Independent Director

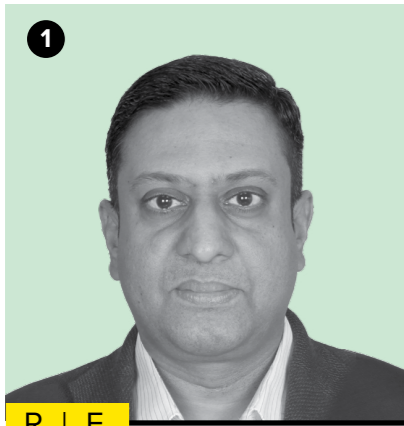
Rajiv Banavali is an Independent Director at Laxmi Organic Industries Limited. He holds a Bachelor's and Master's degree in Chemistry from the Institute of Science, Mumbai, and a Doctorate degree in Organic Chemistry from The University of Missouri. With over 36 years of experience in the chemicals industry, including 21 years leading innovative research organizations, Dr. Banavali brings deep expertise in materials sciences and research to the board.

### Keys:

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

M - Member  
C - Chairman

## Leadership Team

Decisive and  
passionate  
leadership

R I F



S I R



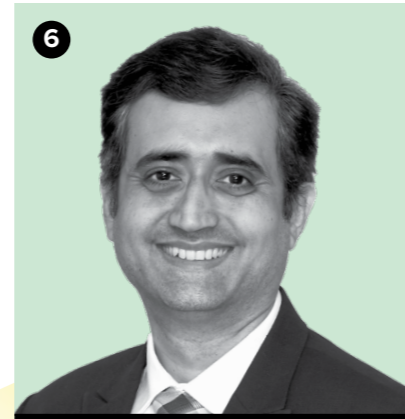
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4



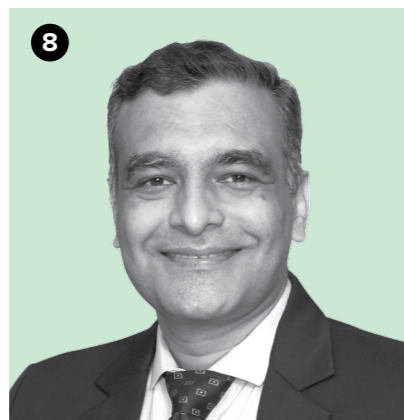
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6



7



8



9

### 1. RAJAN VENKATESH

**Managing Director and Chief Executive Officer**

Dr. Rajan Venkatesh, the Managing Director and Chief Executive Officer, brings a wealth of experience to the Company. He holds a Master's degree in chemistry from IIT-Mumbai, 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 the Company in April 2023, Dr. Rajan's professional journey has exposed him to diverse cultures. He has worked across various markets and cultures throughout his career, spending two decades at BASF. In his tenure at BASF, he successfully led multiple businesses functions, and large-scale projects across Germany, Singapore, India, and Hong Kong. Prior to joining Laxmi, Dr. Rajan held the position of Senior Vice President, Care Chemicals, Asia Pacific at BASF. In this role, he had overall responsibility for P&L and general management, including key customer relations, sales, marketing, HR, controlling, supply chain, R&D, sustainability, investments/M&A, and joint venture management in markets such as Greater China, ASEAN, South Asia, Japan, Korea, and ANZ.

### 2. HARSHVARDHAN GOENKA

**Executive Director - Strategy and Business Development**

Harshvardhan Goenka is the Executive Director - Strategy and Business Development at Laxmi Organic Industries Limited. He holds a Bachelor's degree in Science from Babson College, Boston, USA. Associated with the Company since September 2010, Mr. Goenka brings over 11 years of experience in the chemicals industry.

### 3. TANUSHREE BAGRODIA

**Chief Financial Officer**

Tanushree Bagrodia holds the position of Chief Financial Officer at Laxmi. She has a Bachelor's degree in Computer Engineering from Vivekananda Education Society's Institute of Technology and an MBA from INSEAD. Tanushree's professional journey started as an investment banker in London and Mumbai, working with prominent American, European, and Indian investment banks. In 2013, she made the transition to industry and became one of the youngest female CFOs of a listed company

in India. Over her two-decade career, she has gained extensive experience across geographies and sectors, including financial services, automotive, and start-ups. This diverse background has equipped her with a unique depth of business acumen, competencies, and leadership skills, enabling her to successfully lead businesses at various stages of growth. Tanushree currently serves as a Nominee Director of the International Finance Corporation (IFC). She is also on the Board of Regency Healthcare - Kanpur. Additionally, she is a trustee of an English medium school with a student body of 400 pupils in rural India.

### 4. S. DAIPAYAN BORA

**Chief Transformation Officer**

S. Daipayan Bora is the Chief Transformation Officer at Laxmi Organic Industries Limited. He holds a Master's degree in Personnel Management & Industrial Relations from Tata Institute of Social Sciences. With over 20 years of experience in human resource management and related areas, Mr. Bora joined the Company in October 2018.

### 5. JITENDRA AGARWAL

**President - Acetyl Intermediates**

Jitendra Agarwal is the President - Acetyl Intermediates at Laxmi Organic Industries Limited. He is an Associate member of the Institute of Chartered Accountants of India. With over 29 years of experience in finance, accounts, global procurement, supply chain, sales and marketing, operations, and industrial relations, Mr. Agarwal has been associated with the Company since June 2018.

### 6. VIRAG SHAH

**Executive Vice President - Speciality Intermediates**

Virag Shah is the Executive Vice President - Speciality Intermediates at Laxmi Organic Industries Limited. He holds a Master's degree in Applied Chemistry and a Master's degree in Business Administration from Maharaja Sayajirao University of Baroda. With over 20 years of experience in marketing, sales, and business development of speciality chemicals, pharmaceutical intermediates, and active pharmaceutical ingredients, Mr. Shah joined the Company in July 2020.

### 7. DR. AJAY AUDI

**Executive Vice President - Research and Development**

Dr. Ajay Audi is the Executive Vice President - Research and Development at Laxmi Organic Industries Limited. He holds a Doctorate degree in Science for a thesis in Organic Chemistry from the University of Mumbai. With over 18 years of experience in process development and scale-ups of Agro-Chemicals and Pharma - Active Pharmaceutical Ingredients, Dr. Audi has been associated with the Company since December 2013.

### 8. B.P. PANT

**Executive Vice President - Business Development, Pharma and Agro**

B.P. Pant is the Executive Vice President - Business Development, Pharma and Agro at Laxmi Organic Industries Limited. He holds a Master's degree in Science in Organic Chemistry from the University of Pune. With over 26 years of experience in process research, program management, business development, sales, and marketing of agrochemical intermediates, pharmaceutical intermediates, and speciality chemicals, Mr. Pant joined the Company in February 2018.

### 9. PRASHANT PATIL

**Executive Vice President - Manufacturing (SI)**

Prashant Patil is the Executive Vice President - Manufacturing. He holds a bachelor's degree in chemical engineering from Mumbai University and post graduate diploma in materials management from Welingkar Institute. He has over 31 years of experience in manufacturing, projects, and process engineering consultancy with speciality chemicals, petrochemicals, synthetic organic chemical industries. He joined Laxmi Organic Industries Limited in November 2016. In the past, he was associated with Hikal Ltd., Deepak Fertilizers and Petrochemicals Ltd., SABIC (Saudi Arabia), PetroSkills Bahrain, Reliance Industries, Hindustan Organic Chemicals Ltd.

**Keys:**

S - Stakeholders' Relationship Committee  
R - Risk Management & ESG Governance Committee  
F - Finance Committee

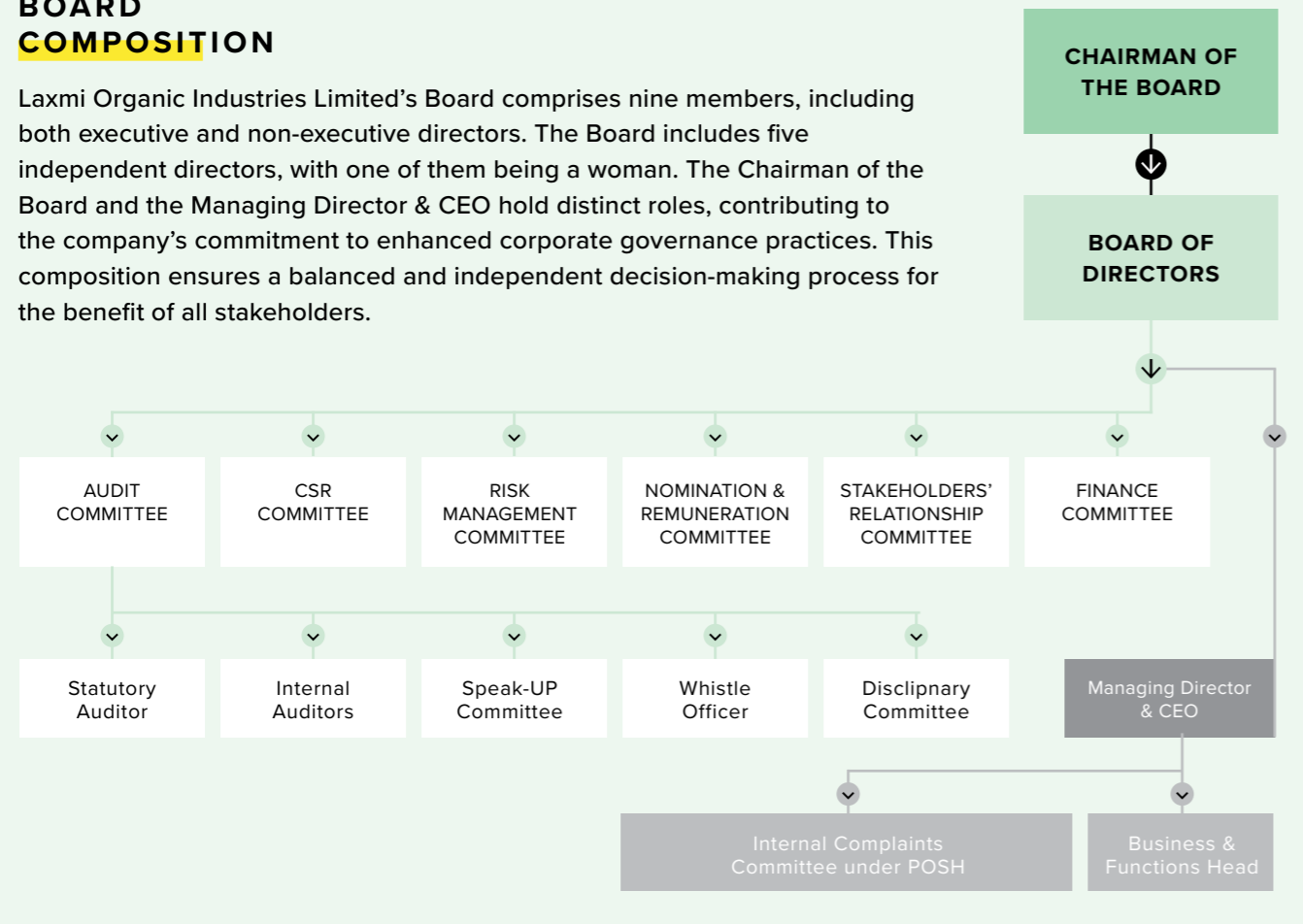
M - Member

# Demonstrating high governance standards

Laxmi Organic Industries Limited adheres to a robust corporate governance philosophy that emphasises conducting business with utmost efficiency, responsibility, transparency, and integrity. The Company believes in the significance of sound corporate practices, which are based on transparency, accountability, and a high level of integrity to enhance long-term value for shareholders and stakeholders. The Board of Directors, guided by a Board charter, ensures strategic and operational excellence in the best interest of all stakeholders.

## BOARD COMPOSITION

Laxmi Organic Industries Limited's Board comprises nine members, including both executive and non-executive directors. The Board includes five independent directors, with one of them being a woman. The Chairman of the Board and the Managing Director & CEO hold distinct roles, contributing to the company's commitment to enhanced corporate governance practices. This composition ensures a balanced and independent decision-making process for the benefit of all stakeholders.



## SKILLS AND EXPERTISE OF THE BOARD

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

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

**Keys:**

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

## BOARD EXPERIENCE

02

Members with 10+ years

01

Member with 25+ years

04

Members with 30+ years

02

Members with 35+ years

## KEY FUNCTIONS OF THE BOARD INCLUDE

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

## Our People

# Fostering talent, embracing diversity, and driving excellence



Guided by a strong commitment to fostering talent, promoting diversity, and nurturing excellence, the Company implemented programs that enhanced leadership capabilities, improved internal communication, and established a strong foundation of values and competencies.

## Initiatives

### LEADERSHIP DEVELOPMENT PROGRAM (LEAP)

Laxmi Organic Industries introduced LEAP, an eight-month leadership development intervention following the 70:20:10 development model. Through cohort learning, immersions with external leaders, and group coaching, the program nurtured essential competencies and facilitated their application in real-world scenarios.

### VISION, MISSION & VALUES

Laxmi Organic Industries conducted comprehensive interviews and stakeholder consultations to formulate a clear vision, mission, and set of core values. This strategic alignment exercise ensured that the organization's decisions and actions were guided by a strong sense of purpose and direction. The vision, mission, and values were shared with the workforce through a series of leadership workshops and orientations.

### TOTAL REWARDS MINDSET

By benchmarking against selected chemical sector companies, Laxmi Organic Industries established a comprehensive understanding of compensation practices and developed a strong total rewards philosophy. The philosophy centers around pay-for-performance principles, transparency, fairness, and consistency, ensuring that employees are duly recognised and rewarded.

### NATIONAL APPRENTICE PROMOTIONAL SCHEME

At Laxmi Organic Industries' manufacturing units, a high-quality talent pool was created through the National Apprentice Promotional Scheme Program. The program focuses on entry-level positions, providing employment opportunities to talented individuals and improving bench strength. Moreover, it supports the Company's commitment to gender diversity.

### GENDER DIVERSITY

Recognising the importance of gender diversity, Laxmi Organic Industries implements a three-pronged approach. It involves identifying diversity-focused positions, enhancing the work environment for women, and fostering awareness and sensitivity within the organisation to promote diversity and inclusivity.

### INTERNAL COMMUNICATION PLATFORM

To enhance communication within the organization, Laxmi Organic Industries established an internal communication platform led by an editorial team composed of employees from various functions. The platform, publishing newsletters in both English and Marathi, provides valuable insights into significant events and developments across the organisation. Additionally, the Company conceptualised a Town Hall format for future communication initiatives.

### COMPETENCY FRAMEWORK DEVELOPMENT & ORIENTATION

Leveraging insights gathered from interviews, Laxmi Organic Industries developed a robust competency framework encompassing various organisational levels. The framework, based on proficiency, serves as a guide for talent management and development. Interactive workshops were conducted to familiarise people managers with the competency framework, and it will be integrated into key HR processes moving forward.

### HUMAN RESOURCES INFORMATION SYSTEM INITIATIVES

Laxmi Organic Industries streamlined HR processes through the centralisation of onboarding and payroll modules. The integration of attendance modules and the implementation of an exit workflow further improved efficiency. The Company also initiated the configuration and implementation of analytics reporting capabilities to enhance decision-making.

### COMMUNITY ENGAGEMENT PROGRAM

Laxmi Organic Industries actively engages community representative bodies surrounding its manufacturing units. By seeking their views and suggestions on sustainability initiatives, the Company strengthens relationships, builds trust, and collaborates with local communities to address challenges collectively.





EHS

# Nurturing safe and sustainable future

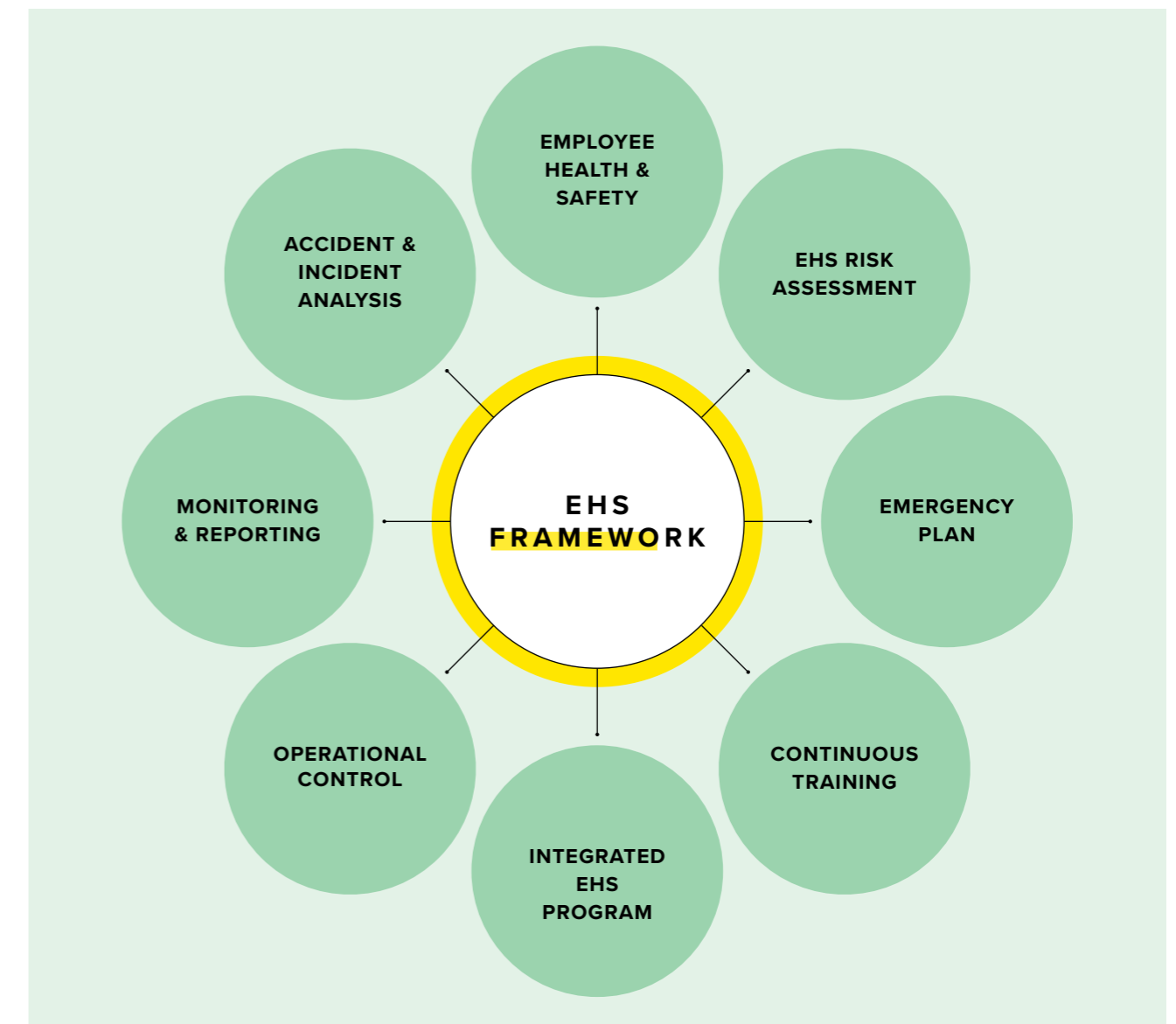


EXCELLENCE THAT CUSTOMERS TRUST | 2023

## The Company embraces its role as stewards of the environment, valuing the well-being of its employees and communities.

With a steadfast commitment to sustainability, Laxmi Organic Industries incorporates rigorous EHS initiatives and stringent compliance measures into its operations. The Company prioritises occupational health and safety, actively promoting a safe work environment.

The Company has implemented robust process safety management systems, ensuring that workplace hazards are proactively identified and mitigated. Rigorous monitoring of workplace exposures allows us to prioritise the health and safety of our workforce, enabling a proactive approach towards creating a secure work environment. Additionally, the Company maintains a strong focus on emergency response preparedness through regular emergency drills, ensuring that the teams are well-equipped and trained to handle any unforeseen situations effectively.



## Environmental Stewardship

As a part of “Responsible Care” Pollution Prevention Code, Company has embarked into the journey of Environmental and Social Governance (ESG) and Sustainability Initiatives. Various practices are implemented for prevention and control of pollution at our manufacturing locations. Besides the Company uses 20% of energy from renewal energy sources.

### RENEWABLE ENERGY INVESTMENTS

The Company has been a pioneer in adopting renewable energy sources, investing in wind power in 2004 and hydro-electric power in 2018. These initiatives have significantly contributed to sustainable energy generation and reducing carbon emissions.

### EFFICIENT WASTEWATER MANAGEMENT

The Company recognises the importance of responsible water management, and to ensure effective treatment of wastewater, the Company has made substantial investments in advanced Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) systems. These state-of-the-art systems exceed regulatory requirements, allowing us to consistently maintain high-quality water standards and reduce our environmental impact.

Additionally, the recent integration of a 240 KLD Low Temperature Evaporation (LTE) System has further strengthened our commitment to responsible water management by minimising water usage and ensuring enhanced treatment of effluents.

### FLOOD PREVENTION AND MITIGATION

The Company has taken proactive measures to prevent and mitigate flooding risks. Suitable systems, procedures, practices, and infrastructures have been implemented for prevention and mitigation of impacts on people, communities, plants & assets due to risks associated with floods.

### WASTE-TO-ENERGY APPROACH

The high calorific value waste generated during operations is utilised as fuel for heat recovery. By adopting this waste-to-energy approach, the Company has made the process safer and could also achieve reduction in environmental impact.

### ENERGY-EFFICIENT TECHNOLOGIES

The Company strives hard to consistently incorporate energy-efficient technologies in all new projects and process modifications. By embracing innovation and optimised resource utilisation, the Company aims to reduce energy consumption and further contribute to a sustainable future.



## ENHANCING PROCESS SAFETY MANAGEMENT

The Company has incorporated Process Safety Management Elements (PSM) under respective sections of Integrated Management System (IMS).

The required technical, human and financial resources are regularly provided for enhancing risk controls in manufacturing processes. Some of the PSM initiatives implemented during the year under review are as under:

**1** Upgradation of Software for prompt updating of Safety Data Sheets of our various products. In addition, the Process Safety Information (PSI) has been duly updated as a part of scheduled ongoing endeavours.

**2** All the existing PHA (Process Hazard Analysis) studies are revalidated, and the recommendations are complied with.

**3** Quantitative Risk Assessment (QRA) studies are conducted for all the new facilities and results of the QRA studies have been duly incorporated in development & implementation of prevention and mitigation of plant emergencies.

**4** Operating Procedures are reviewed and revised as necessary, and all the operating personnel are retrained to ensure required level of EHS competence.

## Safeguarding Our Employees

At Laxmi Organic Industries, the well-being of employees is of utmost importance, and the Company continuously strives to enhance workplace health and safety. Through rigorous internal EHS audits, the Company has implemented a continuous Volatile Organic Compound (VOC) monitoring system to meticulously monitor workplace exposures and ensure a safe working environment. In line with its commitment to risk management, the Company has conducted a comprehensive review of departmental Risk Registers, initiating action plans to address identified risks promptly. To ensure operational excellence, Laxmi has undertaken a thorough review and revision of critical Standard Operating Procedures (SOPs), with random verification of their implementation. The expertise of the Emergency Response Team (ERT) has been further strengthened through specialised training on emergency preparedness and response. Additionally, the Company has developed and provided training on an Incident Communication Protocol, enabling effective communication during incidents.

## Prevention and Control of Pollution

The Company is dedicated to environmental responsibility and has implemented a range of practices to prevent and control pollution. Through process modification and alteration, the Company has achieved significant progress in reducing the effluent load on its Effluent Treatment Plant (ETP) by 40% through the implementation of process effluent recycling in its activities, particularly in acetic acid recovery. Additionally, Lax has employed a comprehensive treatment approach for high Chemical Oxygen Demand (COD) effluent.

In its commitment to cleaner fuels, the Company has converted two boilers, from coal to clean fuel, reducing the environmental impact associated with coal combustion.

## Ensuring Agility in Times of Emergency

### COMMUNITY INVOLVEMENT

The Company recognises the importance of involving key stakeholders in emergency response planning. Regular visits are organised for members of the Maharashtra Accident Response Group (MARG), Local Crisis Group (LCG), and District Crisis Group (DCG) to the plant sites. Additionally, the Company arranges visits for representatives from neighbouring Asanpoi Villages to share emergency action plans, provide information on hazardous chemicals, and educate them on individual actions during any emergency.

### EMERGENCY DRILLS

To validate the emergency response capabilities, the Company conducts unannounced drills led by authoritative figures. These drills assess the Company's readiness to respond effectively to unforeseen events. Furthermore, the Company conducts unannounced emergency drills during silent hours, between 1 am and 3 am, under the guidance of the Deputy Director of DISH (Directorate of Industrial Safety and Health).

### FLOOD CONTROL

Recognising the specific challenges posed by floods, the Company has developed a separate plan focused on the prevention and mitigation of emergencies associated with flooding. This plan is meticulously prepared and diligently implemented to ensure the safety and well-being of the employees and the surrounding communities.



## Ensuring Safe and Efficient Transportation

At Laxmi Organic Industries, the Company prioritises the safety and integrity of its distribution practices. To mitigate potential risks associated with the transportation of hazardous chemicals by road, the Company has implemented several initiatives. One such initiative is the adoption of Journey Risk Assessment through the membership with Nicer Globe. This enables the Company to thoroughly evaluate and assess the potential hazards along transportation routes, allowing it to proactively address any risks. Additionally, Laxmi has developed distribution incident emergency plans and provided emergency kits to its distribution personnel, ensuring they are equipped to respond effectively in unforeseen circumstances. Moreover, the Company conducts scheduled training sessions for its drivers engaged in the transportation of hazardous chemicals, reinforcing their knowledge of safety protocols and best practices.



## Awards and Certifications: Recognitions of Excellence

### AWARDS

Throughout the years, Laxmi Organic Industries has consistently been acknowledged and honoured for its unwavering commitment to safety, health, and environmental stewardship. The Company takes immense pride in the following awards it has received

2018

First Prize in One-man Fire Drill and Four-man Fire Drill Competitions.

2019

First Prize in Two-man Fire Drill and Four-man Fire Drill Competitions.

2022

First Prize in Four-man Fire Drill, First Prize in Two-man Fire Drill, and First Prize in Safety Belt Competition.

2023

First Prize in Two-men Fire Drill, First Prize in Safety Belt Competition, and Second Prize in Safety Elocution.

### CERTIFICATIONS

At Laxmi Organic Industries, the Company adheres to the highest standards of quality, environmental responsibility, and occupational health and safety. The Company has obtained the following certifications as a testament to its commitment

#### Integrated Management System Certifications



**ISO 9001:** Recognized for robust quality management system.



**ISO 14001:** Acknowledged for environmentally sustainable practices.



**ISO 45001:** Certified for exemplary occupational health and safety management system.



Certified RESPONSIBLE CARE company

#### National and State Level Appreciation

National Level Appreciation Certificate: Presented by the National Safety Council of India for commendable achievements in Occupational Safety and Health over the last three consecutive years.

State Level Occupational Health and Safety Award 2023: Granted by the Directorate of Industrial Safety and Health (DISH), Government of Maharashtra, in recognition of the meritorious performance in Occupational Safety, Health, and Welfare over the preceding three years.



CSR

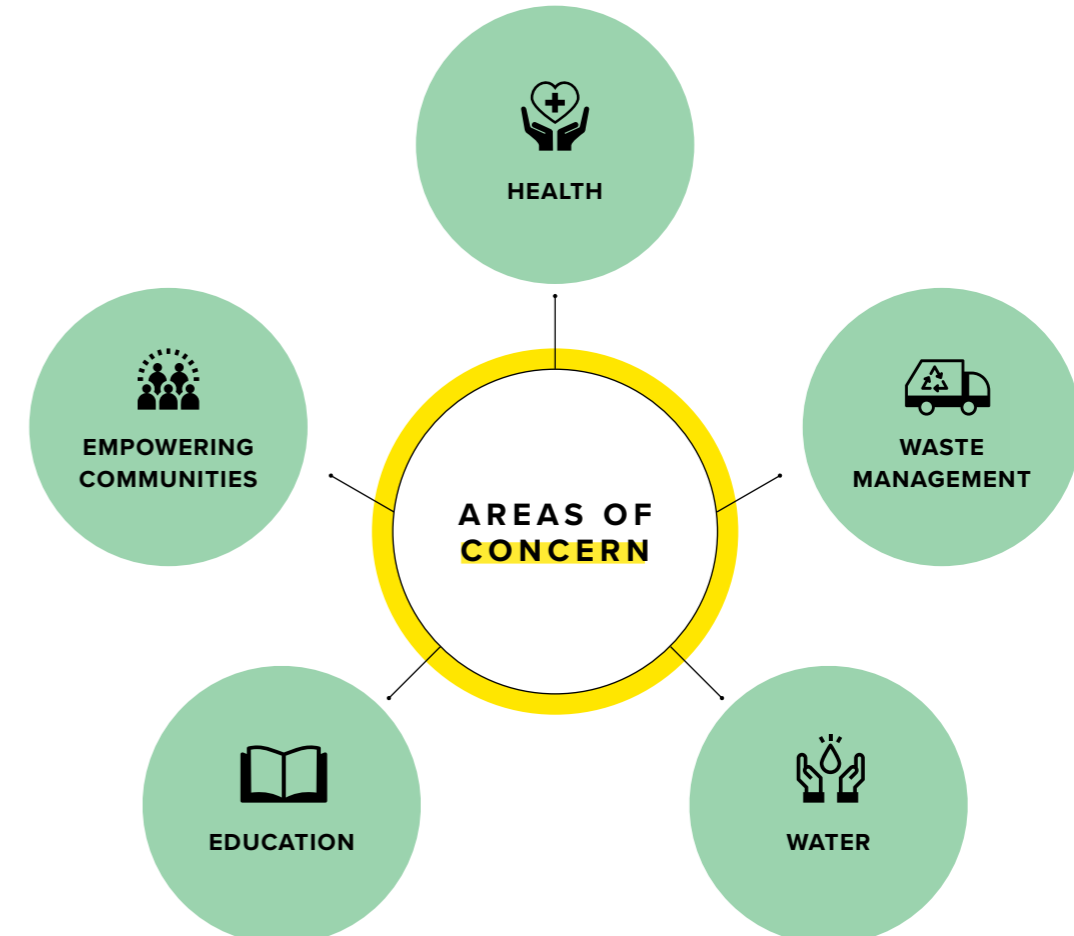
## Partnering our communities for **inclusive growth**



EXCELLENCE THAT CUSTOMERS TRUST | 2023

**Laxmi Organic Industries recognises the importance of corporate social responsibility in fostering a positive and sustainable impact on the communities it serves. Committed to making a meaningful difference, the Company has undertaken a range of CSR initiatives focused on key thematic areas, including health, education, water, and waste management.**

Through the CSR efforts, the Company aims to create a lasting positive change and empower those in need. The Company actively engages in CSR initiatives through its dedicated CSR trust, Laxmi Foundation. Laxmi Foundation serves as the platform for executing various CSR programs that align with the Company's core values and thematic areas of focus. By establishing Company's own CSR trust, Laxmi ensures a focused approach and dedicated management of its CSR programs. Collaboration is another crucial aspect of the CSR endeavours. The Company has joined hands with like-minded companies and organisations, pooling its strengths and resources to amplify the impact of the initiatives. By partnering with other entities involved in CSR activities, the Company fosters collective action, knowledge sharing, and mutual support, ultimately leading to greater socio-economic development in the communities where it operates.



Areas of Concern

HEALTH



**PROBLEM**  
Lack of access to healthcare services in rural areas.

**INITIATIVE**  
Implemented the Mobile Health Unit (MHU) to provide door-to-door health services in 18 villages of Mahad taluka. The MHU consists of a mobile clinic equipped with medical professionals and basic medication.

**OUTCOME**  
Improved healthcare services for approximately 15,000 villagers, with around 5,000 patients already treated. Targeting expansion to Khed and Chiplun talukas, covering a total of 21 villages.

WASTE MANAGEMENT



**PROBLEM**  
Inadequate management of domestic waste in Birwadi village.

**INITIATIVE**  
Provided a waste collection vehicle to enable effective waste disposal in the village. Collaborated with NGO Shrunkala to establish a facility for the storage and recycling of dry waste.

**OUTCOME**  
Enhanced waste management practices benefiting over 10,000 villagers in Birwadi, promoting a cleaner environment and community well-being.

WATER



**PROBLEM**  
Water scarcity and lack of reliable water supply.

**INITIATIVE**  
Facilitated additional drinking water supply from the MIDC source to a village in Mahad taluka. Implemented a solar water pump project in another village to overcome electricity availability challenges.

**OUTCOME**  
Improved access to clean drinking water for approximately 3,000 villagers and increased water availability through sustainable solar-powered solutions.

EDUCATION



**PROBLEM**  
Limited educational infrastructure and resources in Parsule and Khed Taluka.

**INITIATIVE**  
Undertook the construction of a primary school in Parsule, providing 7 classrooms, washrooms, and bathrooms. Collaborated with district education authorities to introduce english medium education. Upgraded infrastructure in a school located in Khed Taluka.

**OUTCOME**  
Enhanced educational facilities, benefiting over 100 primary school students and promoting quality education in the region.

EMPOWERING COMMUNITIES



**PROBLEM**  
Vulnerability during emergencies and limited resources for neighbouring communities.

**INITIATIVE**  
Provided a public address system for flood emergency communication, supplied oxygen units and ventilators to Mahad Hospitals, organized community vaccination programs, donated IT infrastructure to government offices, and shared resources with neighbouring villages. Conducted awareness training and demonstrated flood prevention and control schemes.

**OUTCOME**  
Strengthened community resilience, improved emergency response capabilities, and fostered collaboration among neighbouring communities.

RAISING AWARENESS THROUGH CAMPAIGNS AND ACTIVITIES

The Company actively engages in environmental promotional activities in and around the MIDC Area. This includes conducting plastic waste collection rallies, and raising awareness about plastic waste management. Moreover, the Company has undertaken a plantation drive, contributing to the planting of 3,500 saplings near Asanpoi Village.

36.50 | 3

Total amount of CSR expenditure in FY23 (In ₹ million)

Total number of CSR committee meeting in FY23

MD&amp;A

# Management discussion & analysis



The manufacturing sector in India grew at 8.6%, while the services sector grew at 8.8% in FY23.

## Global Economic Outlook

The global economy saw a muted FY23 with 2022 global growth estimated at ~ 3.6%. FY24 is estimated to see a slower growth with 2023 global growth being estimated at ~ 2.9%.

Rising inflation and the Russia – Ukraine unrest were the large overhangs on the economic performance. The Russia – Ukraine strife led to a number of economic challenges including:

### Higher Energy and Food Prices

Ukraine and Russia are major exporters of wheat, corn, and sunflower oil. Russia is a major supplier of Oil and Gas, especially to continental Europe. The war disrupted the global food and energy markets, leading to higher prices for these commodities, straining business and household budgets and adding to the increasing inflation. Wheat prices have increased by about 50% since the start of the war while the oil prices rose to a high of USD 130 per barrel before starting to come down. Oil prices in May 2023 were at USD 75 per barrel with an estimate of price increases likely amidst reducing production.

### Inflation

Globally, inflation has been on the rise in FY23. The Euro area saw the steepest rise with inflation reaching 10.6% in October 2022 before correcting sharply to 6.9% in March 2023. The large correction was due to the drop in energy prices. As of May 2023, the Eurozone inflation is at 6.1%, the lowest since February 2022 but the underlying price pressures remain strong. The US annual inflation rates increased to the highest in this century in June 2022 at 9.1% before starting to correct and reaching 5.0% in March 2023. As of May 2023, the US annual inflation rate was at 4.0%, lowest since April 2021 but like the Eurozone, the price pressures remain a worry for policy makers.

### Financial Market Volatility

The Russia – Ukraine conflict and the rising inflation made investors exceptionally risk averse leading to significant market volatility and liquidity tightening. Stock markets have experienced sharp declines (S&P lost about 10% since April 2022), and bond yields have risen too (US 10-year Government bond yields increase over 25% since April 2022 with monthly changes in single digits for 3 consecutive months for the first time since December 2021). The interest rates across the world remain at levels which are probably the highest in recent years.

# 3.6%

The global economy saw a muted FY23 with 2022 global growth estimated at ~ 3.6%

## Indian Economic Outlook

In FY23 the Indian economy witnessed a 7.2% growth with the GDP touching USD 3.75 trillion mark. Currently, India is the fifth largest economy in the world after the USA, China, Japan and Germany. While manufacturing sector grew at 8.6%, the services sector grew at 8.8% in FY23.

The outlook for FY24 is muted given the global slowdown and recession worries. However, the strong domestic consumption could absorb some of the shocks. Private consumption in the country is already back to pre-pandemic levels. Estimates for FY24 Indian economic growth stand at about 6.3%.

### Energy prices in India

India's consumption of petroleum products increased 10.2% YoY in FY23. As global oil prices saw a rise, India felt the impact too. However, this impact was absorbed by the share of Russian imports increasing to almost 20% from a mere 2% YoY. India's demand of petrol and diesel like products is expected to increase at about 7.7% in 2023. Indian coal imports increased 23% YoY led by a 28.5% increase in steam / thermal coal. With the Russia Ukraine conflict impacting commodity prices, average landed priced of imported coal was 58% higher in H1FY23 before moderating slightly in H2FY23. The coal demand in India is likely to continue to grow in FY24. The trend on electricity consumption is also upwards driven also by the climate change impact resulting in much hotter summer. The electricity prices on IEX saw a 35% increase YoY driven by demand supply mismatch. The estimates of electricity consumption indicate an increase of demand growth of 5.5% - 6.0% with the IEX prices not declining as of May 2023.

### Food Prices in India

The food prices in India normalised from the start of FY23 to its end, however, are at higher-than-normal levels. While the monsoon is predicted to be normal, the timing and spread are to be watched out for. While a normal monsoon could help keep food prices in check, unseasonal rains that destroy crops could have an adverse impact. Further, according to the Food and Agriculture Organization of the United Nations (FAO) the disruption in the global wheat and other food commodities is unlikely to be alleviated, leading to some price pressures continuing.

### Interest Rates

Repo rates increased at the fastest pace in recent years in FY23, ending at 7.5% in March 2023 vs 4% in April 2022. The increase rate hikes have been necessitated by the higher than RBI threshold inflation and the US Fed's interest rates hike. While the domestic inflation seems to have slowed, the US interest rates continue to increase having increased from 0.25% in April 2022 to 3.75% in May 2023. The RBI has also thus, in line, indicated that it controls to monitor the situation closely and take the most appropriate measures going forward.

## Global Chemical Sector

2022 was a challenging year for the global chemical industry, especially in Europe where the energy prices were the most impacted. As 2023 set in, while energy prices saw softening the overall global economic situation remained depressed. In 2022 the growth of chemical industry (both bulk and speciality chemicals) was the lowest in Europe while the US and Asia fared better. Given the slower anticipated global economic growth, higher prices born of inflation and higher inventory in the chemical industry supply chain, a softer patch for the industry is the likely outcome in 2023 with estimates of a 2.9% increase in global production. Beyond 2023, as the global economy recovers there should be further expansion in demand for chemistry products. The biggest risk to the outlook is persistent inflation and continued increases in interest rates that will prolong and deepen the coming downturn.

For 2023, Fitch ratings estimates that while demand for speciality chemicals will vary by markets and industry, given the higher interest rates, the largest sector that will see demand impact will be construction. The demand on the other extreme is likely to improve for the automotive sector benefitting from the greater chip availability. 45% of the speciality sector demand that goes into Pharmaceuticals and Agrochemicals is likely to see demand flattish through the year.

On the supply side, the US production that saw a strong YoY growth of ~ 4% in 2022 is expected to see a YoY drop of 1.2% in 2023. The situation in Europe seems to be more uncertain with the larger European producers looking to control and cut costs in Europe and the industry feeling that conditions continue to be "persistently difficult". However, the American Chemistry Council, a US trade group, predicts that chemical production in Western Europe will grow by 0.8% in 2023 after declining 3.2% in 2022.

While the demand and supply side outlooks remain cautious, the global chemical industry's investment is going to be strong especially driven by the focus on innovation, sustainability, and digitalization. Innovation across the industry is on finding new product and process alternatives that are sustainable, resilient, and efficient. Sustainability being front and centre for the world now, the chemical industry is leading with investments in emissions-reducing technologies and solutions for its own production and the broader economy. In the last five years global chemical companies have invested heavily in information technology to convert most if not all of operations to digital platforms. Enterprise-wide impact is expected to be seen rather than just proof of concept implementations especially in increasing supply chain resilience and transparency and monitoring of operations and emissions.

The chemical industry has seen many changes in technology, operations, and business models over the last hundred years since it started. The pace of change that has accelerated in the 2020s, however, this is like never before. While demand, supply and R&D will continue to be important across the industry, the future of the exceptional players will be defined by innovation and digitalisation and that is where the industry transformation and consolidation are likely to head.



## Indian Chemical Sector

Despite the rising interest rates, inflation, global supply chain disruptions and the other challenges of 2022, the Indian chemical sector proved to be resilient and continued to deliver great value to stakeholders. The pandemic followed by global geopolitical events, forced many major multinational companies to turn their sights to more reliable and sustainable downstream supply hubs, thus aiding Indian petrochemicals and speciality chemicals manufacturers to augment capabilities and capacities.

From 2000 to 2022, it is estimated that the Foreign Direct Investment (FDI) in the Indian chemical industry was ~ USD 21 billion and by 2025 it is estimated that the investment in Indian chemical sector will touch ~ USD 107 billion. Leaving aside FDI, investment by the chemical industry in India was the leading private sector capex announcements in FY23, accounting for 45% of the total projects by value. Low infrastructure, material, and labour costs along with very competitive corporate tax rates make India a very lucrative global supply hub. Increasing urbanisation and domestic demand along with the global demand for diversification of supply chain for value added products from strong process engineering and low-cost manufacturing locations add to the demand side interest. The government, cognisant of the same, has been active in providing the right impetus to the industry. All of this, combined with the global realignment, is indicative of a golden period for the Indian chemical industry.

McKinsey estimates that during 2021 – 2027 the Indian chemical industry will grow by 11% - 12% and then during 2027 – 2040 in excess of 7% (between 7% - 10%). This means that by 2040, India will triple its global market share. In the same period, domestic demand is expected to grow 5.5-6x to reach anywhere between USD 850 billion – USD 1000 billion. A trillion-dollar size of domestic demand along with a third of global market share is the reason that the pace of investment by the industry is as robust as it is.

Within the time frame of up to 2040, it is estimated that the speciality sub segment of the industry, which today is about 22% of the industry (valued at ~ USD 32 billion), will be the only net exporter with over USD 70 billion of exports (up from USD 15 billion in 2021). The growth of agrochemicals and those driven by the food segment are the fastest growing with CAGRs of ~ 8%.

India retains advantages on most of the factors driving growth, however, as a country and industry we need to work on bridging the gap of the R&D talent, backward integration and ease of doing business.

# 8%

**The growth of agrochemicals and those driven by the food segment are the fastest growing with CAGRs of ~ 8%.**



## Company Overview and Outlook

Incorporated as Laxmi Organic Industries Limited in 1989, LOIL or the Company is one of the largest Indian players in Acetyl Intermediates and Speciality Intermediates which are the Ketene/ Diketene derivatives. The Company has commenced its journey into the Fluoro Intermediates segment as the first phase of its new plant was commissioned.

Over the years, LOIL has successfully established a very loyal customer base among diversified industries. The focus on customer needs that can be solved via R&D has enabled efficient solutioning and rising wallet share of the established client base. The Company has also been proactive in its investment in Environment, Health and Safety initiatives and thus has retained its Responsible Care certification for the third consecutive time in FY23.

### Acetyl Intermediates (AI)

Commissioned with Swedish technology that has been scaled and improved over the years, this business for the Company provides it a leading position not only in India but the world. A top 7 producer of Ethyl Acetate (ETAC) globally, LOIL has the largest market share (>30%) in India and is the only Indian Company with on ground presence in Europe for over ten years now. In addition to Ethyl Acetate, the Company manufactures a diverse range of other products. Through strategic investment initiatives, the Company consistently seeks opportunities to expand and diversify its product portfolio.

The products in this segment are highly versatile solvents with applications across multiple high growth industries like pharmaceuticals, agrochemicals, flexible packaging, auto coatings and printing inks. The essentials solvents business under the AI category are slated to grow at ~ 5-6% CAGR from 2022-2028.

The feedstocks for this business are acetic acid which is largely imported and ethanol which is procured both domestically and from overseas. Laxmi has strategically located manufacturing facilities which are in close proximity to the largest port in the country, ensuring supply chain efficiencies.

The Company has its own distillery operations, which include two in-house distilleries in Satara and Kolhapur, supporting backward integration and providing some flexibility to the business. The output of these distilleries is also used to supply fuel blending ethanol to Oil Marketing companies. Having achieved best-in-class cost of production in this asset, the Company enjoys stable returns over the cycle despite fluctuations at different points in time. The business remains cash generative and a low CAPEX intensive business.

### Speciality Intermediates (SI)

This business was established using German technology has grown over 10x in the last 10 years. The portfolio of over 40 products caters to various applications across sectors from pharmaceuticals to agrochemicals to coatings to paints and dyes etc. LOIL remains the largest Indian player in this

segment with over 50% market share. Today, the Company is one of the very few global players that have such an extensive backward integrated portfolio from Diketene to downstream derivatives. R&D has further enabled this business to expand to other adjacent chemistries. Global market for this segment is around USD 1.7 billion and is expected to grow at ~ 5-6% CAGR in the next 5 years.

There are multiple tailwinds driving demand for Diketene derivatives with consumer segments showing strong growth globally. Global crop protection chemicals market clocked ~USD 79 billion in 2022 having grown at a 9.9% over 2021. The market is expected to witness a similar growth in the next 5 years. Whereas the other important Diketene derivatives application in the pharma sector is also expected to witness a high growth of ~ 9% CAGR from USD 1.5 trillion in 2021 on a year-on-year basis.

During FY23, two large CAPEX in the SI segment were completed and the plants are now operating at optimum capacity. Higher contractual business gives this business a less volatile performance, and the higher margins contribute significantly to the Company's bottom line.

### Fluorospeciality Intermediates (FI)

The Miteni SpA assets acquired by LOIL's subsidiary have all been successfully dismantled and relocated to India. The site being set up at Lote Parshuram, Maharashtra will be commissioned in phases over FY24. The first phase was commissioned in May 2023.

Global fluorochemicals market is growing at an attractive CAGR of 5-6% and is expected to touch USD 30 billion by 2025. Indian market itself for fluorochemicals is growing at a strong pace of 12% CAGR and given the increasing demand from pharmaceuticals, agrochemicals and now EV and renewables applications, this growth rate could accelerate to higher levels of 12-14% over next few years. Indian market size is currently around USD 450 million and expected to reach USD 1 billion by FY26. There has been a tremendous surge in demand for fluorine based chemical products in the field of agrochemicals in tandem with the rise of use in pharmaceuticals. Fluorine has a special place in the toolkit of the agrochemical and pharmaceutical chemist. It has a significant impact on the biological activity of agrochemicals like fungicides, insecticides, herbicides, acaricides, and nematicides. Fluorine containing pesticides account for ~ 67% of the overall pesticides and over 53% of the pesticides introduced in the previous 2 decades. On the other hand, fluorine containing drugs account for ~ 2% of the drugs approved by FDA in the last 5 years.

FI segment is a complementary to Laxmi's existing business and allows the Company to leverage existing customer relationships. The products under Miteni's portfolio are currently not manufactured in India by any other player differentiating LOIL group's foray. At the start, the Group aims to establish the technology with a first set of 8-10 products and then continue to increase the pipeline. R&D and kilo lab efforts precede the commercialization well in time to ensure that the ramp up efforts are not unduly delayed. As the commissioning and the ensuing revenues progress the diversification of the Company's business will also grow.

## Supply Chain Operations

With years of relationships with local and foreign vendors, efficient planning and in-house experience, the Company has robust supply chain operations, to cater to its domestic and international customers. Most of its suppliers are organizations of repute and have healthy financial standing and where feasible backward integrated. The Company due to its financial strength and long-standing credible relationships with its suppliers, enjoys industry-leading credit terms and supply preference from most of its major suppliers of raw materials at competitive prices. Proactive management and investment in storage facilities (in India and Europe) enables the Company to manage supplies timely, ensuring operational continuity with fiscal prudence and managing customer demand. LOIL's supply chain operations are supported by its offices in China and Netherlands.



# 5-6% CAGR

Growth of global fluorochemicals market

# 12% CAGR

Growth of Indian fluorochemicals market

## Risk Management

The Company has a well-appointed Risk Management & ESG Governance Committee, whose function is to identify, assess and prioritize potential risks and threats. It also establishes effective mitigation measures to be adopted, in case the risk becomes a threat, which essentially softens any potential blow to the Company. The Company has identified and prioritized the following risks during FY23.

RISK CATEGORY	RISK DESCRIPTION
Sustainability (ESG)	Risk of not meeting with fast changing EHS regulations, more rigorous societal demand and increasing investor expectations.
Sustainability (ESG)	Risk of having single site dependency, which may cause vulnerability and potential disruptions, posing a significant threat to the business continuity and resilience.
Operational	Risk relating to potential vulnerabilities and uncertainties associated with individuals in top managerial positions within the Company. This risk may arise from factors such as their competence, decision-making abilities, integrity and potential conflict of interest, which could impact the overall performance and reputation of the Company.
Information	Risk of technology/data leakage, which can result in significant reputational damage and financial loss for the Company.
Strategic	Increased competitive pressure due to emergence of another domestic player in Speciality chemicals business.



## ESG

Acknowledging the role businesses play in shaping communities and impacting society, the Company is committed to the highest Environmental, Social, and Governance (ESG) standards. In line with this commitment, the Company has invested in employee safety, reducing effluent load and working with the local communities to enable inclusive growth. The BRSR report published, details the Company's endeavors across ethical governance, environmental presentation and social impact. The Company believes that this is an area of constant growth and improvement and remains steadfast in its resolve to further its efforts so that it grows the business while underpinning its mission to drive long-term value for shareholders, communities, and the environment alike.

Read more about our  
ESG initiatives on page number 32

## Human Resources

Recognizing the invaluable role its workforce plays in the Company's growth, the Company places great emphasis on fostering the personal and professional development of its employees. The Company regularly conducts diverse training and development initiatives aimed at upskilling its staff and enhancing their knowledge base. Throughout the year, the Company has maintained a harmonious relationship with its employees and expresses gratitude for their significant contributions for the operational growth and commends the employees for their proactive initiatives. As of March 31, 2023, the Company boasts a workforce of 874 permanent employees.



# 874

As of March 31, 2023, the Company boasts a workforce of permanent employees

Read more about our  
HR initiatives on page number 29

## Quality Assurance

The Company is committed to providing the highest quality products and services to its customers, and it has enabled customer stickiness and repeat business for Laxmi over the years. The team comprises dedicated and qualified professionals for its various business functions. Its infrastructure has been equipped with the latest technology and effective processes have been put in place to maximize quality output. The Company also has a robust supplier quality evaluation process, which ensures that the materials received comply with its high internal standards and specifications, designed to satisfy the requirements of its customers.

## Performance Overview

Details of significant changes in key financial ratios

PARTICULARS	FY22*	FY23	% DIFFERENCE	COMMENT
<b>Debtors' turnover</b> (Average debtors as no. of times of sales) (average debtors is the average of opening and closing debtors)	5.71	4.64	(19%)	Average debtors went up by 15% while sales was lower by 7% contributing to the movement in debtors turnover ratio
<b>Inventory turnover</b> (Average inventory as no. of times of sales) (average inventory is the average of opening and closing inventories)	8.01	6.3	(21%)	The volumes have increased and hence the average inventory has increased while a combination of domestic procurement and lower prices have reduced cost of goods sold
<b>Interest Coverage Ratio</b> (Finance cost / Earnings before interest and tax)	21.64	10.93	(49%)	Higher borrowings as compared to FY22 as detailed in debt equity ratio along with lower margins led to lower Interest Coverage Ratio
<b>Current Ratio</b> (Current assets / Current liabilities)	1.62	1.52	(6%)	NA
<b>Debt Equity Ratio</b> (Net debt / Net worth)	0.08	0.26	238%	The Company only had a long-term ECB at the end of FY22. In September 2022 and in December 2022 the Company has borrowed ₹ 500 million and ₹ 900 million, respectively. Both these were partially reimbursement and partially for new CAPEX.
<b>Operating Profit Margin %</b> (Operating profit before tax / Revenue)	10.11	6.74	(33%)	The lower commodity prices have impacted top and bottom line while the fixed cost as a % of revenue is almost flat
<b>Net Profit Margin %</b> (Profit after tax / Revenue)	8.33	5.01	(40%)	The lower commodity prices have impacted top and bottom line while the fixed cost as a % of revenue is almost flat

\*Financial Statements are restated for March 31, 2022 to give effect of the acquisition by merger of AHPL and YCPL.

## Internal Controls Systems and Adequacy

Governance rests on a reliable foundation of systems and controls, with the Company's ERP system serving as its cornerstone. Teams are equipped with the necessary training to proficiently utilize this system. To ensure seamless operations, the Company's Information Technology function diligently maintains process uptime, connectivity, and the integrity of hardware and software, thereby enhancing engagements and collaborations. The Company's controls, including financial controls, are well-aligned with its operations. Internal audits, entrusted to a reputable firm of Chartered Accountants, are conducted periodically, with reports being submitted to the Audit Committee of the Board. As with the entire industry, LOIL IT team is also working on constant improvement and enhancing digitalization.

## Cautionary Statement

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

# Corporate Information

## OUR BOARD OF DIRECTORS:

### Executive Chairman

Ravi Goenka

### Executive Directors

Satej Nabar (Till April 02, 2023)

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

Harshvardhan Goenka

### Non-Executive Director

Rajeev Goenka

### Independent Director

Manish Chokhani

Omprakash V. Bundellu

Sangeeta Singh

Dr. Rajeev Vaidya

Dr. Rajiv Banavali

### Chief Financial Officer

Tanushree Bagrodia

### Company Secretary & Compliance Officer

Aniket Hirpara

### Statutory Auditors

Natvarlal Vepari & Co.  
Chartered Accountants

## COMMITTEES OF BOARD

### Audit Committee:

Omprakash V. Bundellu (Chairman)

Sangeeta Singh

Ravi Goenka

### Nomination & Remuneration Committee:

Sangeeta Singh (Chairman)

Manish Chokhani

Dr. Rajeev Vaidya

### Stakeholders Relationship Committee:

Manish Chokhani (Chairman)

Ravi Goenka

Harshvardhan Goenka

### Corporate Social Responsibility Committee

Ravi Goenka (Chairman)

Sangeeta Singh

Rajeev Goenka

### Risk Management Committee

Dr. Rajeev Vaidya (Chairman)

Dr. Rajiv Banavali

Dr. Rajan Venkatesh

Harshvardhan Goenka

### Finance Committee:

Omprakash V. Bundellu (Chairman)

Ravi Goenka

Dr. Rajan Venkatesh

Tanushree Bagrodia

### 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](mailto:investors@laxmi.com)  
Website: [www.laxmi.com](http://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****Unit I**

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

**Unit II**

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

**Unit III**

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

**Fluoro Chemical Unit (subsidiary)**

G-60, MIDC, Lote-Parshuram,  
Dhamandevi, District Ratnagiri,  
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](mailto:mumbai@linkintime.co.in)

**Distillery – Panchganga (subsidiary)**

Ganganagar,  
Hatkanangale, District Kolhapur,  
Maharashtra, India

**Distillery – Jarandeshwar**

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

**Hydro Power Project**

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

# Director's 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, 2023.

## 1. FINANCIAL RESULTS:

(₹ in million)		
Particulars	Year Ended March 2023	Year Ended March 2022*
Revenue from operation	26,934.11	28,817.16
Profit before depreciation, interest and tax	2,723.47	3,546.50
Finance Cost	184.72	142.25
Depreciation	704.60	468.29
<b>Profit before tax (PBT)</b>	<b>1,834.15</b>	<b>2,935.96</b>
Tax	486.76	539.82
<b>Net profit</b>	<b>1,347.39</b>	<b>2,396.14</b>

\* The figures of FY 2021-22 are restated numbers to give effect of the merger of Acetyls Holdings Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) w.e.f. October 02, 2021 in accordance with Appendix C of Ind AS 103-Business Combinations.

## 2. DIVIDEND:

The Directors are pleased to recommend a Dividend of 25% (₹ 0.50 per equity share) on the face value of ₹ 2/- per share of the Company for the financial year ended March 31, 2023. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result into an outflow of approximately ₹ 133.27 million.

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

## 3. FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW:

Key financial highlights during the year were as under:

- Total Revenue from operations reduced by 6.5% to ₹ 26,934.11 million against ₹ 28,817.16 million of the previous year.
- Earnings before interest tax depreciation and amortization (EBITDA) reduced by 23.2% to ₹ 2,723.47 million against ₹ 3,546.50 million of the previous year.
- Profit Before Tax (PBT) reduced by 37.5% to ₹ 1,834.15 million against ₹ 2,935.96 million of the previous year.
- Net Profit reduced by 43.8% to ₹ 1,347.39 million from ₹ 2,396.14 million of the previous year.

## 4. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

## 5. TRANSFER TO GENERAL RESERVE:

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

## 6. SHARE CAPITAL:

The authorized share capital of the Company as on March 31, 2023 increased to ₹ 76,00,00,000/- (Rupees Seventy Six Crore) divided into 38,00,00,000 (Thirty Eight - Crore) equity shares of ₹ 2/- (Two) each after the absorption of Acetyl Holdings Private Limited and Yellowstone Chemicals Private Limited ("Wholly Owned Subsidiaries") during the financial year under review.

During the year under review, the Company has issued 15,13,435 Equity Shares pursuant to the exercise of Options by the employees under Employee Stock Option Scheme – 2020 ("ESOP-2020") and has granted 2,76,855 stock options as approved by Nomination and Remuneration Committee on May 04, 2022.

## 7. EMPLOYEE STOCK OPTION SCHEMES:

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

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

Pursuant to the resolutions passed by the Shareholders on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for

issue of employee stock options (“ESOPs”) or thank you grants or restricted stock units (“RSUs”) to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward and motivate the employees and to retain the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance. ESOP-2020 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

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, 2023 are specified in **Annexure “A”** to this Report.

## 8. FINANCE:

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

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

Versus the USD, during the fiscal under review, Indian Rupee depreciated by 8.46% from ₹ 75.77 on April 04, 2022, to ₹ 82.18 on March 31, 2023. The USD INR pair moved in the range of 83.29 - 75.31 with an annual realized volatility of 4.37% which is in line with the volatility of 4.35% of the previous financial year.

## 9. CREDIT RATING:

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

Instrument	Rating
Term Loans	Ind AA-/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 are designed to assist in identification and management of business risks and ensuring high standards of corporate governance. The internal financial controls have been documented and embedded in the business processes. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

To further strengthen the compliance processes the Company has an internal compliance tool for assisting statutory compliances. This process is automated and generates alerts for proper and timely compliance. We believe that these

systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

As per the requirements of SEBI Listing Regulations, 2015, a Risk Management & ESG Governance Committee has been constituted with responsibility of preparation of Risk Management Plan. The details of the constitution, authority and terms of reference of the Risk Management & ESG Governance Committee is captured in the Corporate Governance Report

## 11. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

## 12. PERSONNEL/HUMAN RESOURCES DEVELOPMENT:

The employees are the most valuable asset for the Company and the Company's focus remains to attract, develop and retain talent. The Company continues to provide an environment of open culture and congenial work atmosphere and healthy industrial relations and is committed to providing the employee with a pragmatic workplace. During the year under review, the Company has undertaken new initiatives on Human Resource front. For more details on HR initiatives please refer page no 28.

## 13. SUBSIDIARIES & JOINT VENTURE:

The details of the subsidiaries and the joint ventures as on March 31, 2023 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.	Laxmi Lifesciences Private Limited, India (LLPL)	
4.	Viva Lifesciences Private Limited, India (VLPL)	
5.	Laxmi Speciality Chemicals (Shanghai) Co. Limited, China (LSCSCL)	
6.	Yellowstone Fine Chemicals Private Limited, India (YFCPL)	
7.	Yellowstone Speciality Chemicals Private Limited, India (YSCPL)	
8.	Laxmi USA LLC	Step Down Partnership firm
9.	Saideep Traders, India (ST)	
10.	Laxmi Italy Srl	Step Down Subsidiary
11.	Cleanwin Energy One LLP, India (CEOLLP)	Associate Company
12.	Radiance MH Sunrise Seven Private Limited	Associate Company

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

During the year under review, the scheme of merger of wholly owned subsidiary namely, Acetyls Holding Private Limited ('AHPL') and its step-down subsidiary namely, Yellowstone Chemicals Private Limited ('YCPL'), with the Company with the appointed date as of October 02, 2021 was approved by NCLT by passing a Final Order dated August 28, 2022 ('Final Order'). As specified in the Final Order the Company has filed Form INC-28 on September 30, 2022 and made the Final Order effective. Consequently, the Company has merged the financials of AHPL and YCPL in these Unaudited Standalone Financial Result.

During the year under review, Laxmi Petrochem Middle East FZE, a Wholly Owned Overseas Subsidiary of the Company, incorporated in Dubai, has been dissolved with effect from December 08, 2022 vide termination certificate issued by Hamriyah Free Zone Authority, Government of Sharjah. The Company is also in the process of striking-off of the name of the two other wholly owned subsidiaries namely, Laxmi Lifesciences Private Limited and Yellowstone Specialty Chemicals Private Limited.

During the year under review, your Company has infused 26% equity capital stake in Radiance MH Sunrise Seven Private Limited in order to avail benefits under solar power energy schemes.

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

obtain it by writing to the Company Secretary of the Company. The same are also placed on the website at <https://www.laxmi.com/investors/financials>.

The Policy for determining material subsidiaries can be downloaded from the website of the Company using following link: <https://www.laxmi.com/investors/policies>. As per the materiality Policy, LOBV is a material subsidiary of the Company.

## 14. DIRECTORS:

### a. Appointment/re-appointment/resignation:

Mr. Harshvardhan Goenka (DIN: 08239696) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment.

Further, during the year Mr. Satej Nabar (DIN: 06931190), the Executive Director & Chief Executive Officer (ED & CEO) of the Company, resigned and decided to move on from the Company to pursue his personal interests outside the organization. His resignation has been effective from the closing business hours of April 02, 2023, and consequently, Mr. Satej shall also cease to be the Key Managerial Personnel of the Company effective closing business hours of April 02, 2023. The Board noted and accepted his resignation at its meeting held on February 27, 2023 and places on record its immense appreciation for his contribution during his tenure as an ED & CEO of the Company.

At the Board Meeting held on February 27, 2023, based on the recommendation of the Nomination & Remuneration Committee, Dr. Rajan Venkatesh (DIN: 10057058), has been appointed by the Board as the Managing Director & Chief Executive Officer (MD & CEO) of the Company for a period of five years with effect from April 03, 2023, till March 31, 2028. Dr. Rajan is also appointed as Key Managerial Personnel of the Company with effect from April 03, 2023. Consequently, Mr. Ravi Goenka (DIN: 00059267), the current Chairman and Managing Director of the Company has stepped down from the role of the Managing Director with effect from April 03, 2023, and he was appointed by the Board as Whole-Time Director designated as Executive Chairman of the Company w.e.f. April 03, 2023, for the remaining tenure of this appointment. The Company is in the process of seeking Member's approval for the aforesaid appointments/ change in designation through postal ballot.

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

Details of the Directors seeking appointment/reappointment including profile of these Directors, are given in the Notice convening the 34<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 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. Mr. Satej Nabar – Executive Director & CEO
- c. Ms. Tanushree Bagrodia – CFO
- d. Mr. Aniket Hirpara – Company Secretary & Vice President – Legal and Secretarial

#### **c. Declarations by Independent Directors:**

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

The Board is of the opinion that all the Independent Directors appointed are of integrity and possess the requisite expertise and experience (including the proficiency). In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated

that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

#### **d. Board Evaluation:**

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

### **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:**

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

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

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

### **17. AUDITORS AND AUDITORS REPORT:**

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), be and is hereby appointed as Auditors of the Company in place of the retiring auditors, M/s. Natvarlal Vepari & Co., Chartered

Accountants (Firm Registration No: 106971W) to hold office from the conclusion of this 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in financial year 2027-28, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

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, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure "D"** to this Report. The Secretarial Audit Report does not contain any qualification(s), reservation(s), adverse remark(s) or disclaimer(s).

Additionally, in line with SEBI Circular dated February 08, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditors and filed with the Stock Exchanges, is annexed to this report as **Annexure "E"**. The remarks provided in the report are self-explanatory.

The Directors state that applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings', have been duly complied 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 2023-24.

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 is committed to contribute towards the local communities through CSR initiatives under defined thematic areas like Health, Education, Water, and Waste Management. During the year, various CSR initiatives have been undertaken. For more details on CSR please refer page no 36. The Annual Report on CSR Activities as on March 31, 2023, 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.

### 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.

### 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, 2023, we have prepared BRSR for the Financial Year 2022-23, 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, 2023, 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, 2023 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 of Directors  
For **LAXMI ORGANIC INDUSTRIES LIMITED**

**Ravi Goenka**  
Executive Chairman

**Date:** May 12, 2023  
**Place:** Mumbai

# Annexure A

## Details of ESOPS as per SEBI (share based employee benefits) regulations, 2014

Disclosures with respect to Employees' Stock Option Schemes viz 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, 2023:

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

Members may refer to the Note No. 31 of the Standalone Audited Financial Statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2022-23.

### 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, 2023 is ₹ 5.05 calculated in accordance with Ind-AS 33 (Earnings per Share).

### C. Details related to ESOP-2020:

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

Particulars	ESOP-2020
Date of Shareholder’s Approval	ESOP-2020 was earlier approved by the shareholders prior to the listing on November 24, 2020. Further, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI ESOP Regulations”) the ESOP-2020 was ratified by the Shareholders at the 32 <sup>nd</sup> Annual General Meeting held on July 26, 2021.
Total number of options approved	6,750,000 options
Vesting requirement	As may be determined by the Nomination and Remuneration Committee subject to minimum vesting period of 1 year from the date of grant of options and shall end over a maximum period of 3 years from the date of grant of the options.
Exercise Price or Pricing Formula	As may be decided by the Nomination & Remuneration Committee, in compliance with the accounting policies as specified in SEBI SBEB Regulations, as on date of Grant but in any case, shall not be less than the face value of Shares of the Company.
Maximum term of option granted	Three years
Source of shares (Primary, secondary or combination)	Primary
Variation in terms of options	There has been no change in the terms of the options granted.

#### 2. Method used to account for ESOS: Fair Value.

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

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

Particulars	ESOP-2020
Number of options outstanding at the beginning of year	50,56,446
Number of options granted during the year	2,76,855
Number of options forfeited/lapsed during the year	4,82,611
Number of options vested during the year	12,22,872

Particulars	ESOP-2020
Number of options exercised during the year	15,13,435
Number of shares arising as a result of exercise of options	15,13,435
Money realized by exercise of options (₹ in million)	93.75
Number of options outstanding at the end of the year	33,37,255
Exercisable at the end of the Period	14,29,903

- 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 5,967,322 options (comprising of 4,522,395 employee stock options at exercise price of ₹100 per Option, 1,143,263 RSUs at an exercise Price of ₹2 per option and 301,664 thank you grants at an exercise Price of ₹2 per option).

In view of this weighted average Exercise Price is ₹ **76.27** /- and weighted average Fair Value is ₹ **98.76**.

- 6. Employee-wise details of options granted Options Granted under ESOP-2020 during the year: NA**
- a. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil
- 7. A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following information:**  
Refer Note 33 to the Notes to Standalone Audited Financial Statements prepared as per Indian Accounting Standard (Ind-AS).

# Annexure B

## Statement Containing Salient Features of The Financials of Subsidiaries/Associate/Joint Venture

Form No. AOC-1

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

### PART A: SUBSIDIARIES

1. Name of the Subsidiary*	LOBV		CLPL		ST		VLPL		LLPL#		YFCPL		YSCPL#		LSCSCL		LISRL		LUSLLC	
	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar	31 - Mar
2. Financial Period as on	EUR	89.44	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
3. Reporting Currency	EUR	89.44	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
4. Exchange Rate (in ₹)	EUR	89.44	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
5. Capital	2.02	2.02	0.10	0.10	0.65	0.65	0.10	0.10	0.10	0.10	51.00	51.00	1.00	1.00	0.30	0.30	0.08	0.08	0.08	0.08
6. Reserves	3.87	3.87	35.58	32.51	32.51	32.51	(12.76)	(12.76)	(0.10)	(0.10)	1,253.41	1,253.41	(1.00)	(1.00)	(0.05)	(0.05)	(0.06)	(0.06)	(0.06)	(0.06)
7. Total Assets	17.82	17.82	35.70	168.19	168.19	168.19	493.47	493.47	0.02	0.02	4,527.54	4,527.54	-	-	3.89	3.89	0.01	0.01	0.01	0.01
8. Total Liabilities	17.82	17.82	35.70	168.19	168.19	168.19	493.47	493.47	0.02	0.02	4,527.54	4,527.54	-	-	3.89	3.89	0.01	0.01	0.01	0.01
9. Details of investment	-	-	35.54	-	-	-	-	-	-	-	6.81	6.81	-	-	-	-	-	-	-	-
10. Net Turnover	48.15	48.15	-	519.29	519.29	519.29	1,781.95	1,781.95	0.24	0.24	-	-	-	-	6.73	6.73	-	-	-	-
11. Profit before taxation	(0.27)	(0.27)	(0.45)	12.59	12.59	12.59	(2.77)	(2.77)	0.11	0.11	(52.70)	(52.70)	(0.89)	(0.89)	0.59	0.59	(0.02)	(0.02)	(0.02)	(0.02)
12. Provision for taxation	(0.07)	(0.07)	-	5.39	5.39	5.39	11.03	11.03	-	-	(9.26)	(9.26)	-	-	-	-	-	-	-	-
13. Profit after taxation	(0.20)	(0.20)	(0.45)	7.20	7.20	7.20	(13.80)	(13.80)	0.11	0.11	(43.44)	(43.44)	(0.89)	(0.89)	0.59	0.59	(0.02)	(0.02)	(0.02)	(0.02)
14. Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. % of Share Holding	100%	100%	100%	95%	95%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
16. Country of Incorporation	Netherland	Netherland	India	India	India	India	India	India	India	India	India	India	India	India	Shanghai	Shanghai	Italy	Italy	USA	USA

**Note:** From the above, CLPL, VLPL, LLPL, YFCPL, YSCPL and LUSLLC yet to commence the operations. # LLPL & YSCPL have applied for striking off of the name from the Company.

\* Laxmi Organic Industries (Europe) BV (**LOBV**); Cellbion Lifesciences Private Limited (**CLPL**); Saideep Traders Private Limited (**ST**); Viva Lifesciences Private Limited (**VLPL**); Laxmi Lifesciences Private Limited (**LLPL**); Yellowstone Fine Chemicals Private Limited (**YFCPL**); Yellowstone Speciality Chemicals Private Limited (**YSCPL**); Laxmi Speciality Chemicals (Shanghai) Co. Limited (**LSCSCL**); Laxmi Italy Srl (**LISRL**); Laxmi USA LLC (**LUSLLC**). Since Laxmi Petrochem Middle East FZE, Dubai has been dissolved w.e.f. December 08, 2022, the same has not been included in the aforesaid statement.

**PART B: ASSOCIATE & JOINT VENTURES**

Name of Associate	Cleanwin Energy One LLP	Radiances MH Sunrise Seven Private Limited
1. Latest Audited Balance Sheet Date	March 31, 2023	March 31, 2023
2. Capital Contribution in Associate Company by the Company as on the year end		
Amount of Investment in Associate	₹ 12.50 million	₹ 15.20 million
Extend of %	26%	26%
3. Description of How there is significant influence	There is significant influence as the Company holds 26% of the Partners capital in LPP.	
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, 2023 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, 2023 are as follows:

								(in ₹ million)
Sr. No.	Name(s) of the Related Party and Nature of relation	Nature of contracts/Arrangements/ transactions:	Duration of contracts/ arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	
1	Brady Investments Private Limited	Reimbursement of expenses (telephone, internet, electricity, taxes and other charges etc.)	01/04/22 till 31/03/23	2.50	04/05/22	Nil	NA	
2	Maharashtra Aldehydes and Chemicals Limited	<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, including leave &amp; license or lease of property.</li><li>Payment of Commission for sale/purchase.</li><li>Reimbursement/recovery of expenses.</li></ol>	01/04/22 till 31/03/23	200.00	04/05/22	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.	01/04/22 till 31/03/23	2.50	04/05/22	Nil	NA	
4	Laxmi Organic Industries (Europe) BV	<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>	01/04/22 till 31/03/23	4000.00	04/05/22	Nil	NA	

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

The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

(in ₹ million)							
Sr. No.	Name(s) of the Related Party and Nature of relation	Nature of contracts/Arrangements/ transactions:	Duration of contracts/arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
5	Yellowstone Chemicals Private Limited*	<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>	01/04/22 till 31/03/23	7000.00	04/05/22	Nil	NA
6	Laxmi Petrochem Middle East FZE#	<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>	01/04/22 till 31/03/23	40.00	04/05/22	Nil	NA
7	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>	01/04/22 till 31/03/23	1000.00	04/05/22	Nil	NA

\*Yellowstone Chemicals Private Limited ('YCPL'), merged with the Company with the appointed date as of October 02, 2021 pursuant to NCLT Final Order dated August 28, 2022.

#Laxmi Petrochem Middle East FZE has been dissolved with effect from December 08, 2022.

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

The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

(in ₹ million)

Sr. No.	Name(s) of the Related Party and Nature of relation	Nature of contracts/Arrangements/ transactions:	Duration of contracts/ arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
8	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>	01/04/22 till 31/03/23	500.00	04/05/22	NIL	NA
9	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>	01/04/22 till 31/03/23	100.00	04/05/22	NIL	NA
10	Laxmi USA LLC	<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>	01/04/22 till 31/03/23	1500.00	04/05/22	NIL	NA
11	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>	01/04/22 till 31/03/23	100.00	04/05/22	NIL	NA
12	Laxmi Foundation	Payment of donation to undertake CSR Activities as approved by CSR Committee pursuant to Section 35 of the Companies Act, 2013.	01/04/22 till 31/03/23	2% of the ANP	04/05/22	NIL	NA



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

The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2023 are as follows:

(in ₹ million)							
Sr. No.	Name(s) of the Related Party and Nature of relation	Nature of contracts/Arrangements/ transactions:	Duration of contracts/ arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
13	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>	01/04/22 till 31/03/23	500.00	04/05/22	NIL	NA
14	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>	01/04/22 till 31/03/23	50.00	04/05/22	NIL	NA

# Annexure D

## Secretarial Audit Report

Form No.MR-3

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LAXMI ORGANIC INDUSTRIES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** 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, 2023, 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.

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 member's views, if any, are captured and recorded as part of Minutes.

We further report that during the Audit period:

1. The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench has vide Order dated August 25, 2022 sanctioned the Scheme of Merger by Absorption of Acetyls Holdings Private Limited and Yellowstone Chemicals Private Limited with the Company under Section 230 to Section 232 of the Companies Act, 2013.
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 15,13,435 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.

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

**Mahesh Soni**

Partner

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

**UDIN:** F003706E000300508

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** May 12, 2023

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

# Annexure A

**To,**

The Members,

**LAXMI ORGANIC INDUSTRIES LIMITED**

A-22/2/3, MIDC MAHAD,

Maharashtra – 402309.

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

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

For **GMJ & ASSOCIATES**

Company Secretaries

**Mahesh Soni**

Partner

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

**UDIN:** F003706E000300508

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** May 12, 2023

# Annexure E

## Secretarial Compliance Report

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(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,  
**LAXMI ORGANIC INDUSTRIES LIMITED**  
 A-22/2/3, MIDC MAHAD  
 Maharashtra – 402309.

We **GMJ & Associates, Company Secretaries** have conducted the Secretarial Compliance Audit of the applicable SEBI Regulations and the circulars/guidelines issued thereunder for the period commencing from April 01, 2022 to March 31, 2023 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, 2022 to March 31, 2023 ("Review Period") in respect of compliance with the provisions of:
  - i. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued

thereunder by the Securities and Exchange Board of India ("SEBI");

- iii. The following Regulations prescribed under The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the circulars/guidelines issued thereunder, have been examined:-
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**
  - f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
  - h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit period)**

We hereby affirm:

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	-
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	-

We hereby affirm: (Contd.)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Compliance Status (Yes/No/NA)</b>	<b>Observation/Remarks by PCS</b>
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	-
4	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	-
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>(b) Requirements with respect to disclosure of material as well as other subsidiaries.</li> </ul>	NA YES	-
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	-
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	-
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	-
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	-
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	-
11	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> Actions taken against the listed entity 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	Delay in filing of Related Party Transaction Statement under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements), 2015 where BSE & NSE has levied a penalty of ₹ 75,000/-, which was paid by the Company.
12	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for all SEBI regulation/ circular/guidance note etc.	YES	-

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

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

<b>Sr. No.</b>	<b>1</b>
<b>Compliances Requirement (Regulations/circulars/guidelines including specific clauses)</b>	SEBI (Listing Obligations and Disclosure Requirements), 2015.
<b>Regulation/Circular No.</b>	Regulation 23(9)
<b>Deviations</b>	Delay in filing of Related Party Transaction Statement for the half year ended March 31, 2022.
<b>Action taken by</b>	BSE Ltd. and National Stock Exchange Ltd.
<b>Type of Action</b>	Levied Fine
<b>Details of violations</b>	Delay in filing within stipulated time.
<b>Fine Amount</b>	₹ 75,000/- (plus 18% GST)
<b>Observations/Remarks of the Practicing Company Secretary</b>	The Company has paid fines as levied by BSE Ltd. and National Stock Exchange Ltd. and has placed the matter before the Board of Directors at the next meeting.
<b>Management Response</b>	The matter was placed before Board of Directors at their meeting held on July 27, 2022 and the Board advised to plan the filings well in advance so as to avoid these kinds of delays in future.
<b>Remarks</b>	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, 2022 have not been brought forward, since the Company had taken sufficient steps to address the concerns raised for the said year.

For **GMJ & ASSOCIATES**

Company Secretaries

**Mahesh Soni**

Partner

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

**UDIN:** F003706E000300521

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** May 12, 2023

# Annexure F

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

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

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

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

- 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 unorganized sector.

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

- By 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 Organizations permitted under the applicable laws from time to time.

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

### 2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation	CSR Committee Meetings held in FY 2022-23	CSR Committee Meetings attended in FY 2022-23
1.	Ravi Goenka	Executive Chairman	3	3
2.	Sangeeta Singh	Independent Director	3	3
3.	Rajeev Goenka	Non-Executive Director	3	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: <a href="https://www.laxmi.com/investors-information/board-committees">https://www.laxmi.com/investors-information/board-committees</a> CSR Policy link: <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a> Approved CSR Project: <a href="https://www.laxmi.com/investors/investor-information">https://www.laxmi.com/investors/investor-information</a>
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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).	₹ 1,825.13 million
7	(a) Two percent of average net profit of the Company as per section 135(5)	₹ 36.50 million
	(b) Surplus/Deficit arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b- 7c).	₹ 36.50 million

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

Total Amount Spent for the Financial Year. (₹ In million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Fund	Amount	Date of transfer
₹ 26.43	₹ 10.07	April 27, 2023	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration.	Amt allocated for Project (in ₹ million)	Amount spent in the current financial Year (in ₹ million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ million)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Mobile Health Units (MHU) in Lote	Health Care Support	Yes	Maharashtra	Lote, Chiplun	3 years	11.61	2.50	9.12	No	HelpAge India	CSR00000901
2	Re-Building & Infrastructure of Primary School	Promoting Education	Yes	Maharashtra	Mahad, Raigad	3 Years	8.53	1.97	0.95	Yes	NA	NA
3	Solar project for Water Supply	Safe Drinking Water	Yes	Maharashtra	Mahad, Raigad	3 Years	2.38	0.84	NIL	Yes	NA	NA
4	Community Hall	Community Development	Yes	Maharashtra	Mahad, Raigad	2 Years	5.32	4.09	NIL	Yes	NA	NA
							27.84	9.40	10.07			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in million)	Mode of implementation - Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1	Education Support	Promoting Education	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	8.36	Partly	J D Patel Pragati foundation	CSR00006534
2	Relief Measures	Disaster Management	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	1.58	Yes	NA	NA

**(c) Details of CSR amount spent against other than ongoing projects for the financial year: (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 million)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
3	Community Development	Community Development	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	1.97	Yes	NA	NA
4	Tree Plantation	Environmental Sustainability	Yes	Maharashtra	Mahad, Raigad Lote, Chiplun	0.52	Yes	NA	NA
5	Safe Drinking Water	Safe Drinking Water	Yes	Maharashtra	Mahad, Raigad	0.08	Yes	NA	NA
6	Health Care Support	Promoting Healthcare	Yes	Maharashtra	Mahad, Raigad	0.43	Yes	NA	NA
7	Promoting Sprots	Promoting Sports	Yes	Maharashtra	Mahad, Raigad	0.34	Yes	NA	NA
8	NEAPS Training	Skill Development	Yes	Maharashtra	Mahad, Raigad	3.75	Yes	NA	NA
<b>Total</b>						<b>17.03</b>			

(d) Amount spent in Administrative Overheads (₹ In million) NIL

(e) Amount spent on Impact Assessment, if applicable NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 26.43 million

(g) Excess amount for set off, if any	Sr. No.	Particulars	Amount ₹ in million
	i.	Two percent of average net profit of the Company as per section 135(5)	36.50
	ii.	Total amount spent for the Financial Year	36.50
	iii.	(Shortfall)/Excess amount spent for the financial year [(ii)-(i)]	NIL
	iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
	v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

**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 million)	Amount spent in the reporting Financial Year (₹ in million)	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 million)
				Name of the Fund	Amount (₹ in million)	Date of transfer.	
1	2021-22	10.78	2.51	NIL	NIL	NIL	8.27
2	2021-22*	2.30	2.30	NIL	NIL	NIL	NIL

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in million)	Amount spent on the project in the reporting Financial Year (₹ in million)	Cumulative amount spent at the end of reporting Financial Year (₹ in million)	Status of the project- Completed/ Ongoing
1	NA	Deployment of MHU in Mahad	2021-22	3 Years	13.24	2.51	4.97	Ongoing
2	NA	Installation of Solar Water Pump and Solar Streetlights in Mahad*	2021-22	2 Years	2.30	2.30	2.30	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

a) Date of creation or acquisition of the capital asset(s).

b) Amount of CSR spent for creation or acquisition of capital asset.

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

**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, 2023.

### 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. Utilization of Renewable Power Energy Source like hydro and wind has been increased from 9.6MU to 13.0MU.
3. To increase the Renewable Power generation, 3MW Solar power plant installed & it was commissioned at the end of March - 23. It will give 6MU additional renewable power for FY2023-24 to replace the MSEDCL grid power.
4. With operation of cogen power plant in extraction mode the cost of power is optimized even with high coal cost.
5. **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.
6. At manufacturing unit 2 the multi-effect evaporation system has been replaced with mechanical vapour recompression system there by reduction in steam and power consumption by 3.5 kg of steam/kg of feed.
7. Your Company has continued to focus on utilization of process waste as Fuel for furnace heating and steam generation.
8. Your Company has continued using Vapor Absorption Machine for chilled water generation for Process cooling reducing Energy Consumption by absorption technology instead of Conventional Vapour Compressor technology and resulting in utilization of Waste steam of 1400 kg/hr.
9. Your Company has continues adding more Automatic Cleaning System for Heat Exchangers which has resulted in Energy reduction in the Compressor power from 6.3% to 8.7%.
10. 10 TPH Boiler conversion with fully Automated PLC System was continuously used for operation, which enabled the Company to reduce energy Conservation by 1%.
11. The National Energy Conservation Awareness Program has been conducted in the month of December 2022 on occasion of National Energy Conservation week within the Company in the form of various competitions.

12. The Company uses energy efficient technologies for all its new projects design & implementation. New Projects were also identified for further energy conservation in thermal and electrical energy.
13. Awareness training, with the help of in-house and external experts, has continuously being imparted to employees to make them aware about need of energy conservation & efficient use of energy in our day-to-day operations.
14. 160 aging motors are replaced with high efficiency IE3 motors to reduce power consumption as well as HT motors are provided with VFD to optimize the power consumption.
15. The Company is planning to implement Energy Monitoring System (EMS) and undertake ISO-50000.

#### 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: ₹ 58.2 million.

### B. TECHNOLOGY ABSORPTION

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

##### 1. Major efforts made towards technology absorption:

In view of enhancement in technical abilities, our Company continues to invest in research activities to introduce new technologies at R&D and pilot scales. The R&D Team keeps continuous interactions and coordination with experts in national laboratories, IITs, CSIR institutes, universities for upgradation of knowledge, training of Researchers and Developmental activities.

The intentions remain to develop the technologies involving processes that are well optimized and differ from the traditional commercial routes being followed for similar chemistries resulting in better control and superior quality of the final products which ultimately results in positive impact on the overall revenue and foreign currency.

During the year under review, the R&D has developed five to six new platforms through systematic chemical manipulations using existing and upcoming LOIL competencies. Separation technique for isomers having similar physical and chemical properties was proved on pilot front. Two of these products and their technologies were commercialised on multi tons scale. Remaining platforms will be commercialised in the coming year.

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

Precisely R&D Team has been effectively working on the following areas:

- **Process absorption** involves absorption of new technologies from business partners/customers within or outside India and prove the technology in R&D, pilot and in commercialization campaign. This will help to strengthen our capacities in diversified businesses in the fields of intermediates.
- **Process intensification** involves process improvements, cost reductions, Effluent reductions, reduce emissions through recoveries and recycles of solvent and reagents, conversion of batch mode processes to continuous mode to reduce raw material consumption norms and formation of by-products thus impacting higher productivity and purities of the products.
- **Product optimization** involves process starting from selection of viable Route of Synthesis for the products under consideration through in-depth literature to complete development in R&D through stage gate activity, to complete development on synthesis and analytical front to get robust reproducible processes in form of technical package for commercial productions.
- **Product design and commercialisation** involves designing of plant through efficient cost efficient capexes for scale up of processes in all the above three categories. The effective equipment mapping, designing of utilities, skilful process implementation proving reproducibility and consistency in norms, quality, recoveries etc.
- **New product development** starts from the identification and selection of new products having scope within or outside existing competencies having wide business dimensions. followed by thorough developmental study covering wide areas concerning process parameters and related safety and engineering design. The Processes stand firm on commercial scale production.
- **Expansion of research activities** involves the creation of almost 5-fold bigger well-equipped research centre which can accommodate developmental activities related to all the three verticals of the Company., Viz

Acetyls Intermediate, Speciality Intermediate and Fluorine Intermediate. The R&D Centre is being designed to take care of developmental activities related to the new competency of electrochemical fluorination (ECF).

- In addition to the above-mentioned technologies, R&D has grown with skills for developments of new fluoro advanced intermediates having applications in agro, pharma and pigments sectors. These products will also be scaled up in the upcoming Chiplun Plant. These capabilities will strengthen the Company's own inherent strength in the fluoro business.
- Identification of various intellectual property opportunities in the newly developed processes.

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

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

### Major beneficial factors are:

- a. Increase of technical capacity due to insertion of new chemistries in commercialization mode and enhancement in production capacity to fulfil market demands.
- b. Produce and supply superior quality products in Agro, Pharma and Pigments sectors.
- c. Conscious attention on controls over effluents, Safety and health through recoveries and recycles will develop green processes for manufacturing of various products.
- d. The processes developed for import substituted products will save foreign exchange and increase in-house availability of raw materials for Indian Market.
- e. The improvements in existing manufacturing processes and developments of new products for export market will have enhanced the capability of R&D team.
- f. The success gives confidence to our customers in Agrochemicals and Pharmaceuticals and paves the way for newer projects.

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

The Company has incurred following expenditure on R&D:

Particulars	₹ in million	
	March 2023	March 2022
a) Capital	5.79	11.96
b) Recurring	121.53	98.51
<b>Total (a+b)</b>	<b>127.32</b>	<b>110.47</b>
<b>Total R&amp;D Expenditure as % of Total Turnover</b>	<b>0.5%</b>	<b>0.4%</b>

## (b) Technology Absorption, Adoption & Innovation: NIL

## (c) Foreign Exchange Earning and Outgo:

Particulars	₹ in million	
	March 2023	March 2022
Foreign Exchange Earnings (In flow)	9,790.32	8,947.84
Foreign Exchange (Out go)		
a. Chemicals	10,049.58	15,851.05
b. Capital Goods	9.98	12.06
c. Expenses	99.90	21.98

# Annexure H

## PARTICULARS OF EMPLOYEES

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

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

Name	Remuneration (₹ in million)	% increase in Remuneration*	Ratio of Directors remuneration to Median remuneration
<b>Executive Director</b>			
Mr. Ravi Goenka	92.28	6.40	179.51
Mr. Satej Nabar	25.39	NA	49.39
Mr. Harshvardhan Goenka	23.00	6.40	44.74
<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	23.71	5.84	46.12
Mr. Aniket Hirpara	6.01	18.40	11.69

<sup>§</sup> Non-Executive Directors remuneration represents Commission payable for FY 2022-23. The increase in Commission to Non-Executive Directors has been worked out on annual basis.

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

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

### Disclosure Requirement:

Sr. No.	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY 22-23.	13.6%
2	Number of permanent employees on the rolls of the Company.	874
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 10.7 % while the average increase in Managerial Remuneration was 7.78 % during the year.
4	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.

# Corporate Governance Report

## COMPANY'S PHILOSOPHY:

The Company's philosophy on Corporate Governance is 'To Attain Right Results Through Right Means' by conducting business in the most efficient, responsible, honest, transparent and ethical manner. Corporate Governance goes beyond compliance, and it involves Company wide commitment. The Company believes that sound corporate practices based on transparency, accountability and a high level of integrity in the functioning of the Company are essential for the long-term enhancement of the shareholder's/stakeholder's value and interest. It encompasses achieving the balance between shareholder's interests and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations.

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

We endeavour to adopt the best governance and disclosure practice by providing timely and accurate information regarding the financial situation, performance, ownership and governance of the Company. We believe that good Corporate Governance practices are a key driver to sustainable corporate growth and long-term value creation for the shareholder's/stakeholder's.

## BOARD OF DIRECTORS:

As on March 31, 2023, the Company's Board consists of nine (9) Members. The composition of the Board, as on March 31, 2023, 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 34<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.	Non-Promoter (Non-Independent)	4. Mr. Satej Nabar, Executive Director & CEO <sup>#</sup>
		5. Dr. Rajan Venkatesh, Managing Director & CEO <sup>#</sup>
3.	Non-Promoter (Independent)	6. Mr. Omprakash V Bundellu
		7. Mr. Manish Chokhani
		8. Dr. Rajeev Vaidya
		9. Ms. Sangeeta Singh
		10. Dr. Rajiv Banavali

\*The Designation of Mr. Ravi Goenka has been changed from "Chairman & Managing Director" to "Executive Chairman" w.e.f April 03, 2023.

<sup>#</sup>Dr. Rajan Venkatesh has been appointed in place of Mr. Satej Nabar w.e.f April 03, 2023.

## Note:

- 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.

## Board Meeting & Agenda:

The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once a quarter to review among other things, quarterly performance of the Company and financial results. The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Whenever it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and/or the presentations are made in respect thereof. The information as specified in Regulation 17(7) of the SEBI Listing Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) is regularly made available to the Board, whenever applicable, for discussion and consideration.

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

### Meeting and attendance:

During the year under review, six (6) meetings of the Board of Directors were held on April 08, 2022, May 04, 2022, July 27, 2022, November 08, 2022, January 24, 2023 and February 27, 2023. Details of the Directors and their attendance at the above-mentioned Board meetings and the last Annual General Meeting held on July 29, 2022 are given below:

Name of the Director	Designation	Category	No. of Board Meetings attended	Attendance at the last AGM
Mr. Ravi Goenka	Executive Chairman	Executive	6	Yes
Mr. Satej Nabar	Executive Director & CEO	Executive	5	Yes
Dr. Rajan Venkatesh <sup>#</sup>	Managing Director & CEO	Executive	NA	NA
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	5	Yes
Dr. Rajeev Vaidya	Independent	Non-Executive	5	No
Dr. Rajiv Banavali	Independent	Non-Executive	6	No

<sup>#</sup>Dr. Rajan Venkatesh has been appointed in place of Mr. Satej Nabar w.e.f April 03, 2023.

### Details of Directorship(s) and Committee membership(s) in Companies as on March 31, 2023:

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
Mr. Satej Nabar	NIL	1	NIL	NIL	NIL
Dr. Rajan Venkatesh <sup>#</sup>	NIL	1	NIL	NIL	NIL
Mr. Harshvardhan Goenka	NIL	6	NIL	NIL	NIL
Mr. Rajeev Goenka	NIL	18	NIL	NIL	NIL
Mr. Manish Chokhani	3	4	1	NIL	1. Shoppers Stop Limited 2. Westlife Development Limited 3. Welspun Corp Limited
Mr. Omprakash V. Bundellu	NIL	NIL	NIL	NIL	NIL
Ms. Sangeeta Singh	3	4	2	4	1. Alkem Laboratories Limited 2. Shaily Engineering Plastics Limited 3. Accelya Solutions India Limited
Dr. Rajeev Vaidya	NIL	NIL	NIL	NIL	NIL
Dr. Rajiv Banavali	NIL	NIL	NIL	NIL	NIL

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

<sup>#</sup>Dr. Rajan Venkatesh has been appointed in place of Mr. Satej Nabar w.e.f April 03, 2023.

### 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, 2023 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

**Familiarization Programme for Board Members:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize 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>.

**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
Mr. Ravi Goenka	Leadership/Operational Experience   Strategic Planning   Procurement   Global Chemical Industry   Finance, Regulatory/Legal & Risk Management   Industrial & Stakeholders Relations   Corporate Governance.
Mr. Harshvardhan Goenka	Strategic Planning   Business Development   New Product/Chemistries Initiatives   Sales and Marketing   R&D & Innovation   Finance.
Mr. Rajeev Goenka	Strategic Planning   General Management.
Mr. Satej Nabar	Leadership/Operational Experience   Strategic Planning   General Management   Sales and Marketing   Procurement   Chemical Industry Expert   Manufacturing   Industrial Relations.
Dr. Rajan Venkatesh <sup>#</sup>	Leadership/Operational Experience   Strategic Planning   General Management   Global Chemical Industry Expert   Sales & Marketing   Finance, Regulatory/Legal & Risk Management   Manufacturing   Industrial & Stakeholders Relations   Corporate Governance.
Mr. Omprakash V Bundellu	Strategic Planning   Banking & Finance   Regulatory/Legal & Risk Management   Corporate Governance.
Mr. Manish Chokhani	Strategic Planning   Finance & Accounting   Investment Banking & Capital Market   Regulatory/Legal & Risk Management   Stakeholders Relations   Corporate Governance.
Dr. Rajeev Vaidya	Strategic Planning   Investment Banking   Global Chemical Industry   Stakeholders Relations   Corporate Governance.
Ms. Sangeeta Singh	Strategic Planning   HR & People Management   Regulatory/Legal & Risk Management.
Dr. Rajeev Banavali	Strategic Planning   Global Chemical Industry   Risk Management   Corporate Governance.

<sup>#</sup>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 2022-23 which in the judgment of the Board may affect the independence of judgment of the such Independent Directors.

In the opinion of the Board, all the Independent Directors are independent of the management and satisfy the criteria of independence as defined under the Companies Act, 2013 and the Listing Regulations, 2015.

**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	Member

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

The Audit Committee met five (5) times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2023:

Members	Audit Committee Meetings during 2022-23				
	April 08, 2022	May 04, 2022	July 27, 2022	November 08, 2022	January 24, 2023
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes	Yes
Ms. Sangeeta Singh	No	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>.

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.

**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.

**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, 2023:

Name of the Director	NRC Meetings during 2022-23	
	May 04, 2022	February 27, 2023
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>.

**Board Performance Evaluation:**

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

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

**Succession Plan:**

In the current financial year, the Board of Directors in consultation with the Nomination & Remuneration Committee, will formalize the succession plans for orderly succession for outgoing Members of the Board of Directors and Senior Management Personnel.

**Independent Directors' Meeting:**

A separate meeting of the Independent Directors of the Company was held on March 28, 2023 without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed (i) the performance of Non-Independent Directors and the Board as a whole; (ii) the performance of the Chairman of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties. All Independent Directors attended the Meeting.

**Stakeholder's 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	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, 2023:

Members	SRC Meetings during 2022-23			
	April 08, 2022	July 22, 2022	October 11, 2022	January 10, 2023
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:

Particulars	Complaint Nos.
Complaints as on April 01, 2022	NIL
Complaints received during the FY 2022-23	05
Complaints disposed during the FY 2022-23	05
Complaints remained unsolved during as on March 31, 2023	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 Board of Directors has on January 24, 2023 revised the Terms of Reference (TOR) of the Risk Management Committee to authorise and empower the Committee to effectively implement, monitor and control ESG road map/compliances for the Company. Consequently, the name of the Committee has also been changed from "Risk Management Committee" to "Risk Management & ESG Governance Committee". Further, pursuant to change in the senior leadership, the constitution of the RMEG Committee has also been changed on April 20, 2023 to onboard Dr. Rajan Venkatesh as a Member in place of Mr. Satej Nabar. Accordingly, RMEG 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 two (2) time 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, 2023:

Members	RMEGC Meetings during 2022-23	
	September 19, 2022	November 10, 2022
Dr. Rajeev Vaidya	Yes	Yes
Mr. Satej Nabar	Yes	Yes
Dr. Rajan Venkatesh	NA	NA
Mr. Harshvardhan Goenka	Yes	Yes
Dr. Rajiv Banavali	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	Chairperson
Ms. Sangeeta Singh	Independent Director	Member
Mr. Rajeev Goenka	Non-Executive Director	Member

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

The CSR Committee met two (2) 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, 2023:

Members	CSR Committee Meetings during 2022-23	
	October 14, 2022	March 27, 2023
Mr. Ravi Goenka	Yes	Yes
Ms. Sangeeta Singh	Yes	Yes
Mr. Rajeev Goenka	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 constituted the Finance Committee which looks at all matters relating to interest rate risk/FX risks/bank limits utilizations etc. This Committee is not mandatory as per the requirements of the Act. However, in order to manage the risk on financial matter and to monitor and mitigate Forex and Interest Risks, the Board has constituted this Finance Committee. The Finance Committee, as a risk mitigating, measures on FX risks and the Finance Committee monitors the hedge ratio of the FX exposure in EUR/USD from time to time and provide guidance. The Finance Committee also take note of the various economic factors and interest rate movement in the market and after deliberations gives guidance on the interest rate risk measures and the bank limits are accordingly monitored from time to time.

During the year under review, the constitution of the Finance Committee has been changed twice on (i) May 04, 2022 to onboard Ms. Tanushree Bagrodia, CFO in place of Mr. Partha Roy Chowdhury and (ii) 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	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 six (6) times during the year and the following table gives the details of members and their attendance in FC meetings held during the year ended March 31, 2023:

Members	Finance Committee Meetings during 2022-23					
	April 14, 2022	July 15, 2022	September 27, 2022	October 20, 2022	December 05, 2022	January 12, 2023
Mr. Omprakash V Bundellu	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	No	Yes	Yes	Yes
Mr. Satej Nabar	Yes	Yes	Yes	No	Yes	Yes
Dr. Rajan Venkatesh	NA	NA	NA	NA	NA	NA
Mr. Partha Roy Chowdhury	Yes	NA	NA	NA	NA	NA
Ms. Tanushree Bagrodia	NA	Yes	Yes	Yes	Yes	Yes

## Remuneration of the Directors

### A. Remuneration to Managing Director, Whole-Time Director:

(₹ in million)

Sr. No	Particulars	Mr. Ravi Goenka, Chairman & Managing Director	Mr. Satej Nabar, ED & CEO	Mr. Harshvardhan Goenka, ED – Business Development and Strategy	Total
1	Gross Salary				
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	53.88	20.69	18.47	93.04
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3.40	-	-	3.40
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	35.00	-	-	35.00
	As % of Profits	1.73%	-	-	-
	Others, Specify	-	-	-	-
5	Others, Specify (Performance Linked incentives)	-	4.69	4.53	9.22
	<b>Total – (A)</b>	<b>92.28</b>	<b>25.39</b>	<b>23.00</b>	<b>140.66</b>
	<b>Ceiling as per Act</b>		<b>₹ 202.85 million</b>		

### B. Remuneration to Other Directors

Sr. No.	Name of Director	Category	Sitting Fees	Commission	Total
1	Rajeev Goenka*	Non-Executive Director	0.35	-	0.35
2	Manish Chokhani	Independent Director	0.45	2.06	2.51
3	Omprakash V Bundellu	Independent Director	0.49	2.06	2.54
4	Sangeeta Singh	Independent Director	0.51	2.06	2.57
5	Dr. Rajeev Vaidya	Independent Director	0.53	2.06	2.58
6	Dr. Rajiv Banavali	Independent Director	0.55	2.06	2.61
	<b>Total</b>		<b>2.87</b>	<b>10.28</b>	<b>13.15</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.

### 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
2021-22(33 <sup>rd</sup> AGM)	Friday, July 29, 2022 at 11.00 AM	7	A-22/2/3, MIDC,
2020-21(32 <sup>nd</sup> AGM)	Monday, July 26, 2021 at 11.00 AM	8	Mahad Industrial Area,
2019-20 (31 <sup>st</sup> AGM)	Tuesday, November 24, 2020 at 12.00 noon	4	Dist. Raigad – 402309

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

Meeting	Subject matter of resolution	Remarks
2021-22 (33 <sup>rd</sup> AGM)	<ol style="list-style-type: none"> <li>1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2023.</li> <li>2. To approve the re-appointment of Ms. Sangeet Singh (DIN: 06920906) as a Non-Executive Independent Director of the Company.</li> <li>3. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the financial year 2022-23.</li> <li>4. To consider and approve the revision in the remuneration of Mr. Satej Nabar for the financial year 2022-23.</li> <li>5. 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>1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2022.</li> <li>2. To regularize the appointment of Dr. Rajiv Banavali (DIN: 09128266) as a Non-Executive Independent Director of the Company.</li> <li>3. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the financial year 2021-22.</li> <li>4. To consider and approve the revision in the remuneration of Mr. Satej Nabar for the financial year 2021-22.</li> <li>5. To approve the revision in the remuneration of Mr. Ravi Goenka, Managing Director.</li> <li>6. 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>7. To approve the Related Party Transaction to be undertaken by the Company during the financial year 2021-22.</li> <li>8. 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
2019-20 (31 <sup>st</sup> AGM)	<ol style="list-style-type: none"> <li>1. To approve the remuneration of Cost Auditors for the FY ended March 31, 2021.</li> <li>2. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the period from April 01, 2020 till October 31, 2020.</li> <li>3. Confirm the appointment of Mr. Harshvardhan Goenka as a Director of the Company.</li> <li>4. Approve the appointment of Mr. Harshvardhan Goenka as a Whole-Time Director designated as Director – Business Development &amp; Strategy.</li> <li>5. Approve revision in the remuneration paid to Mr. Ravi Goenka, Managing Director for the FY 2020-21.</li> <li>6. Sub-division of shares of the Company from ₹10 per share to ₹2 per share.</li> <li>7. Approval of increase in the authorised share capital of the Company.</li> <li>8. Amendment of Memorandum of Association.</li> <li>9. Adoption of new sets of Articles of Association.</li> <li>10. Approve Employee Stock Option (ESOP-2020).</li> <li>11. Approval of Initial Public Offering.</li> </ol>	All resolutions were passed with the requisite majority

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

A person who conducted the postal ballot exercise – NA;

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

Procedure for postal ballot – NA.

## MEANS OF COMMUNICATION:

Annual Reports, Notice of the meetings and other communications to the members are sent through email, post or courier. However, this year given the outbreak of the COVID-19 pandemic, and considering the difficulties involved in dispatching the physical copies of the Annual Report and Notice of the 34<sup>th</sup> AGM, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 05, 2020 read with and General Circular No. 02/2021 dated January 13, 2021 and the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and SEBI/HO/CFD/CrD2/CIR/P/2022/62 dated May 13, 2022, and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 directed the companies to send Annual Report and AGM Notice only by email to all members of the Company. Therefore, the Annual Report and Notice of the 34<sup>th</sup> AGM is being sent to the members at their registered email addresses as per MCA and SEBI Circulars. Members

are requested to refer to the Notice of 34<sup>th</sup> AGM containing detailed instructions to register/update email addresses.

Quarterly, Half-Yearly and Annual Results of the Company are published in newspapers, Business Standard and Sakal. These results are promptly submitted to the Stock Exchanges facilitating them to display the same on their website. The Company's results and press releases are available on the Company's website at <https://www.laxmi.com/investors/financials>

During the year, the Company held an Investor Call on May 05, 2022, July 28, 2022, November 9, 2022 and January 25, 2023 to discuss the performance of the Company for the financial year 2022-23. 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 shareholders' information is available. The Company also has a separate email id i.e. [investors@laxmi.com](mailto:investors@laxmi.com) for investor grievances.

## ANNUAL GENERAL MEETING:

<b>Day and Date</b>	August 03, 2023
<b>Time</b>	11.00 AM
<b>Venue</b>	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.
Helpline Number for VC participation	22-49186175
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 <a href="mailto:investors@laxmi.com">investors@laxmi.com</a> from July 28, 2023 (9:00 a.m. IST) to August 01, 2023 (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 FY23 recommended by Board	May 12, 2023
Dividend Record Date	July 21, 2023
Dividend payment date	On or after August 08, 2023
Cut-off date for e-voting	July 21, 2023
Remote E-voting start time and date	July 28, 2023 at 9.00 a.m.
Remote E-voting end time and date	August 02, 2023 at 5.00 p.m.
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 2023 To March 2024:**

Sr. No.	Particulars of Meetings	Actual/Tentative Dates
1	Audited Financial Results for the quarter and year ended March 31, 2023	Friday, May 12, 2023
2	Unaudited Quarterly Results for the Quarter ended June 30, 2023	Friday, July 28, 2023
3	34 <sup>th</sup> Annual General Meeting	August 03, 2023
4	Unaudited Quarterly Results for the Quarter and half year ended September 30, 2023	Within 45 days of the quarter and half year ending September 2023
5	Unaudited Quarterly Results for the Quarter and nine months ended December 31, 2023	Within 45 days of the quarter and nine months ending December 2023
6	Audited Annual Results for the quarter and year ended on March 31, 2024	Within 60 days of the quarter and year ending March 2024

**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
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	LXCHEM
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	543277

Annual Listing Fees for the year 2023-24 have been paid to stock exchanges.

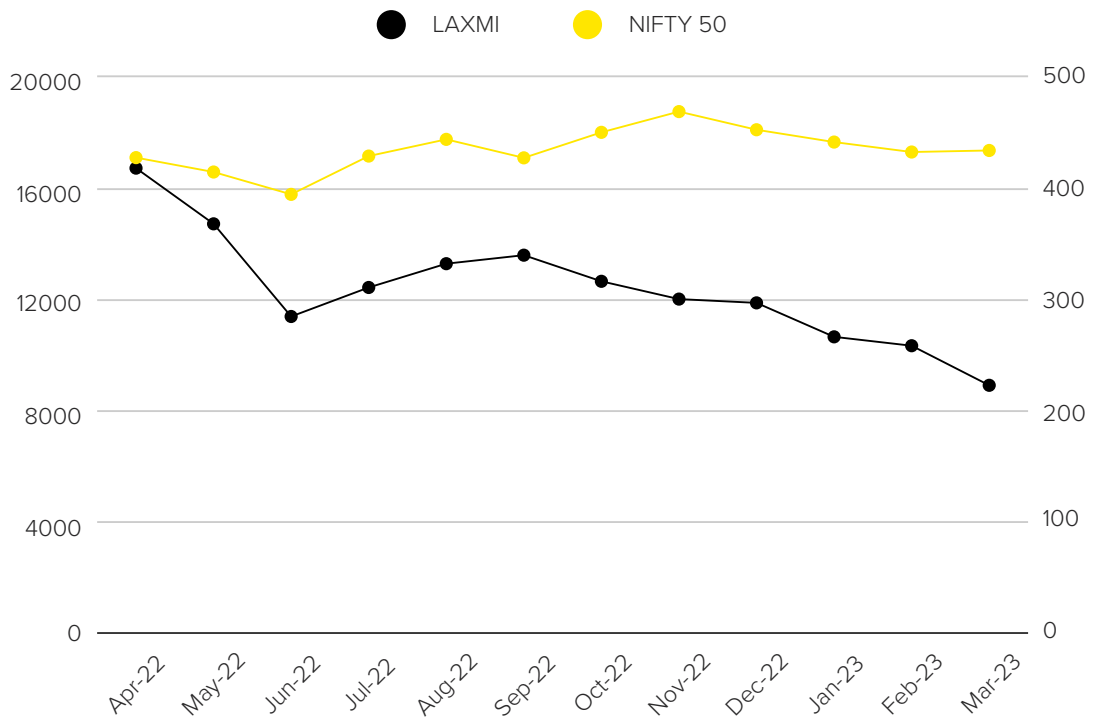
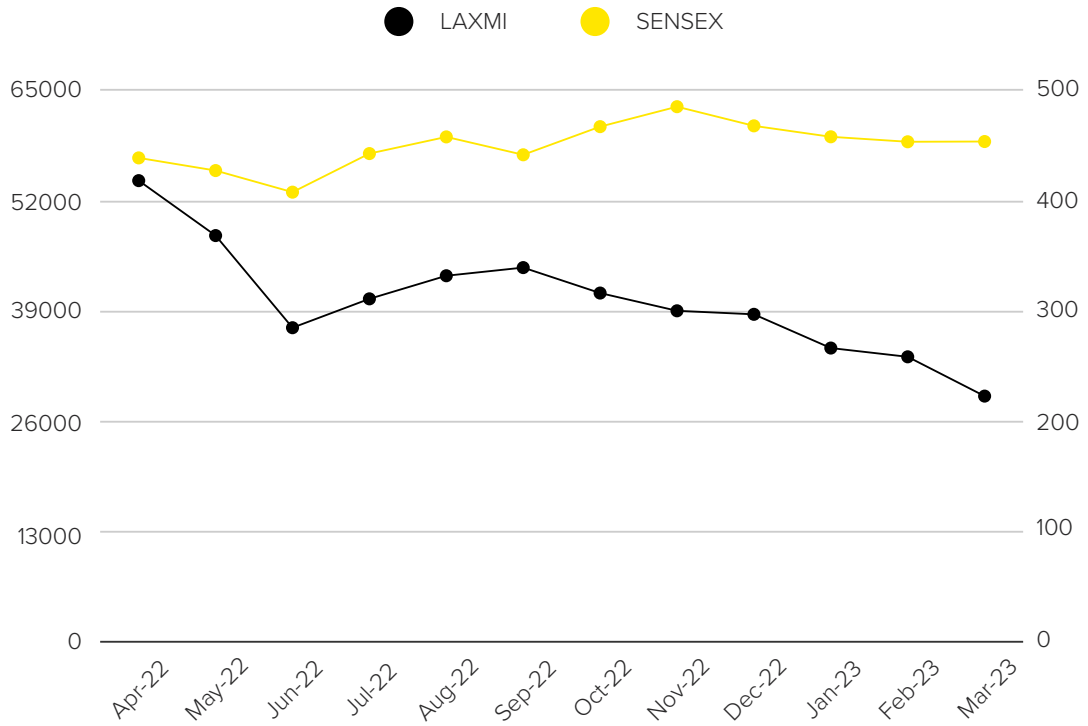
**Market price data- high, low during each month in the last financial year:**

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-22	493.95	400.1	264.58	493.30	400.00	24.74
May-22	448.00	291.40	168.16	448.00	327.40	20.60
June-22	379.65	281.00	114.01	379.70	281.55	12.43
July-22	337.90	274.20	467.13	337.80	274.35	43.95
August-22	354.75	306.75	300.05	354.80	306.35	33.26
September-22	395.80	325.50	427.34	395.90	326.00	41.90
October-22	348.00	313.50	70.82	348.10	313.45	10.29
November-22	321.20	287.00	114.94	321.00	287.05	17.22
December-22	321.00	276.20	126.03	320.90	276.05	13.57
January-23	304.05	258.65	62.72	305.00	258.75	9.67
February-23	288.70	251.35	62.25	288.70	251.25	9.78
March-23	267.95	220.50	117.07	271.00	220.70	14.70

Source: NSE and BSE website

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



**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, dematerialization and rematerialization of equity shares. These activities are handled under the supervision of the Company Secretary who is also the Compliance Officer under the SEBI Listing Regulations, 2015.

<b>ISIN Number</b>	:	INE576001020
<b>Details of Share Transfer Agent</b>	:	<b>Link Intime India Private Limited</b> C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Email: <a href="mailto:Mumbai@linkintime.co.in">Mumbai@linkintime.co.in</a>

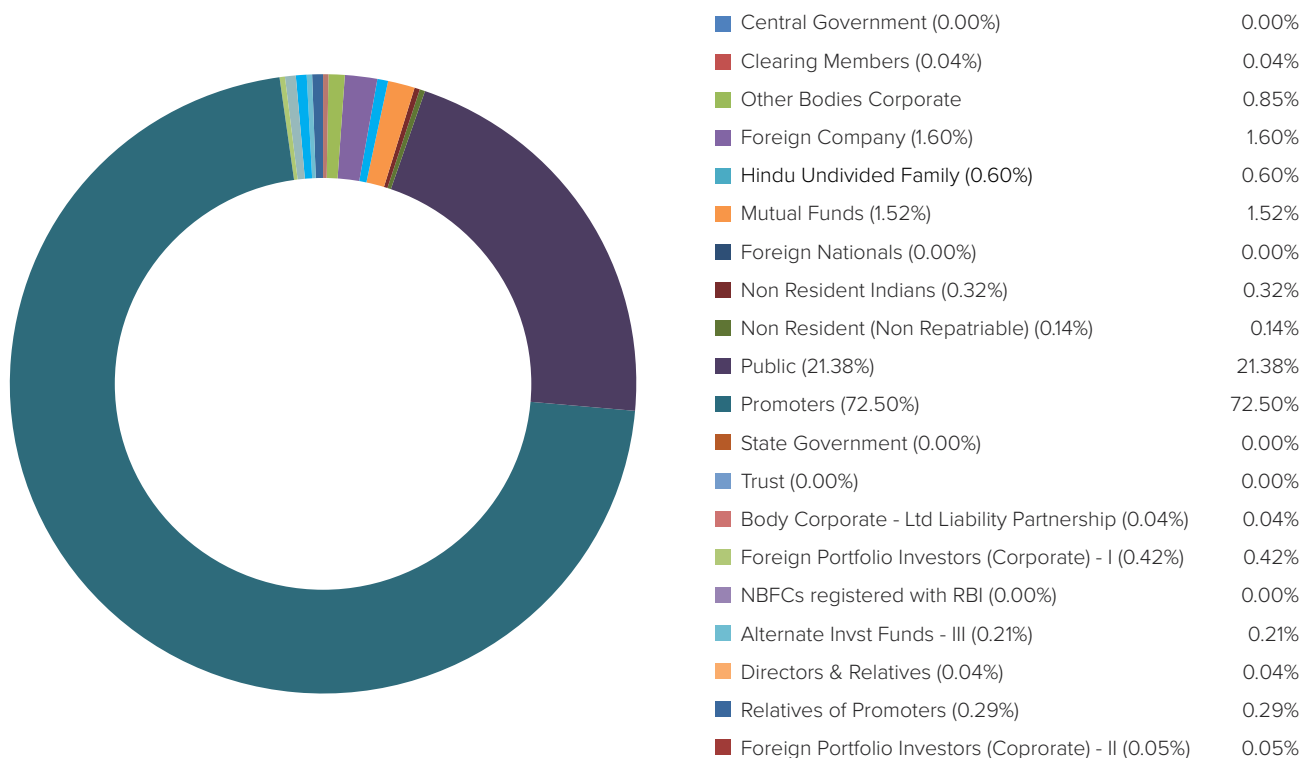
**Shareholding:****Promoter & Public Shareholding as on March 31, 2023:**

Sr. No.	Category of the shareholder	Total number of shares	% of the holding
1.	Promoter and Promoter Group	19,22,62,806	72.50
2.	Public Shareholding	7,29,13,402	27.50
	<b>Total</b>	<b>26,51,76,208</b>	<b>100.00</b>

### Top 10 Non-Promoter Shareholders as on March 31, 2023:

MALABAR INDIA FUND LIMITED	40,38,759	<b>1.52%</b>
NISHANT KAILASH AGARWAL	39,11,197	<b>1.47%</b>
KOTAK SMALL CAP FUND	36,04,945	<b>1.36%</b>
SUMAN MISHRA	12,50,000	<b>0.47%</b>
ONE UP FINANCIAL CONSULTANTS PVT LTD	9,00,000	<b>0.34%</b>
VISHWAS VIJAY KUNTE	4,87,500	<b>0.10%</b>
IIFL SELECT SERIES II	3,38,944	<b>0.13%</b>
ITI SMALL CAP FUND	3,19,493	<b>0.12%</b>
DESH VERMA	2,29,194	<b>0.09%</b>
EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NON LENDABLE FUND	2,22,118	<b>0.08%</b>

### Shareholder's Category Summary as on March 31, 2023:



**Distribution of shareholding as on March 31, 2023:**

Sr. No.	Shareholding of Shares	No of Shareholders	% of No of Shareholders	Total Shares	% of Total Shares
1	1 to 500	462151	97.1261	29,313,417	11.05
2	501 to 1000	8175	1.7181	6,187,857	2.33
3	1001 to 2000	3235	0.6799	4,722,254	1.78
4	2001 to 3000	914	0.1921	2,339,570	0.88
5	3001 to 4000	399	0.0839	1,424,189	0.54
6	4001 to 5000	233	0.0490	1,088,399	0.41
7	5001 to 10000	400	0.0841	2,956,104	1.11
8	10001 and above	319	0.0670	217,144,418	81.88
	<b>Total</b>	<b>475,826</b>	<b>100.00</b>	<b>265,176,208</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 INE576O01020.

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

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible instruments as on March 31, 2023.

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

\*Unit III is an operative plant of Erstwhile Company namely Yellowstone Chemicals Private Limited which got merged with the Company pursuant to NCLT order dated August 25, 2022

**SHAREHOLDERS 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

**Address for correspondence:**

Mr. Aniket Hirpara  
Company Secretary and Compliance Officer  
Laxmi Organic Industries Limited  
3<sup>rd</sup> Floor, Chandermukhi Building,  
Nariman Point, Mumbai - 400 021  
CIN: L24200MH1989PLC051736  
Tel. No.: 022 - 4910 4444  
Email: [investors@laxmi.com](mailto: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 victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee. The vigil mechanism/whistle-blower policy is available on the Company's website at <https://www.laxmi.com/investors/policies>.

In addition to 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](mailto: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>.

**Other Disclosures**

a) The Company's related party transactions are mainly with its subsidiaries and associate Company. All the contracts/arrangements/transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest. The policy formulated by the Company is uploaded on its website of the Company at <https://www.laxmi.com/investors/policies>.

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

Sr. No	Compliance Requirement (Regulations circulars/guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1	Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in furnishing half-yearly related party transaction statements with Stock Exchanges	The Company has paid fines as levied by BSE Ltd. and National Stock Exchange Ltd. and has placed the matter before the Board of Directors at the next meeting

- c) The Company believes in the conduct of the affairs of its constituents fairly and transparently by adopting the highest standards of professionalism and ethical behavior. 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.
- d) The Company has complied with all mandatory requirements of Regulation 34 of SEBI (LODR) Regulations.
- e) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) SEBI (LODR) Regulations during the year.
- f) During the year, recommendations made to the Board by the Committees were accepted by the Board.
- g) During the year under review, the Statutory Auditors of the Company M/s. Natvarlal Vepari & Co., Chartered Accountants were paid an aggregate remuneration of ₹ 3.92 million (including Statutory Audit Fees of ₹ 3.82 million). Particulars of payments made to the Statutory Auditors and its Network firms on a consolidated basis (excluding taxes) are given below:

Particulars	Amount (₹ in million)
Audit Fees including consolidation & Limited Review	3.82
Certification & Tax Representations	0.10
<b>Total</b>	<b>3.92</b>

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

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

- i) The Company has formulated a Code of Conduct (Insider Trading) to Regulate, Monitor and Report Trading by Insiders based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at <https://www.laxmi.com/investors/policies>.
- j) The Company has complied with 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. **Shareholders' 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 shareholders.
- 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.

### 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, 2022 to March 31, 2023. The declaration received from Mr. Ravi Goenka, Chairman & Managing Director in this regard is attached as **Annexure IV** to this Report:

### FRAMEWORK OF INSIDER TRADING:

The Company's shares are listed on the National Stock Exchange of India Limited and the BSE Limited. 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 Secretary confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, 2015 is attached as **Annexure III** to this Report.

### **OTHER POLICIES MANDATED UNDER SEBI LISTING REGULATIONS, 2015:**

#### **Policy for Preservation of Document & Archival:**

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 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:

<b>Dividend and Year</b>	<b>Dividend per Share (₹)</b>	<b>Date of Declaration</b>	<b>Last Date for Claim</b>
Final Dividend 2021	₹ 0.50	26.07.2021	01.09.2028
Final Dividend 2022	₹ 0.70	29.07.2022	04.09.2029



# Annexure I

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Board of Directors,  
**Laxmi Organic Industries Limited**  
Chandermukhi, 3<sup>rd</sup> Floor,  
Nariman Point,  
Mumbai - 400 021

Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the SEBI (LODR) Regulations, 2015.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Laxmi Organic Industries Limited** (CIN: L24200MH1989PLC051736) having registered office at A-22/2/3, MIDC Raigad, Maharashtra-402309 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with

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](http://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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

For **GMJ & ASSOCIATES**

Company Secretaries

**Mahesh Soni**

Partner

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

**UDIN:** F003706E000300530

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** May 12, 2023

# 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 Sir/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, 2023, 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, 2023 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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**

**Dr. Rajan Venkatesh**  
Managing Director & CEO

**Tanushree Bagrodia**  
CFO

**Place:** Mumbai  
**Date:** May 12, 2023

# 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, 2023, 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:** F003706E000300541

**Peer Review Certificate No.:** 647/2019

**Place:** Mumbai

**Date:** May 12, 2023

# Annexure IV

## **DECLARATION ON 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, 2023, 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 12, 2023

# 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	<a href="mailto:investors@laxmi.com">investors@laxmi.com</a>
7	Telephone	91 22 49104444
8	Website	<a href="http://www.laxmi.com">www.laxmi.com</a>
9	Financial year for which reporting is being done	2022-23
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	₹ 530.35 million
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, <a href="mailto:Aniket.Hirpara@laxmi.com">Aniket.Hirpara@laxmi.com</a> )
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

### II. Products/Services

14. 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%

15. 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	63%
2	Sales of Specialty Intermediate products within Chemical Manufacturing	2029	34%

### III. Operations

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

Location	No. of plants	No. of offices	Total
National	7	4	11
International	NIL	3	3

## 17. Markets served by the entity

<b>a</b>	No. of Locations	
	<b>Location</b>	<b>Number</b>
	National (No. of States)	24
	International (No. of States)	67
<b>b</b>	What is the contribution of exports as a percentage of the total turnover of the entity?	36%
<b>c</b>	A brief on types of customers	<p>We manufacture a spectrum of speciality intermediates for various industrial sectors. The products are used to manufacture higher-value chain molecules for pharmaceuticals and bulk drugs. They find application in the manufacture of pigments for paints and inks. Other intermediates are used in the agrochemical value chain. The newly acquired business of fluorochemicals serves the pharmaceutical as well as agrochemical industries with several niche intermediates. The Company also manufactures green solvents which are preferred over the conventional carcinogenic alternates in the manufacture of paints, coatings, and adhesives.</p> <p>Through the network of offices, Company reaches out to customers in both national as well as international locations. Branch offices are strategically located to ensure ease of reach to the customer. International customer base is tapped with its offices in Middle East, Europe and China. On time service is ensured with tankages maintained at main European ports of Rotterdam.</p> <p>The Company has customers based in all continents like North America, South America, Asia, Europe and Africa.</p>

## IV. Employees

18 Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>a</b>	Employees and workers (including differently abled):					
	Permanent (A)	687	645	94%	42	6%
	Other than Permanent (B)	67	56	84%	11	16%
	<b>Total employees (A + B)</b>	<b>754</b>	<b>701</b>	<b>93%</b>	<b>53</b>	<b>7%</b>
	<b>Workers</b>					
	Permanent (C)	187	185	99%	2	1%
	Other than Permanent (D)	535	535	100%	0	0%
	<b>Total workers (C + D)</b>	<b>722</b>	<b>720</b>	<b>99.7%</b>	<b>2</b>	<b>0.3%</b>
<b>b</b>	Differently abled Employees and workers:					
	<b>Differently-abled Employees</b>					
	Permanent (E)	3	3	100%	0	0%
	Other than Permanent (F)	0	0	0%	0	0%
	<b>Total employees (E + F)</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
	<b>Differently-abled Workers</b>					
	Permanent (G)	0	0	0%	0	0%
	Other than Permanent (H)	0	0	0%	0	0%
	<b>Total employees (G + H)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

## 19. 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%

## 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY (2022-23) (April-December) (Turnover rate in current FY)			FY (2021-22) (Turnover rate in previous FY)			FY (2020-21) (Turnover rate in year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.89%	1.00%	19.89%	18.92%	0.97%	19.9%	18.74%	1.16%	19.9%
Permanent Workers									

\*Turnover rate not calculated separately but will be taken up from FY 23-24.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

a) 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	Wholly owned Subsidiary Company	100	No
2	Cellbion Lifesciences Private Limited, India	Wholly owned Subsidiary Company	100	No
3	Laxmi Lifesciences Private Limited, India*	Wholly owned Subsidiary Company	100	No
4	Viva Lifesciences Private Limited, India	Wholly owned Subsidiary Company	100	No
5	Laxmi Speciality Chemicals (Shanghai) Co. Limited, China	Wholly owned Subsidiary Company	100	No
6	Yellowstone Fine Chemicals Private Limited, India	Wholly owned Subsidiary Company	100	No
7	Yellowstone Speciality Chemicals Private Limited, India*	Wholly owned Subsidiary Company	100	No
8	Laxmi USA LLC, USA	Wholly owned Subsidiary Company	100	No
9	Laxmi Italy SRL, Italy	Step Down Subsidiary	100	No
10	Saideep Traders, India	Step Down Partnership firm	95	No
11	Cleanwin Energy One LLP, India	Associate	26	No
12	Radiance MH Sunrise Seven Private Limited, India	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.

**Note:** Since Laxmi Petrochem Middle East FZE, Dubai has been dissolved w.e.f. December 08, 2022, the same has not be included in the aforesaid list.

## VI. CSR Details

22

a	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
b	Turnover (in ₹)	₹ 26,934.11 million
c	Net worth (in ₹)	₹ 14008.05 million

## VII. Transparency and Disclosures Compliances

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

S. No.	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 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
1	Communities	-	-	-	-	-	-
2	Investors (other than shareholders)	-	-	-	-	-	-
3	Shareholders	5	-	-	64	-	-
4	Employees and workers	-	-	-	-	-	-
5	Customers	15	4	1 CAPA completed 1 Customer Approval 1 Under observation	15	-	-
6	Value Chain Partners	-	-	-	-	-	-



## 24. 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:

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	Water Quality & Wastewater management	Risk	The production process results entail use of water and generation of industrial grade effluent. Water is a core input for the production process and long-term sustainability of water sources is a key risk area that needs to be monitored and managed on a regular basis. The effluent generated in the process could pollute nearby land and water bodies in the absence of appropriate treatment measures as the effluent constituents would render water bodies unfit for human or animal consumption.	Water and wastewater risk is mitigated with two different and yet complementary approaches. Our plants are located in areas that are rain-fed and have no immediate threat of source water reduction or quality deterioration. However, we are taking measures to ensure that water is used judiciously in our process and wastage is minimized. Our effluent treatment plant incorporates unit operations that are designed to treat the effluent to safe discharge limits. Effluent is monitored regularly and zero liquid discharge (ZLD) plants are also operated to further limit effluent discharge.	The Company's operations are not in water stressed areas and owing to our long-term water supply contracts with MIDC, we see low level of short-term risk associated with financial implications of raw water availability or quality. Effluent treatment could entail higher capital and operating costs in case of stricter effluent discharge standards from the Central Pollution Control Board.
2	Hazardous Materials Management	Risk	Specialty chemicals manufacturing involves handling of hazardous materials as part of raw materials transport and storage, production process and finished goods storage and transportation. Employees and workers are exposed to risks from spills, fumes, etc. that has the potential to cause serious damage to health as well as property.	The Company has adopted organization wide Integrated Policy on Environment Health Safety and Quality Management System (As per ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Standards). The organization has also adopted measures to prevent occupational injuries & ill-health to employees & contractors by deploying various hazard identification, risk assessment and risk control mechanisms, as defined in the above standards.	Financial implications of the risk involve mainly mitigation activities such as training, drills, adoption of emergency measures and preparedness for incidents.
3	Air Quality	Risk	Production of specialty chemicals has the potential to release harmful gases to the atmosphere that could endanger human and animal lives in surrounding areas or cause health related impacts over a longer term.	<ol style="list-style-type: none"> <li>All industry and legal standards are considered during establishing process and SOPs to adopt air pollution control mechanism.</li> <li>Trainings and internal audits are done to ensure regular checks on air quality.</li> </ol>	Financial implications are in the form of mitigation measures such as pollution control equipment and safety and control systems. Potential incidents of leakage of hazardous gases could imply financial exposure in the case of adverse impact on surrounding community.

## 24. Overview of the entity's material responsible business conduct issues (Contd.)

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:

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)
4	Waste Management	Risk/ Opportunity	Hazardous waste management presents risks to land, water bodies, flora and fauna if disposal guidelines are not taken care of by waste management contractors. Waste recycling could present a potential opportunity for the Company by adoption of circular economy principles that could lead to minimal waste generation.	Hazardous waste is handled and disposed by approved contractors of the State Pollution Control Board.	-
5	GHG Emissions	Risk	Chemical manufacturing is an emission intensive activity that is monitored by large customers, investors as well as governments. The Company's customers could drive GHG reduction commitments or specify conditions related to GHG for conducting business. Investors of a specific category with ESG focus could invest only in certain companies that meet GHG emission reduction targets. India's current and potential future climate commitments would necessitate companies in the chemical industry to undertake emission reduction programs. The government could also set stringent targets and is already in the process of creating a carbon trading market. GHG emissions, if not abated could result in loss of potential customers, disinterest from specific sets of investors and higher costs to meet regulatory requirements.	GHG emissions can be mitigated by (1) Conducting energy audits and identifying areas of energy reduction (2) Increased sourcing of renewable energy and (3) purchase of offsets. In the current financial year, 20% of our total energy was from renewable sources.	Financial implications could result in the form of (1) capital expenditure of increase of renewable energy procurement.
6	Energy Management	Opportunity	Our manufacturing process is energy intensive and energy savings not just add to the bottom line, they aid us in achieving our emissions goals.	Energy efficiency measures identified through energy audits have the potential to positively impact our financials.	-
7	Occupational Health and Safety	Risk	Manufacturing of specialty chemicals entail multiple risks to workers and employees in the form of material management, spills, fumes, fire hazards, long-term exposure, etc. that could result in health impairment, serious injuries, or even fatalities. Health and safety risks are also present in the supply during the manufacture of raw materials and the transport of raw materials and finished products.	The Company has taken various measures to mitigate occupational health and safety risks including: <ol style="list-style-type: none"> <li>Adoption of organization wide Integrated Policy on Environment Health Safety and Quality Management System (As per ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Standards).</li> <li>Strict health and safety measures and SOPs around storage, use, transportation and waste treatment of hazardous substances.</li> <li>Trainings, internal audits for all SOPs on Operational Health and safety.</li> </ol>	Financial implications of the risk involve mainly mitigation activities such as training, drills, adoption of emergency measures and preparedness for incidents through appropriate safeguards such as insurance to mitigate loss of production.

**24. Overview of the entity's material responsible business conduct issues** (Contd.)

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:

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)
8	Human Rights	Risk/ Opportunity	Human rights are an area of risk as well as opportunity for the Company. As a compliant organization that has adopted a human rights policy in addition to other policies impacting human resources, the Company has the potential opportunity to create a nurturing environment where the rights of co-workers are respected. Human rights risk for the Company emanate more in the upstream supply chain (vendors) where is a need to improve awareness as well monitoring of human rights issues.	The Company plans to mitigate human rights risk within the organization and in the supply chain by conducting awareness trainings on human rights, providing adequate channels to raise human rights issues and conducting periodic third-party assessments to ensue robust implementation of policies.	Financial risks could occur in the form of legal/settlement costs on human rights grievances and on third party support for trainings, monitoring and assessments.
9	Product Responsibility	Opportunity	Two key product segments for the Company include the life sciences and crop sciences industry, where our products form key constituents of pharmaceutical products such as anticoagulants, anti-inflammatory, antimalarial, antiretroviral, etc., and in crop protection chemicals such as synthesizing fertilizers and seed treatment chemicals. Product responsibility assumes high significance as there is human consumption and/or potential human contact with our customers' end products.	Risk mitigation mechanisms are in place as we meet the quality standards of our customers on a continuous basis. By supplying products that demand higher safety and quality standards, the Company can potentially open up newer customer segments.	Financial implications of quality related issues could lead to lost sales. Moving to higher thresholds of product safety and quality would entail R&D investment prior to incremental revenue accruing from the same.
10	Business Ethics	Risk	Business ethics broadly covering the areas of corporate governance, employee conduct, labour relations, customer relationships and across the supply chain have the potential to expose the organization to multiple risks including legal, reputational, financial and market related. With ESG themes gaining prominence, governance related issues are coming under increasing scrutiny from potential investors as well as large customers, necessitating robust systems and processes for management of business ethics related issues.	Business ethics risks are mitigated through multiple measures such as Code of Conduct for Board of Directors, Independent Directors, Senior Management and Employees, Policy on Anti-Corruption, Anti-Bribery and Anti-Money Laundering, Whistle-blower policy, etc. The above policies are implemented by nature of awareness trainings and systems for grievance redressal.	Negative financial implications could involve loss of customers/market share, financial losses due to legal exposure, etc. resulting from adverse business ethics related issues.
11	Management of Legal & Regulatory Environment	Risk	Manufacturing of specialty chemicals entails approvals and periodic regulatory filings across multiple areas including product specifications, safety, pollution control, labour laws, factory codes, etc. ESG related mandatory disclosures are also expected to increase starting with BRSR in India and expected supply chain disclosure requirements from customers in Europe and USA, as necessitated by upcoming legislation in those respective geographies.	Regulatory compliances and filings are managed with internal systems, risk registers and process controls. The organization is preparing for enhancing ESG disclosures to ensure transparency to all its stakeholders.	Legal and regulatory matters if unresolved could lead to potential fines and penalties as prescribed by the statutory authorities.

## 24. Overview of the entity's material responsible business conduct issues (Contd.)

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:

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)
12	Climate Risk & Opportunities	Risk/ Opportunity	Chemical industry is seen as both a significant contributor to climate change and a key enabler of climate change mitigation through improved products and processes. With India signing on to global climate goals and a Net Zero target by 2070, corporates in the Indian chemical industry would be expected to play a key role in mitigating GHG emissions, lowering effluent and waste footprint and enabling circular economy in operations.	Climate change risks and opportunities are planned to be addressed through: <ol style="list-style-type: none"> <li>1. Improving process efficiency, establishing sustainable procurement practices, R&amp;D for better products and processes in terms of emissions reduction and lowering waste footprint.</li> <li>2. Setting ESG targets and implementing governance structure to implement sustainability related initiatives.</li> </ol>	Financial implications for climate related risks and opportunities would emanate from new product development, renewable energy investments, energy efficiency investments and sustainable procurement practices.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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
	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Web Link of the Policies, if available	Refer EHSQ Responsible Care Policy, Restricted Mobile usage, Sustainable Sourcing (Available on intranet/Where applicable, displayed outside the manufacturing unit gate for visibility)	Refer HR POSH Sustainable Sourcing EHSQ Care Policy (Available on intranet/Where applicable, displayed outside the manufacturing unit gate for visibility)	Refer CSR HR Sustainable Sourcing POSH Customer complaint <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a>	Refer HR POSH Speak up CSR QESH Responsible Care Policy Sustainable Sourcing Human Rights <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a>	Refer Integrated EHSQ Policy and Responsible Care Policy (Where applicable, displayed outside the manufacturing unit gate for visibility)	Refer Anti-Corruption, Anti-Bribery and Anti-Money Laundering Polycym <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a>	Refer HR CSR Human rights policy <a href="https://www.laxmi.com/investors/policies">https://www.laxmi.com/investors/policies</a>	- Refer Responsible Care Policy, Integrated EHSQ Policy, Code of Conduct Policy, Customer Care Policy, IT Policy (Version 2) <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
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	Yes	Yes	Yes	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.	GRI standard	ISO 45001:2018, ISO 9001:2015, ISO 14001:2015, USDA Certified Bio based Product Label, Responsible Care, Star K Kosher Certification, Halal India Certification	ISO 45001:2018, ISO 9001:2015, ISO 14001:2015	GRI standard	ISO 45001:2018, ISO 14001:2015	-	CSR disclosures pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, GRI standard	ISO 45001:2018, ISO 14001:2015, Responsible Care

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES (Contd.)

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
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, but a formal approach on ESG reporting has been taken up from FY 23-24 and will be a part of the sustainability report henceforth.							
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Initiatives on the ESG front have been an important part of the Company's performance and culture, but a formal approach on ESG reporting has been taken up from FY 23-24 and will be a part of the sustainability report henceforth.							
<b>Governance, leadership and oversight</b>									
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 endeavours to be a responsible corporate that plays a proactive role in positively impacting society through its operations and activities. As a growing international player in the chemical industry, we play a key role in the economic development of our nation and at the same time recognize the need for urgent 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).	An ESG Steering committee with senior management representation from all departments such as manufacturing, HR, finance, investor relations, and sales and marketing is formed to adopt the policy and implement the same in conjunction 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 been approved by the Board. The Risk Management and ESG Governance Committee of the Board has been empowered to review and approve the ESG Road Map for the Company and provide oversight for its implementation within the organization.							

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES (Contd.)

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
10 Details of Review of NGRBCs by the Company:									
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee</b>								
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	<b>Frequency</b> <b>(Annually/Half yearly/Quarterly/Any other – please specify)</b>								
Performance against above policies and follow up action	An ESG governance structure has been formalised in FY 22-23. According to the defined structure, Risk Management & ESG Governance Committee of the Board will be the highest governance body of ESG. A Steering committee has been set up during FY 22-23 with equal representation from various functions to implement ESG initiatives. Steering committee shall apprise the Risk Management & ESG Governance Committee of the Board on ESG implementation.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Statutorily mandated policies are documented and implemented and there is no incidence of non-compliance during the year.								

11	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
<b>12</b>	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	1	Appreciating Diversity Inclusion - Leaders Program	22
Key Managerial Personnel	4	LEAP, VMV, Insider Trading, Appreciating Diversity Inclusion - Leaders Program	75
Employees other than BOD and KMPs	12	LEAP, VMV, Insider Trading, Accountability, RC Analysis, Growth Mindset, Diversity Inclusion, Gender Diversity for Women, IMS Internal Audit, Compensation & Benefits, BUCHI Research and Innovation Symposium, Advanced Excel	82
Workers	4	Unit 2 LOTOV, Global Chemical Industry Overview e-course, VMV, Gender Diversity Expresso shots for Women	53



- 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:

**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	Principle 3 and Principle 5	Chief Judicial Magistrate Raigad	20,000	Allowed to work overtime for more than 7 days and failed to pay the wages for the same.	No
Penalty/Fine	Principle 1	Government Labour Officer & Inspector under Minimum wages Act	12,000	Failed to maintain Statutory Registers.	No
Penalty/Fine	Principle 1	SEBI	88,000	Delay in filing Related Party Transaction statement with SE.	No
Penalty/Fine	Principle 3 and Principle 5	Chief Judicial Magistrate Raigad	15,000	Failed to make provision and maintenance of Plant & Systems of work in the factory for safety & health of workers.	No
Settlement			Nil		
Compounding fee			Nil		

**Non-Monetary**

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.
- Yes.  
In the year 2022–2023, the Company began its journey to formalise its activities related to Environment, Social, and Governance. As a part of this process, an anti-corruption, anti-bribery, and anti-money laundering policy was formulated and formally adopted by the Board of Directors. The policy is applicable to all individuals working at all levels and grades, whether permanent or temporary. It is drafted to include relevant provisions of Indian regulations for the Prevention of Corruption Act 1988, as amended in 2018, the Prevention of Money Laundering Act 2002, and the Companies Act 2013. The policy reiterates the Company's commitment to act fairly and ethically. Through the policy, the Company adopts a zero-tolerance approach to corruption, bribery, and money laundering. It binds stakeholders to compliance with laws and prohibits improper payments, gifts or inducement, money laundering, and fraud of any kind or form from any person. The policy prohibits making or accepting facilitation payments or kickbacks of any kind, as well as facilitation of such an act. The policy sets out indicative actions and/or situations that can be "Red flags". The policy provides guidelines for records related to making and receipt of payments by the Company. It provides for a framework for internal and external reporting of cases related to corruption, bribery or money-laundering and for implementation of the policy.

- 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	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Amount (In INR)	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

- 6 Details of complaints with regard to conflict of interest

Category	FY 2022-23 (Current Financial Year)		FY 2021-22 (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

## 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	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	2%	2%	Initiatives and investments in the environmental and social impacts have been taken up in the areas of Water management, Energy management, Waste generation, GHG emissions and Air Quality, Operational Health and Safety and Human Rights.
CapEx	28%	50%	Initiatives and investments in the environmental and social impacts have been taken up in the areas of Water management, Energy management, Waste generation, GHG emissions and Air Quality, Operational Health and Safety and Human Rights.

- 2 Does the entity have procedures in place for sustainable sourcing? (Yes/No)

If yes, what percentage of inputs were sourced sustainably?

Yes, the policy covers Business integrity, Employee Health and Safety, Responsible manufacturing, Environment protection and resource conservation.

Percentage of inputs sourced sustainably not yet ascertained.

**P2 Businesses should provide goods and services in a manner that is sustainable and safe** (Contd.)**ESSENTIAL INDICATORS**

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
<b>3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:</b>			
Plastics (including packaging)			As per the MPCB consent norms, these disposal pathways are prescribed and adopted. The packaging wastes, e-wastes, etc. are disposed off as per the consent norms. A sludge hydrolysis process is established to reclaim products from the in-process streams.
E-waste			
Hazardous waste			
Other waste			
<b>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.</b>		No, it is not applicable	

**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	
		Number (B)	% (B /A)	Number (C)	% (C /A)	Number (D)	% (D /A)	Number (E)	% (E /A)
<b>Permanent Employees</b>									
Male	645	645	100%	645	100%	-	-	645	100%
Female	42	42	100%	42	100%	42	100%	-	-
<b>Total</b>	<b>687</b>	<b>687</b>	<b>100%</b>	<b>687</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent Employees</b>									
Male	56	51	91%	51	91%	-	-	0	0%
Female	11	11	100%	11	100%	0	0%	-	-
<b>Total</b>	<b>67</b>	<b>62</b>	<b>93%</b>	<b>62</b>	<b>93%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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	
		Number (B)	% (B /A)	Number (C)	% (C /A)	Number (D)	% (D /A)	Number (E)	% (E /A)
<b>Permanent Workers</b>									
Male	185	185	100%	185	100%	-	-	185	100%
Female	2	2	100%	2	100%	2	100%	-	-
<b>Total</b>	<b>187</b>	<b>187</b>	<b>100%</b>	<b>187</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent Workers</b>									
Male	535	535	100%	535	100%	-	-	0	0%
Female	0	0	0%	0	0%	0	0%	-	-
<b>Total</b>	<b>535</b>	<b>535</b>	<b>100%</b>	<b>535</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (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 premises currently don't have accessibility as per the Rights of Persons with Disabilities Act, 2016 but there are plans to implement these measures in upcoming sites and renovations to the sites.

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.
- Yes, we are committed to the fundamental labour law principles of diversity, inclusion, and equal opportunity to prevent discrimination based on disability. Our Human Rights Policy covers these principles and has commitments including fair treatment and non-discrimination. It is meant to ensure there is no discrimination on the basis of gender, age, social origin, belief, disability, or religion and to provide equal employment opportunities.

## 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%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 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.
Other than Permanent Workers	We, as a Company, have formally adopted the Speak Up Policy, which provides a mechanism for employees to put forth their grievances, if any.
Permanent Employees	It is a tool to enable the reporting of any instances of fraud, abuse, misconduct, or malpractice, such as abuse of authority, breach of contract, financial irregularities, legal violations, misappropriation of funds, or other unethical, biased, and fraudulent conduct. Through this policy, the Company conveys zero tolerance for unfair practices, discrimination, harassment, and victimisation.
Other than Permanent Employees	The policy communicates the composition of the Speak Up Committee and sets out the various channels for reporting, the procedure for protected disclosures, and the scope of the investigation.

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (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	645	31	5%	492	31	6%
Female	42	3	7%	31	3	10%
<b>Total Permanent Workers</b>						
Male	185	123	66%	152	123	81%
Female	2	2	100%	2	2	100%

**8. Details of training given to employees and workers:**

Category	FY 2022-23 (Current Financial Year)				FY 2021-22 (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	645	-	-	528	82%	492	-	-	412	84%
Female	42	-	-	38	90%	31	-	-	31	100%
<b>Total</b>	<b>687</b>	-	-	<b>566</b>	<b>82%</b>	<b>523</b>	-	-	<b>443</b>	<b>85%</b>
<b>Workers</b>										
Male	185	-	-	73	39%	152	-	-	11	7%
Female	2	-	-	2	100%	2	-	-	0	0%
<b>Total</b>	<b>187</b>	-	-	<b>75</b>	<b>40%</b>	<b>154</b>	-	-	<b>11</b>	<b>7%</b>

\*We do not have individual level details for training on health & safety but it will be recorded from FY 23-24

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	645	572	89%	492	419	85%
Female	42	37	88%	31	26	84%
<b>Total</b>	<b>687</b>	<b>609</b>	<b>89%</b>	<b>523</b>	<b>445</b>	<b>85%</b>
<b>Total Permanent Workers</b>						
Male	185	4	2%	152	31	20%
Female	2	0	0%	2	0	0%
<b>Total</b>	<b>187</b>	<b>4</b>	<b>2%</b>	<b>154</b>	<b>31</b>	<b>20%</b>

## 10. Health and safety management system:

<p><b>a</b> Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?</p>	<p>Yes. The OHS system covers the major production facilities of the Company. The system is implemented at three major manufacturing units of the Company, thus covering 99% of the turnover. The Company is certified for ISO 45001:2018 by TUV-SUD. The system ensures the communication of safety-related information about the product to the customer. For safety in the supply chain, the selection of transporters follows the process of vendor selection and continual vendor evaluation. As a part of the system, drivers, too, periodically undergo training sessions on transportation and product safety.</p>
<p><b>b</b> What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</p>	<p>Multiple platforms are available for the identification of work-related hazards and the assessment of risks. These platforms, which cover the spectrum of activities, are: Job Safety Analysis, Hazard Inventory Registry (Hazard Identification, Risk Assessment and Determination and Implementation of Risk Controls), Hazard and Operability Studies (QRA), Quantitative Risk Assessments, Fire Risk Assessments etc.</p>
<p><b>c</b> Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)</p>	<p>Yes, well-established procedures have been implemented for the reporting, investigation, and analysis of EHS incidents and injuries.  The procedures cover incident (including near-miss) reporting protocol for verbal and written reporting, investigation team charter, investigation methodologies, and analysis.  Hazard control programmes involve participation from workers and contractors. Individual roles are explained in local language so that workers can protect themselves from work-related risks.  In addition, instructions for workers, including safe sign boards, are displayed in conspicuous places.  For prompt evacuation from work-related risks, evacuation plans with clear access and egress and safe assembly points are provided.</p>
<p><b>d</b> Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)</p>	<p>Yes, employees and workers of the entity have access to non-occupational medical and healthcare services. Health counselling is conducted following a periodic medical examination.</p>

## 11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-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

<b>12</b>	Describe the measures taken by the entity to ensure a safe and healthy work place.	<p>Significant risks and concerns are identified through various internal and external mechanisms. Corrective and preventive action plans are implemented based on the application of the hierarchy of risk controls. They can be described as follows:</p> <ul style="list-style-type: none"> <li>- Provision of safety-instrumented systems and enhancement of engineering and design controls.</li> <li>- Review and revision of operational control procedures.</li> <li>- Enhancement of EHS competence through ongoing training and retraining.</li> <li>- Provision and maintenance of fire protection systems, personal protective systems, occupational health surveillance, industrial hygiene practices, and process safety management systems</li> </ul> <p>Improvements in monitoring and measurement mechanisms.</p> <ul style="list-style-type: none"> <li>- Internal and external inspections and audits.</li> </ul>
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### 13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 Current Financial Year			FY 2021-22 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

### 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	Manufacturing facilities covering 99% of turnover have been assessed either by statutory bodies or certification bodies. UI, UII, UIII, Distilleries were assessed (by statutory authorities) and UI, UII, UIII by third parties - Certification Body and Indian Chemical Council RC Certification Audit Panel
Working Conditions	Plants and offices (UI, UII, UIII Distilleries) were assessed (by statutory authorities) and UI, UII, UIII by third parties - Certification Body and Indian Chemical Council RC Certification Audit Panel

<b>15.</b>	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.	<p>Corrective actions taken and implemented for EHS incident prevention and significant risks or concerns identified from assessments:</p> <ul style="list-style-type: none"> <li>- Revalidation of HAZOP/PHA Studies</li> <li>- Review and revision of SOPs</li> <li>- Provision of automation for overfill protection and reduction in manual handling</li> <li>- Enhanced Fire Protection System, including Dedicated Fire Tender</li> <li>- Flood disaster action plan implementation</li> <li>- Strengthening of plant structures</li> </ul>
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### LEADERSHIP INDICATORS

<b>1</b>	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).	Yes, the Company has obtained Group Term Life Insurance Policy for all the employees of the Companies.
<b>2</b>	Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners	-

## 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 committed to responsible growth. We also recognize the sustainability challenges that are likely to pose risks to our operations and value inputs from a wide set of stakeholders to chart our way forward.</p> <p>In order to assess material topics for sustainability, we embarked on a stakeholder engagement exercise. Relevant stakeholder groups that were engaged include employees, leadership team, investors, vendors and the community.</p> <p>The list of stakeholders was chosen with three set of inputs, namely:</p> <ol style="list-style-type: none"> <li>1. Internal deliberations.</li> <li>2. Learning from global and Indian peer companies on their practices.</li> <li>3. Inputs from external consultants.</li> </ol>
2	List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.	Investors and Shareholders, Customers, Employees, Regulatory Authorities, Communities, and Suppliers.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized 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 considers it important to have an inside out view of the risk and opportunities arising out of the activities of the Company.</p> <p>To enable the same key stakeholders – internal and external- were identified and stakeholder consultation was conducted. The stakeholder opinions were captured and the most important 12 material topics were arrived at.</p> <p>Such a consultation is planned to be carried out every 3 years to ensure relevance of the material topics</p>
2	Supplier	No	Emails		
3	Customer/ Client	No	Emails		
4	Investors (Other than shareholders)	No	Emails		
5	Other- Community	No	In-person meetings		

### 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.	After the finalisation of stakeholder groups, surveys like the employee and community surveys were conducted to engage and discuss the key areas of concern. The material topics selected under the scope of the engagement were then assessed through the materiality surveys, and the analysis done was further communicated.
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	Yes, through the materiality surveys conducted, we engage with our stakeholders to identify key issues and areas of concern and prioritise the material topics for the Company.



## 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:

Category	FY 2022-23 Current Financial Year			FY 2021-22 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	As a part of the sustainability and ESG journey of the organization, a formal Human Rights Policy has been adopted in the year FY 22-23. The trainings for the same are planned and will be conducted from FY 23-24 for all the employees and workers.					
Other than permanent						
<b>Workers</b>						
Permanent	As a part of the sustainability and ESG journey of the organization, a formal Human Rights Policy has been adopted in the year FY 22-23. The trainings for the same are planned and will be conducted from FY 23-24 for all the employees and workers.					
Other than permanent						
<b>Total</b>						

### 2. Details of minimum wages paid to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 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>										
<b>Permanent</b>										
Male	645	0	0%	645	100%	492	0	0%	492	100%
Female	42	0	0%	42	100%	31	0	0%	31	100%
<b>Other than permanent</b>										
Male	56	0	0%	56	100%	36	0	0%	36	100%
Female	11	0	0%	11	100%	0	0	0%	0	100%
<b>Workers</b>										
<b>Permanent</b>										
Male	185	0	0%	185	100%	152	0	0%	152	100%
Female	2	0	0%	2	100%	2	0	0%	2	100%
<b>Other than permanent</b>										
Male	535	367	69%	168	31%	450	68	15%	146	32%
Female	0	0	0%	0	0%	0	0	0%	0	0%

### 3. Details of remuneration/salary/wages:

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (INR)	Number	Median remuneration/ salary/wages of respective category (INR)
Board of Directors (BoD)	3*	2,67,22,475	0*	0
Key Managerial Personnel	3	2,67,22,475	1	2,44,38,672
Employees other than BoD and KMP	641	5,35,081	41	7,46,706
Workers	185	4,58,742	2	3,26,381

\*Our other board members are paid commission and not remuneration; hence not included here.

4	Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? <b>(Yes/No)</b>	Yes, the 'Grievance Committee' is the focal point address all the impacts and issues related to Human Rights caused or contributed by the business.
5	Describe the internal mechanisms in place to redress grievances related to human rights issues.	<p>The purpose of the Human Rights policy is to provide a framework and mechanism for employees to report any instances of abuse, misconduct, or possible misconduct at the workplace, including through "Speak Up."</p> <p>On receiving any concern through email, letters, website, hotline, etc., the Speak Up Committee registers it, and a fair inquiry or investigation is launched. The investigation officer is to submit a report no later than 45 days from the date of the appointment. The person who speaks up is protected from any adverse action, and the identity is kept confidential.</p> <p>In the event that a worker organisation is formed, or collective bargaining is carried out, the Company shall engage with the workers and their representatives to address issues and grievances.</p>

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

Category	FY 2022-23 Current Financial Year			FY 2021-23 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	Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.	<p>The Company's Vigilance Mechanism/Whistle Blower Policy, Speak-Up Policy, and POSH Policy are effective tools towards a grievance redressal mechanism.</p> <p>The Speak Up person will be protected from any adverse actions, and their identity will be kept confidential.</p>
8	Do human rights requirements form part of your business agreements and contracts? <b>(Yes/No)</b>	No
9	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	18%
	Forced/involuntary labour	18%
	Sexual harassment	18%
	Discrimination at workplace	18%
	Wages	18%
10	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.

## 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:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (in GJ)	1,85,811	1,36,663
Total electricity generated internally from Turbine Generator (B) (in GJ)	1,61,548	1,41,908
Total electricity generation from renewable sources (C) (in GJ)	52,605	40,850
Total fuel consumption (D) (in GJ)	4,413	3,128
Total energy consumption (A+B+C+D) (in GJ)	4,04,378	3,22,549
Energy intensity per million rupees of turnover (Total energy consumption/ turnover in rupees) (GJ/₹ million)	15.01	11.19
Energy intensity (optional) – per tonne of production (GJ/T)	2.09	1.62
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's 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 Details of the following disclosures related to water:

S. No.	Parameter	FY 2022-23	FY 2021-22
	Water withdrawal by source (in kilolitres)		
i	Surface water	11,30,758	9,95,910
ii	Groundwater	-	-
iii	Third party water	-	-
iv	Seawater/desalinated water	-	-
v	Other	-	-
	<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	11,30,758	9,95,910
	<b>Total volume of water consumption (in kilolitres)</b>	11,30,758	9,95,910
	Water intensity per million rupees of turnover (Water consumed/turnover) (KL/₹ million)	41.98	34.55
	Water intensity (optional) – per tonne of production (KL/T)	5.83	5
	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 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

Currently, there are three manufacturing units, which cater to 99% of the turnover of the Company. Expansions of the facilities have taken place continually to meet the increased demand for the products. During expansions, the principles of ZLD are incorporated at the design stage itself. E.g., the Low Temperature Evaporation/Mechanical Vapour Recompression (MVR) technology has been implemented for enhanced treatment. Comprehensive treatment schemes has been implemented for the recycling and reuse of treated effluents back into the process.

5 Details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	kg	45,798	43,912
SOx	kg	58,231	57,060
Particulate Matter (PM)	kg	51,591	53,458
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

**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**

6 Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	CO <sub>2</sub> in MT	2,51,824	2,21,173
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	CO <sub>2</sub> in MT	40,775	29,989
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – per ton of production	Number	1.51	1.26

7	Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Yes: - Replacement of coal and F.O. as fuel by cleaner fuel (C9) - Revalidation of ESP efficiencies to ensure SPM levels are well within the prescribed limits of 50 mg/nm <sup>3</sup> - Use of mechanical seals instead of glands - Bulk storage tanks of solvents are installed with vent condensers - Closed loop operations
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8 Details related to waste management by the entity:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0.6
E-waste (B)	1.9	0.2
Bio-medical waste (C)	0.001	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0.02	0.03
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	4,658	2,110
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	3,657	1,542
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>8,317</b>	<b>3,653</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
i. Recycled	8	0
ii. Reused	1,153	0
iii. Other recovery operations	173	1,005
<b>Total</b>	<b>1,334</b>	<b>1,005</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
i. Incineration	480	494
ii. Landfill	2845	610
iii. Other disposal methods	0.5	2.5
<b>Total</b>	<b>3,326</b>	<b>1,106</b>

**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,  
- There is a monthly monitoring conducted by MoEF&CC Approved Laboratory named as: M/s. Ashvamedh, Mumbai.  
- In addition, a periodic joint vigilance is done by having the samples collected and analysed by MPCB Officials.

<b>9</b>	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.	<p>The waste management practices adopted in our establishments are as follows:</p> <p>A well-established procedure for collection and storage of hazardous and non-hazardous wastes.</p> <p>Earmarked storage areas for various types of hazardous and non-hazardous waste to facilitate segregation at the source.</p> <p>One of the process streams is used as fuel for the in-process waste recovery system. This system has helped reduce emissions from the stack and recover some products.</p> <p>All the manufacturing sites have obtained membership in a common hazardous waste treatment, storage, and disposal facility approved by the State Pollution Control Board.</p>
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**10 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:**

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.
1	Unit I	Manufacture of Synthetic Organic Chemicals	Y
2	Unit II	Manufacture of Synthetic Organic Chemicals	Y
3	Unit III	Manufacture of Synthetic Organic Chemicals	Y
4	Jarandeshwar Distillery	Distillery	Distillery being operated under agreement with the Sugar mill. Clearances for distillery will be renewed following renewal of the agreement.

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

Not applicable because the EIA Studies are undertaken prior to current financial year.

12	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:	Yes <ul style="list-style-type: none"> <li>- All the applicable Environmental laws, regulations, and guidelines are complied with at all the manufacturing units as per their respective consents to operate and authorizations.</li> <li>- All the types of procedural, operational, and monitoring and measuring legal requirements are identified and maintained as per the Register of Legal Requirements.</li> <li>- Monthly tracking and review are done with the senior leadership team during operations review meetings.</li> <li>- In addition, periodic evaluation of existing, new, and upcoming EHS regulations is done, and the register of legislation is revised as necessary.</li> <li>- The respective regulatory authorities periodically evaluate compliance with the legal requirements during their manufacturing site visits.</li> </ul>
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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
	Nil	Nil	Nil	Nil

## LEADERSHIP INDICATORS

- 1 Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	52,605	40,850
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	52,605	40,850
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,85,811	1,36,663
Total fuel consumption (E)	4,413	3,128
Energy consumption through other sources (F)	1,61,548	1,41,908
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>3,51,772</b>	<b>2,81,699</b>
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's 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:

Parameter		FY 2022-23 (Current Financial Year)	FY 2021-22 (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

Parameter		FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
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	69,924	76,740
Others	No treatment	NA	NA
	With treatment – please specify level of treatment	NA	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	No

4	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>The operations of the Company are covered by the policies and systems implemented at its sites.</p> <p>Multiple platforms and mechanisms are made available to take input on any grievances faced by the stakeholders. Redressal mechanisms have also been defined.</p> <p>The process risks are identified by multiple methods. Controls, interlocks, and automations are in place to eliminate or minimise the risks involved.</p> <p>Considering the above, a significant negative environmental impact may only arise during accidental spillage of materials during transit.</p> <p>Action Taken are -</p> <ul style="list-style-type: none"> <li>- Journey Management Programme</li> <li>- Selection and evaluation of Logistics Service Providers (LSPs)</li> <li>- Periodic evaluation of vendors</li> <li>- Distribution Emergency Response Plan</li> <li>- Training and retraining of LSPs</li> </ul>
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## 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 listed as follows: Indian Chemical Council Mahad Manufacturers Association All India Liquid Bulk Importers National Safety Council Maharashtra Labour Welfare
<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:	
S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Indian Chemical Council	National
2	All India Liquid Bulk Importers	National
3	National Safety Council	National
4	Chemexcil	National
5	Maharashtra Labour Welfare	State
<b>2</b>	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.

## 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 INR)
R&R is not required for LOIL entities because the chemical manufacturing units are in MIDC Areas or Notified Industrial Area.						



<b>3.</b>	Describe the mechanisms to receive and redress grievances of the community.	The Company's CSR Policy proposes that 25% of the total CSR budget shall be spent for the betterment of the neighbouring areas where the Company's plants or distilleries or other manufacturing or processing units are located. In this manner, the Company is in touch with the community and ensures that communication channels with the Community are open. The Company also engages with the local government officials on an ongoing basis to understand and address grievances, if any, that have been raised by the local community.
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#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/small producers	10%	9%
Sourced directly from within the district and neighbouring districts	53%	37%

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

### ESSENTIAL INDICATORS

<b>1</b>	Describe the mechanisms in place to receive and respond to consumer complaints and feedback.	The Company has a formal customer complaint management system in place as a part of its Integrated Management system. Any complaint, written or verbal, received directly from the customer or distributor regarding quality, packaging, logistics shortages, or documentation is considered a customer complaint. The system provides a mechanism for logging the complaint and determining the cause through investigations. It also defines the turnaround time to close the complaint, review, and channel of communications so that the customer receives the necessary feedback.
<b>2</b>	Turnover of products and/services as a percentage of turnover from all products/service that carry information about:	
		<b>As a percentage to total turnover</b>
	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.

### 3 Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)			FY 2022-21 (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	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	2 (logistics)	-	Both have been resolved	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

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

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls	Not Applicable	

5	Does the entity have a framework/policy on cyber security and risks related to data privacy? <b>(Yes/No)</b> If available, provide a web-link of the policy.	The Company takes cyber security very seriously, and to that extent, it has a BCP mechanism and policy in place, along with cyber insurance. The Company also has advanced security measures such as non-tamperable antivirus software installed, ATP services enabled, etc. To further strengthen security, we are moving from on-premises to cloud infrastructure, beginning with emails, and are in discussions to implement SOC operations as well. The privacy of the data is controlled via 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.

# 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs

of the Company as at March 31, 2023, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 framed thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Sr. No.	Key Audit Matter	Auditors' Response
1.	<p><b>Assessment of Accounting pursuant to Scheme approval by NCLT for merger of Acetyls Holding Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) with Laxmi Organic Industries Limited (LOIL)</b></p> <p>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 has been filed with the Registrar of Companies on September 30, 2022, to make the Scheme effective. The Appointed date of the Scheme is October 2, 2021.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>We obtained and read the documents filed by the Company with the Registrar of Companies, including the NCLT order with respect to the merger of AHPL and YCPL and transfer of business to the Company based on which the Scheme became effective;</li> <li>Tested the underlying workings prepared by management for merger of AHPL and YCPL including the workings prepared for restatement of comparative figures for previous year as required by Appendix C to Ind AS 103;</li> <li>Tested the underlying workings prepared by management for transfer of assets and liabilities at its carrying values pertaining to business as per the Scheme;</li> <li>Assessed accounting in accordance with Scheme and as per applicable accounting standards which includes the following;</li> </ul>

Sr No	Key Audit Matter (Contd.)	Auditors' Response
		<ul style="list-style-type: none"> <li>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.</li> <li>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 2, 2021.</li> <li>Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 2, 2021 as required by Appendix C of Ind AS 103 "Business Combination"</li> </ul> <p>Assessed the disclosures in the Standalone Ind AS Financial Statements for compliance with disclosure requirements.</p>
2.	<p><b>Realizability of Carrying value of Insurance claim recognized in the earlier period;</b></p> <p>The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021 resulting in the plant being shut down for a period of 70 days. The Insurance survey has still not been concluded and loss assessment and insurance survey are underway as on the Balance Sheet date.</p> <p>The Company based on the Coverage and the Insurance conditions has accrued the claim receivable from the Insurance Company of ₹ 469.25 million.</p> <p>This amount was accrued in the previous year and no adjustment has been made to the same.</p>	<p><b>Our audit procedure related to insurance claim receivable included the following among the others,</b></p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls relating to quantification of inventory loss due to flood, by carrying out Physical verifying the inventory and assets at the Plant post the event in the previous year,</li> <li>We tested the effectiveness of controls relating to identification of expenditure accounted as flood related expenses for materials, repairs and capital items.</li> <li>Enquired with the management about the Insurance coverage and insurance conditions along with the status of the claim.</li> <li>We have enquired from time to time with the management on the recoverability of the claim and its quantification by the surveyor and the insurance Company. The Management has shared the communications with the surveyor on the status of the claim.</li> <li>Reviewed the submission of the various documents to the surveyor by the Company and the mails exchanged.</li> <li>Reviewed the correspondence from the surveyor which does not indicate whether there is any concern regarding the claim under the policy and that the surveyor would shortly be submitting the final survey report to the Insurance Company.</li> <li>Obtained assertion from the management about the correctness and completeness of the insurance claim.</li> </ul> <p>On the basis of above, we have relied on the assertion of the management for the correctness of the accrual and realizability of the insurance claim receivable as at March 31, 2023.</p>

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Other Information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatements, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of ("the 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act and relevant provisions of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's Financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole

are free from material misstatements, 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 misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

1. Identify and assess the risks of material misstatements 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal Financial Controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably

knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statement.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal Financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal Financial controls with reference to Standalone Financial Statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 25 to the Standalone Financial Statements,
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,
  - iii. There has been no amounts, which are required to be transferred, to The Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of their knowledge and belief, 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 entit(ies), including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee,

- security, or the like on behalf of the Ultimate Beneficiaries,
- (b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person(s) or entit(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (c) Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv(a.)) and (iv(b.)) above contain any material misStatement.
- v. In the matter of dividend proposed, declared paid during the year.
- a. 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.
- b. As stated in note no 36 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of the dividend proposed is in accordance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial year ended March 31, 2023.

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

**Nuzhat Khan**  
Partner  
M. No. 124960  
UDIN: 23124960BGGVDA3051

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Annexure A to the Independent Auditors' Report

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

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

- (i) (a) (A) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right of use and non-current assets held for sale.
- (B) The Company has generally maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) We have verified the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements and included under Property, Plant and Equipment and based on such verification and as per the confirmation received from the Security trustees of the Lenders, we confirm that the same are held in the name of the Company except:

Description of property	Gross carrying value (₹ in million)	Held in name of	Whether promoter, director or their relative or employee	Period Held	Reason for not being held in name of Company
Land under lease - Colony	2.69	Yellowstone	No	Post NCLT	Acquisition on business combination vide NCLT Order. Name transfer process has been initiated
Land under lease - Factory	20.90	Chemicals		Order Date- August 25,	
Land under lease - Factory	13.60	Private Limited		2022	

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

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. On the basis of examination of records, we are of the opinion that the coverage and procedure of such verification is appropriate and that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The discrepancies wherever noted have been properly dealt with in the books of account of the Company.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly returns or Statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) (a) The Company has made investments in companies, firms, Limited Liability Partnerships. The Company has also provided guarantee or security or granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties details of which are given hereunder:

Particulars	Guarantee	Security	Loans	Advances in the Nature of Loans
Aggregate amount granted/provided during the year	-	-	1,245.40	-
- Subsidiaries	-	-	1,245.40	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-



Particulars (Contd.)	Guarantee	Security	Loans	Advances in the Nature of Loans
Balance outstanding as at balance sheet date in respect of such cases				
- Subsidiaries	-	-	1219.83	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-

- (b) The investments made, and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided to the wholly owned subsidiaries of the Company are prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans, granted by the Company the schedule of repayment of principal and interest have not been stipulated. We are therefore unable to comment on the regularity of repayment of principal and payment of interest in such cases.
- (d) There is no overdue amount is overdue for more than ninety days in respect of loans given.
- (e) There has been no loan or advance in the nature of loan granted which has fallen due during the year and, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties except for the instances mentioned hereunder.

Name of the Subsidiary	Original terms	Revised Terms
Viva Lifesciences Private Limited	Interest was payable quarterly.	<p><b>Revision 1-</b> Outstanding Interest will be paid along with the repayment of Loan. Interest overdue aggregating to ₹ 89.01 million.</p> <p><b>Revision 2-</b> Post repayment of entire loan, the Company has received request letter from Viva for Interest payment till June 30, 2023 as approved by Audit Committee of the Company. Interest overdue aggregating to ₹ 139.24 million.</p>
Yellowstone Fine Chemicals Private Limited	Interest was payable quarterly.	<p><b>Revision 1-</b> Outstanding Interest will be paid along with the repayment of Loan. Interest overdue aggregating to ₹ 21.03 million.</p>

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except as under:

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	1219.83
- Agreement does not specify any terms or period of repayment (B)	-	-	-
<b>Total (A+B)</b>	-	-	<b>1219.83</b>
Percentage of loans/advances in nature of loans to the total loans	-	-	100%

- (iv) The Company has complied with the provisions of section 185 and 186 of the Act with respect of loans granted, investments made, guarantees and security provided.
- (v) The Company has not accepted deposits from the public or amounts that are deemed to be deposits pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there

is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of the said sections.

- (vi) The maintenance of the cost records under the sub-section (1) of section 148 of the Act has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- (vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable except liability of provident fund amounting to ₹.0.13 million (up to September 30, 2022), which is not paid due to Universal Account Number (UAN) not linked to Aadhar on EPFO portal.
- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute except as given below:

Name of statute	Nature of dues	Disputed Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	GST- Trans-1	78.01	6.29	Various	Yet to be filed with Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax demand	2.59	0.20	FY 2012- 2017	Yet to be filed before the Commissioner of CGST & Central Excise (Appeals)
Customs Act, 1962	Customs demand	3.39	NIL	FY 2012-2013	The Commissioner of Customs (Appeal)
		26.63	NIL	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
		30.26	NIL	FY 2012-2013	Customs, Excise and Service Tax Appellate Tribunal
		0.99	NIL	Various	Dy. Commissioner of Customs (Audit)
CST	CST demand	12.83	3.05	FY 2016-17	Deputy Commissioner of Sales-tax
		61.93	2.72	FY 2017-18	
		2.07	NIL	FY 2015-16	
VAT	VAT demand	2.33	NIL	FY 2011-12	Jt. Commissioner of Sales-tax
		1.68	NIL	FY 2014-15	Deputy Commissioner of Sales-tax
		9.53	NIL	FY 2015-16	Commissioner of Sales-tax
<b>Total Indirect Tax</b>		<b>232.24</b>	<b>12.26</b>		
Income Tax Act, 1961	Income Tax	0.12	-	AY 2005-06	Judicial Assessing Officer
		0.09	-	AY 2008-09	
		0.07	-	AY 2012-13	
		1.90	-	AY 2019-20	Assessing officer, U/s 143(3)
		5.18	-	AY 2020-21	
		27.25	-	AY 2020-21	
		348.40	-	AY 2021-22	
<b>Total Direct Tax</b>		<b>383.02</b>	-		

- (viii) There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not delayed or defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or Financial institution or government or any government authority.
- (c) The Company has applied the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) On an overall examination of the Standalone Financial Statements of the Company, we report that funds raised on short-term basis to the extent of ₹ 465.93 million have been used for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has raised money by way of initial public offer in FY 2020-21. A part of the amount raised remained unutilised as at March 31, 2022 and March 31, 2023. During the year, the Company has utilised the money raised for the purpose for which they were raised. The unutilised amounts are lying in fixed deposits and current account with banks. The utilisation of the funds during the year are given in Note No. 5. B of the Standalone Financial Statements.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures fully or partly or optionally during the year under audit.
- (xi) (a) No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.
- (c) No whistle-blower complaints have been received during the year by the Company.
- (xii) The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued during the year and till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors.
- (xvi) (a) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934 and hence sub-clause 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the Company.
- (b) There is no Core Investment Company within the group.
- (xvii) The Company has not incurred cash losses during the current Financial year and in the immediately preceding Financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (3) (xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.
- (xix) On the basis of the Financial ratios, ageing and expected dates of realization of Financial assets and payment of Financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state

that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, the Company did not have to transfer any unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account, within a period of thirty days from the end of the Financial year in compliance with section 135(6) of the said Act.

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

**Nuzhat Khan**  
Partner  
M. No. 124960  
UDIN: 23124960BGVGDA3051

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Annexure B to the Independent Auditor's Report

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

## Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal Financial controls with reference to Standalone Financial Statements of Laxmi Organic Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal Financial controls based on the internal control with reference to 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal Financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable Financial information, as required under the Act.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal Financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal Financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal Financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal Financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal Financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal Financial controls with reference to Financial Statements, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal Financial controls system with reference to 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 Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and 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 Standalone Financial Statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO 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 fraud may occur and not be detected. Also, projections of any evaluation of the internal Financial controls with reference to Financial Statements to future periods are subject to the risk that the internal Financial controls 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, the Company has, in all material respects, an adequate internal Financial controls system with reference to Standalone Financial Statements and such internal Financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, 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.

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

**Nuzhat Khan**  
Partner  
M. No. 124960  
UDIN: 23124960BGVGDA3051

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Standalone Balance Sheet As at March 31, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	1.1	6,892.39	3,582.87
(b) Capital work-in-progress	1.3	878.59	1,770.99
(c) Other intangible assets	1.2	4.49	7.65
(d) Right-of-use assets	1.4	45.43	16.03
(e) Financial assets			
(i) Investments	2.1	2,674.30	108.89
(ii) Loans	2.3	1,219.60	2,071.96
(iii) Others	2.5	95.63	56.57
(f) Deferred tax assets (net)	9	-	-
(g) Other non-current assets	3	170.04	114.78
		<b>11,980.47</b>	<b>7,729.74</b>
<b>(2) Current assets</b>			
(a) Inventories	4	2,423.32	3,226.93
(b) Financial assets			
(i) Investments	2.1	200.12	208.44
(ii) Trade receivables	2.2	5,372.52	6,245.96
(iii) Cash and cash equivalents	2.4	690.28	294.41
(iv) Bank balance other than (iii) above	2.4	486.54	1,473.24
(v) Loans	2.3	-	-
(vi) Others	2.5	1,404.16	965.11
(c) Other current assets	3	668.68	1,458.76
		<b>11,245.62</b>	<b>13,872.85</b>
<b>(3) Non Current Assets held for Sale</b>	<b>1.7</b>	<b>61.60</b>	<b>61.60</b>
<b>Total assets</b>		<b>23,287.69</b>	<b>21,664.19</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	5	530.35	527.33
(b) Other equity	6	13,667.54	12,296.99
		<b>14,197.89</b>	<b>12,824.32</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities	7		
(i) Borrowings	7.1	1,303.40	21.66
(ii) Lease liability	7.2	26.43	1.06
(b) Provisions	8	40.59	39.28
(c) Deferred tax liabilities (net)	9	308.26	189.43
(d) Other non-current liabilities	10	-	-
		<b>1,678.68</b>	<b>251.43</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	2,368.51	960.86
(ii) Lease liability	7.2	18.42	8.72
(iii) Trade payables	12		
- total outstanding dues of micro and small enterprise		69.54	115.85
- total outstanding dues of other than micro and small enterprise		4,448.35	6,751.86
(iv) Other Financial liabilities	7.3	273.60	464.64
(b) Other current liabilities	10	108.01	98.76
(c) Provisions	8	124.69	116.24
(d) Current tax liabilities (net)	13	-	71.51
		<b>7,411.12</b>	<b>8,588.44</b>
<b>Total equity and liabilities</b>		<b>23,287.69</b>	<b>21,664.19</b>

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

As per our report of even date

For **Natvarial Vepari & Co.**  
Chartered Accountants  
Firm Registration No.: 106971W

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058

**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805

# Standalone Statement of Profit & Loss for the year ended March 31, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I) INCOME:</b>			
Revenue from operations (gross)	14	26,934.11	28,817.16
Other income	15	261.20	210.74
<b>Total income (I)</b>		<b>27,195.31</b>	<b>29,027.90</b>
<b>II) EXPENSES:</b>			
Cost of raw materials consumed	16	16,802.67	18,207.24
Purchase of traded goods	17	691.42	2,105.94
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	296.86	(557.72)
Employee Benefits Expense	19	1,108.80	1,162.58
Finance cost	20	184.72	142.25
Depreciation & amortisation	21	704.60	468.29
Other expenses	22	5,572.09	4,563.38
<b>Total expenses (II)</b>		<b>25,361.16</b>	<b>26,091.94</b>
<b>Profit before exceptional items and tax</b>		<b>1,834.15</b>	<b>2,935.96</b>
<b>III) Exceptional items</b>		-	-
<b>Profit before tax (II-III)</b>		<b>1,834.15</b>	<b>2,935.96</b>
Tax expense	23	486.76	539.82
1. Current tax		367.93	558.70
2. Deferred tax liability/(asset)		118.83	35.83
3. Income tax (excess)/short provision of previous years		-	(54.71)
<b>Profit for the period from continuing operations</b>		<b>1,347.39</b>	<b>2,396.14</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit (net of tax)		3.85	(11.97)
<b>Total other comprehensive income (net of tax)</b>		<b>3.85</b>	<b>(11.97)</b>
<b>Total comprehensive income for the year</b>		<b>1,351.24</b>	<b>2,384.17</b>
<b>Earnings per equity share (face value of share ₹ 2/- each)</b>			
Basic (₹)	24	5.08	9.09
Diluted (₹)	24	5.05	8.96

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

As per our report of even date

For **Natvarial Vepari & Co.**  
Chartered Accountants  
Firm Registration No.: 106971W

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**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, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>			
Profit/(loss) before exceptional items and tax		1,834.15	2,935.96
Adjustments for:			
Depreciation and amortisation expense		704.60	468.29
(Profit)/loss on sale/write off of assets		(0.33)	(0.04)
Interest Expense		173.14	41.18
Interest on direct tax		1.60	9.05
Interest income		(215.63)	(175.58)
Guarantee commission		-	(0.64)
Amortisation of upfront fees		-	11.76
MTM on Financial Asset held as FVTPL		0.13	-
Profit on sale of investments		(6.96)	(5.62)
Provision/(reversal) of expected credit loss		61.01	79.01
Sundry balances written back		(11.05)	(1.99)
ESOP compensation cost		114.17	231.32
Impairment of Subsidiary balances		(6.98)	41.17
Net unrealised exchange (gain)/loss		(5.44)	8.74
<b>Total of non cash adjustments</b>		<b>808.26</b>	<b>706.64</b>
<b>Operating profit/(loss) before changes in working capital</b>		<b>2,642.41</b>	<b>3,642.58</b>
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Inventories		803.60	(1,053.00)
Trade receivables		819.21	(2,005.36)
Financial assets		(454.53)	(434.18)
Non Financial assets		781.40	(389.91)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payable		(2,336.40)	1,411.04
Non Financial liabilities		8.61	(42.38)
Financial liabilities		(200.06)	(29.37)
Provisions		(37.48)	27.01
<b>Total of changes in working capital</b>		<b>(615.65)</b>	<b>(2,516.14)</b>
<b>Cash generated from operations</b>		<b>2,026.75</b>	<b>1,126.45</b>
Net income tax (paid)/refunds		(413.70)	(520.34)
<b>Net cash flow from operating activities (A)</b>		<b>1,613.05</b>	<b>606.11</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on property, plant and equipment		(3,115.45)	(1,762.51)
Proceeds from sale of property, plant and equipment		0.33	(0.04)
Payment towards Business Purchase		-	(400.10)
Loans Given to Related Parties		(1,245.41)	(1,517.55)
Loans Repaid by Related Parties		2,097.54	106.40

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

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Movement in other bank balances		986.55	3,744.32
Equity Investments/Contribution in subsidiaries		(15.12)	(50.00)
Investment in Subsidiary in Preference shares		(2,372.51)	-
Purchase of Current investments		(10,049.50)	(10,355.00)
Sale of Current investments		9,897.31	10,340.61
Interest received		192.20	119.56
<b>Net cash flow used in investing activities (B)</b>		<b>(3,624.06)</b>	<b>225.69</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of share capital (including securities premium)		93.75	-
Proceeds from long term borrowings		1,400.00	-
Repayment of long term borrowings		(95.39)	(1,364.15)
Net Proceeds from short term borrowings		1,384.78	673.73
Interest paid		(170.42)	(30.98)
Lease Liabilities: Principal		(18.38)	(20.17)
Lease Liabilities: Interest		(1.88)	(1.41)
Dividends paid		(185.58)	(131.83)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>2,406.88</b>	<b>(874.80)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>395.87</b>	<b>(43.00)</b>
Cash and cash equivalents at the beginning of the year		294.41	124.51
Addition on account of business purchase		-	(212.90)
Cash and cash equivalents at the end of the year		690.28	294.41
		<b>395.87</b>	<b>(43.00)</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand		2.87	2.62
Balances with bank		287.41	291.79
Fixed deposit		400.00	-
<b>Total balance</b>		<b>690.28</b>	<b>294.41</b>

## Notes:

- Figure in brackets denote outflows.
- Refer note no. 7.1 (F) for reconciliation of liabilities from financing activities.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058

**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805

# Standalone Statement of Changes in Equity for the period ended March 31, 2023

(All figures are rupees in million unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023			As at March 31, 2022		
	Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance	26,36,62,773	2	527.33	26,36,62,773	2	527.33
Fresh issue of shares	15,13,435		3.02	-		-
<b>Closing balance</b>	<b>26,51,76,208</b>	<b>2</b>	<b>530.35</b>	<b>26,36,62,773</b>	<b>2</b>	<b>527.33</b>

## B) OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Share Option Outstanding Account	Amalgamation Adjustment Deficit Account*	Total
<b>Balance as at April 1, 2021</b>	<b>5,000.65</b>	<b>5.50</b>	<b>4,765.85</b>	<b>49.01</b>	<b>50.29</b>	<b>46.36</b>	<b>-</b>	<b>9,917.66</b>
Profit for the year	2,396.14	-	-	-	-	-	-	2,396.14
Dividend paid	(131.83)	-	-	-	-	-	-	(131.83)
Remeasurement of net defined benefit plans	(11.97)	-	-	-	-	-	-	(11.97)
Effects of merger*	-	-	-	-	-	-	(118.69)	(118.69)
Reversal of IPO Issue expenses now not payable**	-	-	14.38	-	-	-	-	14.38
ESOP compensation cost	-	-	-	-	-	231.32	-	231.32
<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 for the year	1,347.39	-	-	-	-	-	-	1,347.39
Dividend paid	(185.58)	-	-	-	-	-	-	(185.58)
Effects of merger (Refer Note (i)) below	-	-	-	-	-	-	-	-
Remeasurement of net defined benefit plans	3.85	-	-	-	-	-	-	3.85
Reversal of IPO Issue expenses now not payable*	-	-	-	-	-	-	-	-
Issued during Year	-	-	-	-	-	-	-	-
On Allotment pursuant to exercise of ESOP by Employees	-	-	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>8,418.65</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>

(i) \*The assets and liabilities of the amalgamating Company YCPL has been accounted at their carrying values as per their Financial Statements in the books of the Company. The difference between the value of investments of AHPL and YCPL and the aforesaid net assets and liabilities at carrying value has been accounted as Negative Capital Reserve/Amalgamation Adjustment Deficit Account as per the Appendix C of on Indas 103- Business Combination. Refer Note 5(K).

- (ii) \*\*During the previous year, there has been a saving in the original estimate of IPO issue expenses in previous which is reversed in the ratio of Offer For Sale and fresh issue. The Company's share of issue expenses of ₹ 14.38 million originally debited to securities premium is now reversed.

Remeasurement of net defined benefit plans forms part of retained earnings.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**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 12, 2023.

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, 2023, 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, 2023, 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 12, 2023.
- 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 ('INR') and all values are rounded to the nearest million, except otherwise indicated.

## C. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTION

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

### Estimates:

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

### Judgments:

The Company's management has made the following judgments, which have the most significant effect on the

amounts recognised in the Financial Statements, while formulating the Company's accounting policies:

**a. Income taxes:**

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

**b. Defined benefit plans (gratuity benefits):**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

**c. Useful lives of property, plant and equipment:**

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

**d. Impairment of property, plant and equipment:**

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

**e. Impairment of investment in subsidiaries:**

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

**f. Inventories:**

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

**g. Recognition and measurement of other provisions:**

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

**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.

## **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 1, 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 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 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

### b) Property, plant and equipment (PPE):

- Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All

other repair and maintenance costs are recognized in the Statement of profit and loss as incurred.

- Long-term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- Capital work-in-progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.
- Borrowing costs on property, plant and equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.
- Decommissioning costs, if any, on property, plant and equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income Statement.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- The residual values and useful lives of property, plant and equipment are reviewed at each Financial year-end and adjusted prospectively, if appropriate.
- The property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

### c) Intangible assets:

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development

costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets without finite life are tested for impairment at each balance sheet date and impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss.

#### **d) Depreciation methods, estimated useful lives and residual value:**

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

Lease hold land is amortized over the period of lease.

#### **e) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

#### **f) Impairment of non-Financial assets:**

On annual basis, the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

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

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

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

#### **g) Inventories:**

Items of inventories are valued at lower of cost 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. The cost is determined based on weighted average method.

##### **v. Traded goods:**

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

##### **h) Cash and cash equivalents:**

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

##### **i) Equity investment**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at fair value through profit and loss ("FVTPL"). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company



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

#### **j) Foreign currency translation:**

The Company's Financial Statements are presented in INR, which is also the Company's functional currency.

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

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

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

#### **k) Provisions, contingent liabilities and contingent assets:**

##### **A. Provisions**

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

##### **B. Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be 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 recognizes impairment on the assets with the contract.

#### **m) Employee share – based payment plans ('ESOP'):**

Employee share – based payment plans ('ESOP')- on the grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "Share Option Outstanding Account". The amount recognized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

## **o) Financial instruments**

### **A. Financial assets:**

#### **i. Initial recognition and measurement**

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

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

#### **ii. Subsequent measurement**

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

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

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

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

- **Business model test:** The objective of the Company's business model is to hold the Financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the Financial asset give rise on specified dates to cash

flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

#### **iii. Derecognition of Financial instruments**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and

rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### iv. Impairment of Financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument).
- The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other Financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Company combines Financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### B. Financial liabilities

#### i. Initial recognition and measurement

All Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative Financial instruments.

#### ii. Subsequent measurement

The measurement of Financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Financial liabilities at fair value through profit or loss include Financial liabilities held for trading and Financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative Financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

#### iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with

the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### v. Derecognition

A Financial liability is derecognized when the obligation under the liability is discharged or is cancelled or expires. When an existing Financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of profit and loss.

#### vi. Offsetting of Financial instruments

Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### C. Derivative Financial instruments and hedge accounting Initial recognition and subsequent measurement

The Company uses derivative Financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative Financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as Financial assets when the fair value is positive and as Financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the Statement of profit and loss

#### p) Revenue recognition

##### A. Revenue from operations:

The Company earns revenue primarily from sale of chemicals.

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 recognized at point in time when the performance obligation with respect to sale of chemicals or rendering of services to the customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the 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 uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

- Revenue in respect of Insurance/other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend income is recognised when the right to receive the same is established.
- Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income Statement.
- For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the Financial instrument or a shorter period, where appropriate, to the gross carrying amount of the Financial asset or to the amortised cost of a Financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the Financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of profit and loss.
- Financial guarantee income: Under Ind AS, Financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of profit and loss.
- Insurance claim are accounted when the right to receive is established and the claim is admitted by the surveyor

#### q) Employee benefits

All employee benefits payable wholly within 12 months rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the Statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of profit and loss:

- 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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

#### Termination benefits

Termination benefits are payable as a result of the Company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within twelve months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

## **r) Taxes:**

Tax expenses comprise current tax and deferred tax:

### **i. Current tax:**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **ii. Deferred tax:**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the Standalone Financial Statement for Financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of profit and loss is recognized outside the Statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred/current tax is also recognised in OCI or equity.

### **iii. MAT credit:**

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

## **s) Leases**

### **As a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Statement of profit and loss.

### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**t) Research and development:**

Revenue expenditure on research and development is charged to Statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment/ intangible assets.

**u) Earnings per share:**

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**v) Dividend distribution**

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

**w) Trade payables & trade receivables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the Financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at 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 recognize any new assets or liabilities other than those required to harmonise accounting policies.

# Notes to Standalone Financial Statements as at year ended March 31, 2023

(All figures are rupees in million 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 1, 2021	-	29.37	652.83	240.82	3,819.46	57.00	19.30	21.58	58.57	22.31	4,921.24
On account of Business Combination (Refer Note (a) below)	-	23.59	24.10	4.27	169.78	1.14	1.69	1.13	-	-	225.70
Additions	-	125.29	57.65	1.84	522.17	1.02	1.94	6.38	36.32	-	752.61
Disposals/Adjustments	-	-	-	-	24.48	-	-	-	16.07	-	40.55
<b>As at March 31, 2022</b>	-	<b>178.25</b>	<b>734.58</b>	<b>246.93</b>	<b>4,486.93</b>	<b>59.16</b>	<b>22.93</b>	<b>29.09</b>	<b>78.82</b>	<b>22.31</b>	<b>5,859.00</b>
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>246.93</b>	<b>6,576.05</b>	<b>71.46</b>	<b>24.15</b>	<b>31.04</b>	<b>78.82</b>	<b>22.31</b>	<b>9,742.70</b>
<b>Depreciation</b>											
Depreciation April 1, 2021	-	2.77	169.81	66.50	1,466.68	32.54	14.06	14.74	33.64	10.56	1,811.30
On account of Business Combination (Refer Note (a) below)	-	0.68	3.89	0.60	45.65	0.25	0.45	0.77	-	-	52.29
Charge for the Year	-	2.07	47.15	10.39	359.10	6.23	2.60	5.29	10.32	1.50	444.65
Disposals/Adjustments	-	-	-	-	17.74	-	-	-	14.37	-	32.11
<b>As at March 31, 2022</b>	-	<b>5.52</b>	<b>220.85</b>	<b>77.49</b>	<b>1,853.69</b>	<b>39.02</b>	<b>17.11</b>	<b>20.80</b>	<b>29.59</b>	<b>12.06</b>	<b>2,276.13</b>
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	-	-	101.66
Disposals/Adjustments	-	0.31	-	-	-	-	-	-	-	-	0.31
<b>As at March 31, 2023</b>	-	<b>7.83</b>	<b>296.14</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>2,850.31</b>
<b>NET BLOCK</b>											
<b>As at March 31, 2022</b>	-	<b>172.73</b>	<b>513.73</b>	<b>169.44</b>	<b>2,633.24</b>	<b>20.14</b>	<b>5.82</b>	<b>8.29</b>	<b>49.23</b>	<b>10.25</b>	<b>3,582.87</b>
<b>As at March 31, 2023</b>	<b>1,016.10</b>	<b>184.88</b>	<b>1,186.99</b>	<b>159.60</b>	<b>4,263.85</b>	<b>27.77</b>	<b>4.75</b>	<b>5.61</b>	<b>33.90</b>	<b>8.94</b>	<b>6,892.39</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 2, 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 2, 2021 in the books of the transferor Company.



(All figures are rupees in million unless otherwise stated)

**(b) Details of immovable property which are not in the name of the Company:**

The title deeds of all immovable transferred under the scheme are yet to be transferred in the name of the Company as at March 31, 2023 as per detailed hereunder:

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		Acquisition on business combination vide NCLT Order. Name transfer process has been initiated
Land under lease	Land Factory	20.90		Appointed Date- October 2, 2021	NA	
Land under lease	Land Factory	13.60				
<b>Total</b>		<b>37.18</b>				

(c) During the year, the Company has purchased land and building for its expansion plans. The building which requires modification and changes for making them ready for its intended use are taken to CWIP.

(d) Depreciation on assets used in connection with the expansion plans are charged to CWIP as project expenses pending allocation ₹ 1.14 million.

**1.2 Intangible asset**

Class of Assets	Intangibles - Softwares	Total
<b>Cost</b>		
As at April 1, 2021	22.42	22.42
Additions	3.21	3.21
Disposals/Adjustments	-	-
<b>As at March 31, 2022</b>	<b>25.63</b>	<b>25.63</b>
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>
<b>Depreciation</b>		
As at April 1, 2021	12.86	12.86
Charge for the year	5.12	5.12
Disposals/adjustments	-	-
<b>As at March 31, 2022</b>	<b>17.98</b>	<b>17.98</b>
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>
<b>NET BLOCK</b>		
<b>As at March 31, 2022</b>	<b>7.65</b>	<b>7.65</b>
<b>As at March 31, 2023</b>	<b>4.49</b>	<b>4.49</b>

**1.3 Capital work-in-progress**

Particulars	Opening balance	Addition on account of business combination	Addition during the year	Capitalized during the year	Closing balance
March 31, 2023	1,770.99	-	1,942.76	2,835.16	878.59
March 31, 2022	598.80	76.47	1,613.30	517.58	1,770.99

(All figures are rupees in million unless otherwise stated)

**(a) CWIP Ageing Schedule**

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	4.19	-	4.19
More than 3 years	-	-	-
<b>Total</b>	<b>878.59</b>	<b>-</b>	<b>878.59</b>

As at March 31, 2022

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,505.57	-	1,505.57
1-2 years	254.03	-	254.03
2-3 years	11.18	-	11.18
More than 3 years	0.21	-	0.21
<b>Total</b>	<b>1,770.99</b>	<b>-</b>	<b>1,770.99</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, 2023

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-22-01	67.55	-	-	-	67.55
LOIL-22-02	66.21	-	-	-	66.21
LOIL-22-03	62.56	-	-	-	62.56
LOIL-22-05	37.82	-	-	-	37.82
LOIL-22-06	35.06	-	-	-	35.06
LOIL-22-07	34.51	-	-	-	34.51
LOIL-22-08	33.70	-	-	-	33.70
LOIL-22-09	30.38	-	-	-	30.38
Others(Individually less than 5%)	224.19	2.14	-	-	226.33
<b>Total</b>	<b>591.98</b>	<b>2.14</b>	<b>-</b>	<b>-</b>	<b>594.12</b>

As at March 31, 2022

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

**1.4 Right-of-use asset**

Class of Assets	Right of Use		Total
	Building	Land(*)	
<b>Cost</b>			
As at April 1, 2021	63.40	16.53	79.93
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>63.40</b>	<b>16.53</b>	<b>79.93</b>

(All figures are rupees in million unless otherwise stated)

**1.4 Right-of-use asset** (Contd.)

Class of Assets	Right of Use		Total
	Building	Land(*)	
Additions	55.34	-	55.34
Disposals/adjustments	-	16.53	16.53
<b>As at March 31, 2023</b>	<b>118.74</b>	<b>-</b>	<b>118.74</b>
<b>Depreciation</b>			
As at April 1, 2021	37.00	8.37	45.37
Charge for the year	18.11	0.42	18.53
Disposals/adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>55.11</b>	<b>8.79</b>	<b>63.90</b>
Charge for the year	18.20	7.74	25.94
Disposals/adjustments	-	16.53	16.53
<b>Charge for the Year</b>	<b>73.31</b>	<b>-</b>	<b>73.31</b>
<b>NET BLOCK</b>			
<b>As at March 31, 2022</b>	<b>8.29</b>	<b>7.74</b>	<b>16.03</b>
<b>As at March 31, 2023</b>	<b>45.43</b>	<b>-</b>	<b>45.43</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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Factory building	6.94	7.34
Plant and equipment	36.51	42.75
Furniture & fixture	0.03	0.04
Computers	0.02	0.06
Less: Disclosed under other Financial assets	(43.50)	-
<b>Total</b>	<b>-</b>	<b>50.19</b>

**1.6 Details of additions made during the year w.r.t research and development**

Particulars	As at March 31, 2023	As at March 31, 2022
Factory building	3.56	1.84
Plant and equipment	1.72	10.02
Computers	0.25	0.10
Furniture and fixtures	0.27	-
<b>Total</b>	<b>5.80</b>	<b>11.96</b>

**1.7 Asset Held for Sale #**

Particulars	As at March 31, 2023	As at March 31, 2022
Land at Chiplun#	61.60	61.60
<b>Total</b>	<b>61.60</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 is in process and is delayed due to procedural issue with the registering authorities.

(All figures are rupees in million unless otherwise stated)

**2. FINANCIAL ASSETS**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
<b>2.1 (Unquoted at amortised cost)</b>				
<b>A Investments in Equity Instruments-Subsidiaries (fully paid up)</b>				
i) Laxmi Organic Industries (Europe) B.V. of Euro 100 each (180 shares (March 31, 2022: 180 shares))	1.26	1.26	-	-
ii) Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2022: 34 shares))	-	1.10	-	-
iii) Laxmi Speciality Chemicals (Shanghai) Co. Limited of RMB 3,00,000* (1 share (March 31, 2022: 1 share))	2.98	2.98	-	-
iv) Cellbion Lifesciences Private Limited of ₹ 10 each (10,000 shares (March 31, 2022: 10,000 shares))	39.95	39.95	-	-
v) Laxmi Lifesciences Private Limited of ₹ 10 each (10,000 shares (March 31, 2022: 10,000 shares))	0.10	0.10	-	-
vi) Viva Lifesciences Private Limited of ₹ 10 each (10,000 shares (March 31, 2022: 10,000 shares))	0.10	0.10	-	-
vii) Yellowstone Fine Chemicals Private Limited of ₹ 10 Each (51,00,000 shares (March 31, 2022: 1,00,000))	51.00	51.00	-	-
viii) Yellowstone Specialty Chemicals Private Limited of ₹ 10 Each (1,00,000 shares (March 31, 2022: 1,00,000 shares))	1.00	1.00	-	-
<b>B Investments in Equity Instruments-Associates</b>				
Radiances MH Sunrise Seven Private Limited of ₹ 10 each (15,12,000 shares (March 31, 2022: Nil shares))	15.12	-	-	-
<b>C Investments in Equity Instruments- Limited liability partnership</b>				
Cleanwin Energy One LLP (26% Holding)	12.50	12.50	-	-
<b>D Investments in preference shares (Unquoted at amortised cost)</b>				
i) 4% Cumulative Redeemable Preference Shares Laxmi Organic Industries (Europe) B.V. of Euro 20,00,000 each (1 share (March 31, 2022: 1 share))	178.89	-	-	168.44
ii) Yellowstone Fine Chemicals Private Limited of ₹.65 each (36500000 shares (March 31, 2022: Nil))	2,372.50	-	-	-
<b>E Investments in mutual funds (Quoted)</b>				
Investments at fair value through P&L (fully Paid) SBI liquid Fund - Direct Growth	-	-	200.12	40.00

(All figures are rupees in million unless otherwise stated)

**2. FINANCIAL ASSETS** (Contd.)

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
<b>F Provision for Impairment</b>				
Laxmi Petrochem Middle East FZE	-	(1.10)	-	-
Laxmi Lifesciences Private Limited	(0.10)	-	-	-
Yellowstone Specialty Chemicals Private Limited	(1.00)	-	-	-
<b>Total</b>	<b>2,674.30</b>	<b>108.89</b>	<b>200.12</b>	<b>208.44</b>

**(a) Laxmi Organic Industries (Europe) B.V. has issued one cumulative preference share to Laxmi Organic Industries Limited @ 20,00,000 Euro redeemable on August 28, 2020. The term of the said preference share is further extended for two years vide agreement dated August 28, 2022 till August 28, 2024. The above preference share carry dividend coupon rate of 4% per annum.**

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

**i) 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 Subscriptor and Shareholder's Agreement dated February 9, 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.

**ii) Yellowstone Fine Chemicals Private Limited**

During the year, the Company has invested into 3,65,00,000 Zero Coupon Optionally Convertible Redeemable Preference shares(OCRPS) of Yellowstone Fine Chemicals Pvt. Ltd of ₹ 10 each at an issue price of ₹ 65 per share (including a premium of ₹ 55 per share) in six tranches as follows:

Tranch Number	No.of OCRPS	Amount	Date of Allotment
Tranch 1	1,00,00,000	65,00,00,000	2-Jan-23
Tranch 2	1,00,00,000	65,00,00,000	4-Jan-23
Tranch 3	1,45,00,000	94,25,00,000	6-Jan-23
Tranch 4	10,00,000	6,50,00,000	24-Feb-23
Tranch 5	5,00,000	3,25,00,000	29-Mar-23
Tranch 6	5,00,000	3,25,00,000	29-Mar-23
<b>Total</b>	<b>3,65,00,000</b>	<b>2,37,25,00,000</b>	

**I) The terms of OCRPS is as follows:**

The issue price (including premium) of OCRPS to be allotted on preferential basis is determined based on valuation report dated November 1, 2022 obtained from Registered valuer

The OCRPS are issued for a period of 120 months and there is no lock in period.

**II) Conversion Option**

After 24 months but with in 120 months post allotment of OCRPS, the holder of OCRPS shall have a right to either

- Convert the same into equity shares or
- To redeem the same, in various tranches as per the discretion of OCRPS holder, provided conversion or redemption request shall consist of not be less than 10% of OCRPS holding as on date if allotment of OCRPS. If OCRPS holder opt to convert one tranche there is no restriction to apply for redemption in second tranche and vice versa.

After 36 months but with in 120 months post allotment of OCRPS, the issuer of OCRPS shall have a right to either

- Convert the same into equity shares or
- To redeem the same, in various tranches as per the discretion of OCRPS issuer, provided conversion or redemption request shall consist of not be less than 10% of OCRPS holding as on date if allotment of OCRPS. If OCRPS issuer opt to convert one tranche there is no restriction to apply for redemption in second tranche and vice versa

On conversion the entire amount of OCRPS shall be adjusted against the allotment of Equivalent number of equity shares of the YFCPL to Laxmi.

The pricing of equity shares on conversion of OCRPS shall be ₹ 65 as determined by the valuer vide report dated November 1, 2022.

(All figures are rupees in million unless otherwise stated)

### III) Redemption Option

#### Holder Option:

OCRPS can be either at the option of holder at any time after 24 months (2 years) but within 120 months from the date of issue

- converted the same into equity shares OR
- redeemed in one or more tranche provided the minimum quantity to be converted/redeemed shall not be less than 10% in each such tranche

#### Issuer Option:

OCRPS can be either at the option of issuer at any time after 36 months (3 years) but within 120 months from the date of issue

- converted the same into equity shares OR
- redeemed in one or more tranche provided the minimum quantity to be converted/redeemed shall not be less than 10% in each such tranche.

#### In the event

- the holder does not wish to exercise the right to convert OCRPS in to equity shares, it shall have a right to demand redemption of not less than 10% of OCRPS holding after expiry of 24 months but within 120 months post allotment of OCRPS.
- the issuer does not wish to exercise the right to convert OCRPS in to equity shares, it shall have a right to demand redemption of not less than 10% of OCRPS holding after expiry of 36 months but within 120 months post allotment of OCRPS.

#### In case redemption request either by the holder or the issuer

Redemption shall be made in 4 equal half yearly installment (along with premium, paid at the time of allotment) from the date of receipt of redemption request from the holder/issuer; 1<sup>st</sup> Installment within 30 days, 2<sup>nd</sup> Installment after 6 months, 3<sup>rd</sup> Installment after 12 months, 4<sup>th</sup> Installment after 18 months

### (d) Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following are the details of loans given, investments made, guarantees given and security provided by the Company:

Sr. No.	Name of Party	Purpose	April 22 - March 23	April 21 - March 22
1	Yellowstone Fine Chemicals Private Limited	Investment in Preference Shares for Project	2,372.50	50.00
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	809.65
5	Laxmi Petrochem Middle East FZE	Project Loan	-	22.89
6	Yellowstone Fine Chemicals Private Limited	Project Loan	1,220.00	707.90
7	Laxmi Lifesciences Private Limited	Loan	0.20	-
8	Laxmi Petrochem Middle East FZE	Standby letter of credit for borrowings	-	79.58

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

#### iii) Acetyls Holding Private Limited

The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench, vide hearing convened on August 25, 2022, has sanctioned the Scheme of Merger by Absorption of Acetyls Holdings Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) ("Transferor Companies") with the Company under Section 230 to Section 232 of the Companies Act, 2013 and thereby the books of accounts of AHPL has been merged with the Company. The disclosure of business combination is given in Note 5 (K).

#### iv) Laxmi Petrochem Middle East FZE

Laxmi Petrochem Middle East FZE, a Wholly Owned Overseas Subsidiary of the Company, incorporated in Dubai, has been dissolved during the year vide termination certificate issued by Hamriyah Free Zone Authority, Government of Sharjah with effect from December 8, 2022.

#### v) The Company is in the process of striking of the following WOS:

Laxmi Lifesciences Private Limited  
Yellowstone Specialty Chemicals Private Limited

### (c) In the Financial year 2021-22, the Company has 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 Pvt Ltd. (YFCPL) as per the terms of Share Purchase Agreement dated August 4, 2021. Consequently, Laxmi Italy Srl became a step-down subsidiary of the Company.

#### ii) Laxmi USA LLC

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

(All figures are rupees in million unless otherwise stated)

**(e) Market value disclosure of investments:**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Aggregate value of quoted investments</b>		
Book value	200.12	40.00
Market value	200.12	40.00
<b>Aggregate value of unquoted investments</b>		
Book value	2,675.40	278.43
<b>Aggregate amount of impairment in value of investments</b>	<b>(1.10)</b>	<b>(1.10)</b>

**2.2 Trade receivables**

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
(Unsecured considered good, at amortised cost)				
Trade Receivables – Considered Good	-	-	5,372.52	6,245.96
Trade Receivables which have significant increase in credit risk	-	-	11.54	0.35
Less: Allowance for Expected Credit Loss	-	-	(11.54)	(0.35)
Trade Receivables – Credit Impaired	-	-	28.99	18.69
Less: Allowance for Credit Impaired	-	-	(28.99)	(18.69)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,372.52</b>	<b>6,245.96</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.

**B) Movement in allowance for credit loss**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period	19.04	2.98
Addition during the year	21.49	16.06
Reversal during the year	-	-
<b>Provision at the end of the period</b>	<b>40.53</b>	<b>19.04</b>

**C) Trade Receivable Ageing Schedule (Ageing from due date of payment)****(i) As at March 31, 2023**

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	4,287.51	-	4,287.51
less than 6 months	1,040.44	10.67	1,051.11
6 months - 1 year	6.60	0.21	6.81
1-2 year	41.19	0.02	41.21

(All figures are rupees in million unless otherwise stated)

**C) Trade Receivable Ageing Schedule (Ageing from due date of payment) (Contd.)**

**(i) As at March 31, 2023**

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
2-3 year	14.31	0.45	14.76
> 3 years	11.46	0.19	11.65
<b>Total</b>	<b>5,401.51</b>	<b>11.54</b>	<b>5,413.05</b>

\*There are no disputed trade receivable as at March 31, 2023.

**(ii) As at March 31, 2022**

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	5,018.83	-	5,018.83
less than 6 months	1,212.07	-	1,212.07
6 months - 1 year	3.64	-	3.64
1-2 year	16.74	-	16.74
2-3 year	10.04	-	10.04
> 3 years	3.32	0.35	3.67
<b>Total</b>	<b>6,264.65</b>	<b>0.35</b>	<b>6,264.99</b>

**As at March 31, 2022**

Range of O/s period	Disputed		Total
	Considered Good	Significant increase in credit risk	
6 months - 1 year	0.28	-	0.28
1-2 year	0.53	-	0.53
Total	0.81	-	0.81

**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, 2023	As at March 31, 2022
Maharashtra Aldehydes & Chemicals Ltd.	10.29	5.08
	<b>10.29</b>	<b>5.08</b>

**2.3 Loans (at amortised cost)**

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>Loans to related parties</b>				
Loans Receivables considered good – Unsecured	1,219.60	2,071.96	-	-
Loans Receivables – credit impaired	0.23	22.89	-	-
<b>Less: Allowance for credit Impairment</b>	<b>(0.23)</b>	<b>(22.89)</b>	-	-
<b>Total</b>	<b>1,219.60</b>	<b>2,071.96</b>	-	-



(All figures are rupees in million unless otherwise stated)

(a) Loans to related parties being wholly owned subsidiaries are classified as Non current basis the management expectation of realisation in the next 12 months.

**(b) Details of related party:**

Name of the related party	As at March 31, 2023	As at March 31, 2022
i) Cellbion Lifesciences Private Limited	-	20.23
ii) Viva Lifesciences Private Limited	-	1,168.90
iii) Yellowstone Fine Chemicals Private Limited	1,219.60	882.80
iv) Laxmi Lifesciences Private Limited	0.23	0.03
v) Laxmi Petrochem Middle East (FZE)	-	22.89
	<b>1,219.83</b>	<b>2,094.85</b>
vi) <b>Less: Provision for Impairment</b>		
Laxmi Petrochem Middle East (FZE)	-	(22.89)
Laxmi Lifesciences Private Limited	(0.23)	-
<b>Total</b>	<b>1,219.60</b>	<b>2,071.96</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, 2023		As at March 31, 2022	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties*	1,219.83	100.00	2,094.85	100.00
Total Loans and Advances to Promoter, Director, KMP and Related parties	1,219.83	-	2,094.85	-
<b>Total Loans and Advances in the nature of Loan and Advances (A)</b>	<b>1,219.83</b>	<b>-</b>	<b>2,094.85</b>	<b>-</b>

\*Related parties are wholly owned subsidiaries.

**2.4 Cash and bank balances**

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>A) Cash and cash equivalents</b>				
i) Balances with banks	-	-	287.41	291.79
ii) Cash on hand	-	-	2.87	2.62
iii) Fixed deposit (original maturity within 3 months)	-	-	400.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>690.28</b>	<b>294.41</b>
<b>B) Other bank balances</b>				
i) With monitoring agency (for IPO proceeds)	-	-	-	0.29
ii) Escrow account for IPO expenses	-	-	-	1.38
iii) Fixed deposit (from IPO proceeds)	-	-	377.41	1,179.60
iv) Fixed deposit (other)	-	-	80.00	-
v) Unspent CSR Bank Account	-	-	8.27	10.78
vi) Fixed deposit against margin money*	-	-	20.86	281.19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>486.54</b>	<b>1,473.24</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,176.82</b>	<b>1,767.65</b>

\*The Fixed Deposit against margin money are kept for non-fund based facility.

(All figures are rupees in million unless otherwise stated)

## 2.5 Other Financial assets

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>(Unsecured considered good unless otherwise stated)</b>				
Security Deposit	53.66	56.12	-	30.00
Advance to staff	0.26	0.45	6.14	1.62
Interest accrued receivable				
From related parties	41.58	-	139.25	114.10
From banks	-	-	7.78	10.23
From others	-	-	-	0.35
Fixed deposit with banks (having maturity more than 12 months as margin with banks)	0.15	-	-	-
Insurance claim receivable (Refer Note (c) below)	-	-	469.25	398.05
Discount and Incentives Receivable from Vendors	-	-	178.66	150.40
Amount Reimbursable from related party	-	-	553.25	118.51
Other receivables*	-	-	49.83	159.03
<b>Less: Provision for Impairment</b>	<b>(0.02)</b>	<b>-</b>	<b>-</b>	<b>(17.18)</b>
<b>Total</b>	<b>95.63</b>	<b>56.57</b>	<b>1,404.16</b>	<b>965.11</b>

(a) \*Other receivable Includes ₹ 43.50 million receivable as detailed in note no 1.5 relating to Jarandeshwar BOT project.

### (b) Details of related party:

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
i) Laxmi Petrochem Middle East FZE	-	-	-	17.18
ii) Yellowstone Fine Chemicals Private Limited	41.58	-	550.89	123.83
iii) Viva Lifesciences Private Limited	-	-	141.61	90.37
iv) Laxmi Lifesciences Private Limited	0.02	-	-	0.00
v) Cellbion LifeSciences Private Limited	-	-	-	1.22
vi) Less Provision for Impairment	(0.02)	-	-	(17.18)
<b>Total</b>	<b>41.58</b>	<b>-</b>	<b>692.50</b>	<b>215.42</b>

### (c) Insurance claim receivable

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

## 3. OTHER ASSETS

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
i) Capital advance	60.54	37.70	-	-
ii) Prepaid expenses	10.71	3.29	35.88	28.27
iii) Prepaid taxes (net of provision)	36.35	12.59	-	-
iv) Balance with government authorities	62.44	58.99	356.12	1,005.78
v) Advances to supplier	-	-	-	-

(All figures are rupees in million unless otherwise stated)

**3. OTHER ASSETS** (Contd.)

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
- Considered good	-	-	190.36	329.55
- Considered doubtful	-	-	125.63	85.05
	-	-	315.99	414.60
<b>Less: Impairment of doubtful advances</b>	-	-	(125.63)	(85.05)
	-	-	190.36	329.55
vi) Export incentive receivable	-	-	1.59	0.99
vii) Export licenses on hand	-	-	3.43	7.67
viii) Indirect Tax Refund Receivables	-	-	-	55.87
ix) Advance recoverable in Cash or kind to related party	-	-	43.50	-
x) Other receivables	-	2.21	37.80	30.63
<b>Total</b>	<b>170.04</b>	<b>114.78</b>	<b>668.68</b>	<b>1,458.76</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
i) Raw material	1,510.08	1,906.03
ii) Work-in-progress	37.83	21.30
iii) Finished goods	674.47	987.86
iv) Consumable stores and spares	147.80	119.22
v) Fuels and consumables	36.57	181.63
vi) Packing material	16.57	10.89
<b>Total</b>	<b>2,423.32</b>	<b>3,226.93</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, 2023	As at March 31, 2022
(i) Amount of inventories recognised as an expense.	20,071.05	22,792.10
(ii) Amount of write - down of inventories recognised as an expense	5.29	23.09
	<b>20,076.34</b>	<b>22,815.19</b>

**5. Equity share capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i) Authorised shares:</b>		
38,00,00,000 equity shares of face value of ₹ 2/- each (March 31, 2022: 30,50,00,000 equity share of face value of ₹ 2/- each)	760.00	610.00
	<b>760.00</b>	<b>610.00</b>
<b>ii) Issued, subscribed and paid-up shares:</b>		
26,51,76,208 equity shares of face value of ₹ 2/- each (March 31, 2022: 26,36,62,773 equity shares of face value of ₹ 2/- each)	530.35	527.33
	<b>530.35</b>	<b>527.33</b>

**A) Reconciliation of the equity shares outstanding at the beginning and at the end of the period**

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Opening balance	26,36,62,773	527.33	26,36,62,773	527.33
Fresh issue	15,13,435	3.02	-	-
<b>Closing balance</b>	<b>26,51,76,208</b>	<b>530.35</b>	<b>26,36,62,773</b>	<b>527.33</b>

All the shares are at face value of ₹ 2/- each in current and previous year.

(All figures are rupees in million unless otherwise stated)

## 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 million.

The Offer comprised of a fresh issue of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 1,55,03,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million ("Pre-IPO Placement").

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company's share of IPO related expenses of ₹ 156.99 million resulted into net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

### (i) Utilisation of IPO proceeds (gross of IPO expenses) as per the Prospectus are as follows As at March 31, 2023

Particulars	Planned as per Prospectus	Spent upto FY 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>

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

Further the actual utilization towards repayment of loan was lower by ₹ 63.94 million and in terms of our prospectus we are entitled to allocate such amount to general corporate purposes so long as the allocation does not result in general corporate purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to 744.76 million. During the current year, there is an increase in the available funds for general corporate purpose of ₹ 0.26 million resulting in total of ₹ 745.02 which is fully utilized in current year.

### (ii) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2022

Particulars	Planned as per Prospectus	Spent upto FY 2021-22	Utilisation in 2021-22	Balance up to March 31, 2022 (*#)
i) Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited	1,729.25	42.97	1,686.28	-
ii) Funding working capital requirements of the Company	351.78	-	-	351.78
iii) Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.53	0.10
iv) Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	92.22	33.43

(All figures are rupees in million unless otherwise stated)

**(ii) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2022 (Contd.)**

Particulars	Planned as per Prospectus	Spent upto FY 2021-22	Utilisation in 2021-22	Balance up to March 31, 2022 (*#)
v) General corporate purposes (net of issue expenses)*	744.76	-	744.76	-
vi) Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the proposed facility	604.04	-	184.10	419.94
vii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>4,843.52</b>	<b>42.97</b>	<b>3,617.89</b>	<b>1,182.66</b>

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

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

(\*#) Balance of IPO proceeds as at March 31, 2023 and as at March 31, 2022 which are kept in fixed deposit and bank balance are shown under Other bank balances.

**C) 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.

**D) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	%	Number of shares	%
Ravi Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	66.64%	17,67,04,984	67.02%

**E) Shareholding of Promoters****(i) 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	94,22,646	3.55%	-
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 Pvt Ltd	47,00,000	1.77%	-
<b>Total</b>		<b>19,28,02,806</b>	<b>72.71%</b>	<b>-</b>
<b>Total No of Shares issued and Subscribed</b>		<b>26,51,76,208</b>	<b>100.00%</b>	<b>-</b>

(All figures are rupees in million unless otherwise stated)

**(ii) Shares held by promoters at March 31, 2022**

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	12,69,179	0.48%	0.42
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-
3	Manisha Ravi Goenka	94,22,646	3.57%	(0.28)
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	(0.14)
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	-	0.00%	(1.00)
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
<b>Total</b>		<b>19,22,62,806</b>	<b>72.92%</b>	
<b>Total No of Shares issued and Subscribed</b>		<b>26,36,62,773</b>	<b>100.00%</b>	

**F)** As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

**G)** On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 shares) to all its existing 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 1, 2020 the Company completed buy back of 50,29,010 equity shares (of face value of ₹ 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of ₹ 820.14 million. The buy back was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares of face value of ₹ 10/- each and has created Capital Redemption Reserve amounting to ₹ 50.29 million by debiting the balance in General Reserve.

**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 31.

**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 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 2, 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 2, 2021. Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 2, 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 2, 2021. Subsequently, at a board meeting held on November 2, 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 2, 2021. Subsequently, at a board meeting held on November 2, 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.

#### (iii) Appointed date

The appointed date for the purpose of this amalgamation is October 2, 2022.

#### (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

(All figures are rupees in million unless otherwise stated)  
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 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 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:

*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 2, 2021</b>														
*Description and number of shares issued, together with the percentage of each entity's equity shares exchanged to effect the business combination	<b>None</b>														
The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	<p><b>Assets Recognised</b></p> <table border="1"> <tbody> <tr> <td>PPE including CWIP -</td> <td>₹ 249.90 million</td> </tr> <tr> <td>Inventory -</td> <td>₹ 470.80 million</td> </tr> <tr> <td>Trade Receivable -</td> <td>₹ 409.33 million</td> </tr> <tr> <td>Other Current Assets -</td> <td>₹ 373.11 million</td> </tr> <tr> <td>Deferred tax asset (net) -</td> <td>₹ 2.07 million</td> </tr> <tr> <td>Non-Current Assets -</td> <td>₹ 7.66 million</td> </tr> <tr> <td><b>Total -</b></td> <td><b>₹ 1,512.87 million</b></td> </tr> </tbody> </table>	PPE including CWIP -	₹ 249.90 million	Inventory -	₹ 470.80 million	Trade Receivable -	₹ 409.33 million	Other Current Assets -	₹ 373.11 million	Deferred tax asset (net) -	₹ 2.07 million	Non-Current Assets -	₹ 7.66 million	<b>Total -</b>	<b>₹ 1,512.87 million</b>
PPE including CWIP -	₹ 249.90 million														
Inventory -	₹ 470.80 million														
Trade Receivable -	₹ 409.33 million														
Other Current Assets -	₹ 373.11 million														
Deferred tax asset (net) -	₹ 2.07 million														
Non-Current Assets -	₹ 7.66 million														
<b>Total -</b>	<b>₹ 1,512.87 million</b>														

(All figures are rupees in million unless otherwise stated)

**Disclosure in accordance with Appendix C of INDAS 103- Business combinations of entities under common control:**  
(Contd.)

<b>Liabilities Recognised</b>	
Trade Payables -	₹ 1,036.75 million
Loans -	₹ 96.55 million
Other liabilities -	₹ 98.16 million
<b>Total -</b>	<b>₹ 1,231.46 million</b>

**Consideration Paid - ₹ 400.10 million**

**Amalgamation Adjustment Deficit Account - ₹(118.69) million**

\*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 million has been disclosed as Negative Capital Reserve/Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103

## 6. OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
i) Retained Earnings	8,418.65	7,252.99
ii) General Reserve	49.01	49.01
iii) Securities Premium	5,010.04	4,780.23
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)	252.77	277.68
<b>Total</b>	<b>13,667.54</b>	<b>12,296.99</b>

## 7. FINANCIAL LIABILITIES (AT AMORTISED COST)

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>7.1 Long term borrowings</b>				
<b>(a) Term loans:</b>				
Rupee term loan from bank	1,303.40	-	96.60	-
Foreign currency loan from bank	-	18.42	18.42	73.68
<b>(b) Vehicle loans:</b>				
Vehicle Loans - other than bank	-	-	-	18.47
<b>(c) Government grant</b>	-	3.24	3.24	3.24
	<b>1,303.40</b>	<b>21.66</b>	<b>118.26</b>	<b>95.39</b>
<b>Less: Current Maturities disclosed under short term borrowings</b>	-	-	(118.26)	(95.39)
<b>Total</b>	<b>1,303.40</b>	<b>21.66</b>	<b>-</b>	<b>-</b>



(All figures are rupees in million unless otherwise stated)

**7. FINANCIAL LIABILITIES (AT AMORTISED COST)** (Contd.)

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>The break-up of above:</b>				
Secured	1,303.40	18.42	115.02	92.15
Unsecured	-	3.24	3.24	3.24
	<b>1,303.40</b>	<b>21.66</b>	<b>118.26</b>	<b>95.39</b>

**Notes:****A) Term loan includes:****i) Rupee term loan from banks (HDFC Bank Ltd):**

Tenure of loan: max 60 months

Repayment: 18 equal installments after a moratorium period of 6 months from the date of 1<sup>st</sup> disbursement

Interest: Linked with HDFC Bank 1 year MCLR + 0 bps

**ii) Rupee term loans from NBFC (Axis Finance Ltd):**

Tenure of loan: max 72 months

Repayment: 18 equal installments after a moratorium period of 18 months from the date of 1<sup>st</sup> disbursement

Interest: Linked with Axis Bank 1 year MCLR + 0 bps

**iii) Foreign currency term loans from bank (Citi Bank NA, Jersey):**

15 equal quarterly installments in foreign currency starting from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

The Company converted this ECB into INR loan under CCY SWAP on April 2, 2019 at fixed interest rate of 7.90% p.a.

**B) Security of term loans:**

- 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.
- 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.

**External Commercial Borrowing (Term Loan)**

- 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.
- 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.
- First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra.
- Second pari passu charge on all present and future current assets of borrower.

**C) Vehicle loan:**

Vehicle loan is secured against the same vehicle for which loan is taken. During the current year, the same is fully repaid.

**D) Government grant:**

There are multiple interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ₹ 3.24 million as at March 31, 2023 (March 31, 2022: ₹ 6.48 million). The first installment date was May 2009 and last terminal date is May 2023.

(All figures are rupees in million unless otherwise stated)

#### E) Maturity profile of long term borrowings:

Particulars	As at March 31, 2023	As at March 31, 2022
Instalment payable within one year	118.26	95.39
Instalment payable between 1 to 2 years	331.16	21.66
Instalment payable between 2 to 5 years	900.48	-
Instalment payable beyond 5 years	71.76	-
<b>Total</b>	<b>1,421.66</b>	<b>117.05</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.

Name of the Promoter	Non-current borrowings	Current borrowings & Current Liabilities	Total
<b>Balance as at March 31, 2021</b>	<b>98.66</b>	<b>1,477.71</b>	<b>1,576.37</b>
Changes from financing cash flows	-	(505.33)	(505.33)
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds	-	(858.81)	(858.81)
Proceeds from bill discounting	-	751.90	751.90
Other changes (transfer within categories)	(77.00)	95.39	18.39
<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 bill discounting & Cash credit	-	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>3,671.91</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, 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 million (Actual drawdown loan amount is ₹ 1,400 million) for which mortgage is pending to be created as at balance sheet date.

In 2021-22, all the charges as per the sanction are duly registered with Registrar of Companies as at March 31, 2022 in favour of the lenders for facilities availed by the Company except for charges related to working capital enhancement by ₹ 2,915.60 million for which charge was pending creation as at balance sheet date, however the same was created on April 22, 2022.

#### H) Disclosure of repayments

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

During the current year, there are no defaults in repayment of principal and interest to the lenders.

I) The terms loans taken during the year have been utilized for the purpose.

#### 7.2 Lease liability

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
Lease liability	26.43	1.06	18.42	8.72
<b>Total</b>	<b>26.43</b>	<b>1.06</b>	<b>18.42</b>	<b>8.72</b>

(All figures are rupees in million unless otherwise stated)

**7.3 Other Financial liabilities (at amortised cost)**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
Payable for capital goods	-	-	123.79	213.13
Interest accrued on Financial liabilities	-	-	20.33	19.48
Deposit received	-	-	9.83	10.77
Staff salary and other payable	-	-	111.47	196.55
Amount payable on hedging transactions	-	-	8.18	1.08
Amount payable to related party	-	-	-	8.63
Others	-	-	-	15.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>273.60</b>	<b>464.64</b>
<b>a) Details of related party:</b>				
Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	-	-	8.63
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.63</b>

**8. Provisions**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
Provision for employee benefits:				
Leave encashment	40.59	37.50	20.89	18.00
Gratuity	-	1.78	4.33	39.98
Provision for sales return	-	-	16.86	26.74
Provision for tax (net of advances)	-	-	82.61	31.52
<b>Total</b>	<b>40.59</b>	<b>39.28</b>	<b>124.69</b>	<b>116.24</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
March 31, 2023	26.74	18.41	28.29	16.86
March 31, 2022	14.43	24.62	12.31	26.74

**(b) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits**

The Company has carried out the actuarial valuation of gratuity and leave encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2022: ₹ 2.00 million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

(All figures are rupees in million unless otherwise stated)

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(a) Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the year	86.94	57.02
Liability on Account of Business combination		1.70
Current service cost	13.29	9.32
Interest cost	5.68	3.59
Actuarial (gain)/loss - Other comprehensive income	(7.25)	15.30
Transfer In/(Out)		-
Past service cost	-	-
Benefits paid	-	-
<b>Defined benefit obligation at the year end</b>	<b>98.66</b>	<b>86.93</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	45.17	41.52
Actuarial (gain)/loss - Other comprehensive income	-	-
Investment income	3.00	2.59
Employer contribution	47.61	1.06
Benefits paid	(1.45)	
<b>Fair value of plan assets at the year end</b>	<b>94.33</b>	<b>45.17</b>
<b>(c) Reconciliation of fair value of assets and obligations</b>		
Present value of defined benefit obligation	98.66	86.93
Fair value of plan assets	94.33	45.17
<b>Net asset/(liability)</b>	<b>(4.33)</b>	<b>(41.76)</b>
<b>(d) Expenses recognized during the year (Under the head "Employees benefit expenses")</b>		
In Income Statement	13.28	10.18
In Other Comprehensive Income	2.69	15.37
<b>Total expenses recognized during the period</b>	<b>15.97</b>	<b>25.55</b>
<b>(e) Actuarial (gain)/loss- Other comprehensive income</b>	<b>2.69</b>	<b>15.37</b>
<b>(f) Net liabilities recognised in the balance sheet</b>		
Long-term provisions*	-	1.78
Short-term provisions	4.33	39.98
	<b>4.33</b>	<b>41.76</b>

\*Pertains to Yellowstone Chemicals Private Limited which got merged with the Company w.e.f October 2, 2021. (Refer Note 5(K))

ii) Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.25%	6.65%
Salary growth rate (per annum)	11%	11%
Attrition rate	20%	19%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(All figures are rupees in million unless otherwise stated)

**iii) Sensitivity analysis**

A quantitative sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary growth rate	Attrition rate	Mortality rate
<b>Changes in assumption</b>				
March 31, 2023 (%)	1%	1%	50%	10%
March 31, 2022 (%)	1%	1%	50%	10%
<b>Increase in assumption</b>				
March 31, 2023	94.63	102.06	93.68	98.56
March 31, 2022	81.65	88.33	80.34	85.15
<b>Decrease in assumption</b>				
March 31, 2023	102.83	95.20	107.80	98.57
March 31, 2022	88.98	82.15	94.42	85.17

**Description of risk exposures**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**(i) Interest rate risk:**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**(ii) Liquidity risk:**

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**(iii) Salary escalation risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**(iv) Demographic risk:**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**(v) Regulatory risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time).

**(vi) Asset liability mismatching or market risk:**

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**(vii) Investment risk:**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment."

**9. DEFERRED TAX LIABILITY**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Deferred tax liability on account of:</b>		
Property plant & Equipment	385.36	243.53
Right-of-use assets (Net)	2.90	2.18
	<b>388.26</b>	<b>245.71</b>
<b>b) Deferred tax asset on account of:</b>		
Provision for doubtful advances and debts	58.52	37.58
Items recognised in OCI	-	0.11
Tax disallowances	21.48	18.59
	<b>80.00</b>	<b>56.28</b>
<b>Deferred tax liability, net</b>	<b>308.26</b>	<b>189.43</b>

(All figures are rupees in million unless otherwise stated)

## 10. OTHER LIABILITIES

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
Duties and taxes payable	-	-	33.79	31.07
Liability towards CSR Obligation	-	-	10.07	13.09
Advance from Customers- Contract Liabilities	-	-	64.15	54.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>108.01</b>	<b>98.76</b>

## 11. SHORT TERM BORROWINGS (AT AMORTISED COST)

Particulars	As at March 31, 2023	As at March 31, 2022
From Banks:		
Cash Credit	1,756.79	796.55
Bill discounting	-	62.42
Commercial Papers	486.96	-
From Others	6.50	6.50
Current Maturities of long term borrowings:		
Rupee term loan from bank	96.60	-
Foreign Currency Loan	18.42	73.68
Government grant	3.24	3.24
Vehicle Loan	-	18.47
<b>Total</b>	<b>2,368.51</b>	<b>960.86</b>
<b>Secured</b>	<b>1,871.81</b>	<b>888.70</b>
<b>Unsecured</b>	<b>496.70</b>	<b>72.16</b>

### a) Borrowings from banks or Financial institutions on the basis of security of current assets:

The Company has borrowings from banks or Financial institutions on the basis of security of current assets.

Quarterly returns or Statements of current assets filed by the Company with banks or Financial institutions for the year 2022-2023 are in agreement with the books of accounts, however there was variation in the year 2021-22 which is detailed in Statement A.

### b) Utilisation of Borrowings taken from Bank and Financial Institution:

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

### c) Commercial Papers (Unsecured)

During the year, the Company has issued its first tranche of Commercial Papers ("CPs") of ₹ 500 million on February 7, 2023.

#### Terms of Commercial Papers:

Issue Value	₹.500 million
Date of Allotment	February 7, 2023
Date of Maturity	August 4, 2023
Coupon/Discount Rate	7.85% per annum
Schedule of Interest Payment	Upfront
Schedule of payment of principal amount	Payment on maturity i.e., on August 4, 2023
Charge/security	Unsecured
Issued in Favour of	Kotak Mahindra Bank Limited
Credit Rating	IND A1+

(All figures are rupees in million unless otherwise stated)

**12. TRADE PAYABLES (AT AMORTISED COST)**

Particulars	As at March 31, 2023	As at March 31, 2022
Dues of micro and small enterprise	69.54	115.85
Other than micro and small enterprise	4,448.35	6,751.86
<b>Total</b>	<b>4,517.89</b>	<b>6,867.71</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 Company. This is relied upon by the auditors.

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due	87.12	157.44
Material and Service Vendor	69.54	115.85
Capital Vendor	17.58	41.59
Interest due on above	0.02	0.36
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	358.45	589.96
- Interest paid thereon		
Amount of interest due and payable for the period of delay	2.23	1.48
Amount of interest accrued and remaining unpaid as at year end	7.71	5.47
Amount of further interest remaining due and payable in the succeeding year	-	-

**b) Trade Payable Ageing Schedule**

(Ageing from due date of payment)

**(i) As at March 31, 2023**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	19.03	-	1,285.70	-
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>4,448.35</b>	<b>-</b>

**(ii) As at March 31, 2022**

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	4.22	-	1,093.68	-
Not Due	94.18	-	5,345.93	-
Less than 1 year	17.07	-	302.94	-
1-2 years	0.08	-	3.61	2.77
2-3 year	0.23	-	0.16	-
> 3 years	0.07	-	2.77	-
<b>Total</b>	<b>115.85</b>	<b>-</b>	<b>6,749.09</b>	<b>2.77</b>

(All figures are rupees in million unless otherwise stated)

### 13. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of taxes paid)	-	71.51
<b>Total</b>	<b>-</b>	<b>71.51</b>

### 14. REVENUE FROM OPERATIONS

Particulars	April - March 2023	April - March 2022
<b>i) Sales/Rendering:</b>		
- Products	26,739.37	28,660.49
- Services	127.87	114.57
	<b>26,867.24</b>	<b>28,775.06</b>
<b>ii) Other operating revenue:</b>		
Sale of scrap	28.13	18.14
Export incentives	33.39	15.37
Insurance claim	5.35	8.59
	<b>66.87</b>	<b>42.10</b>
<b>Total</b>	<b>26,934.11</b>	<b>28,817.16</b>

#### A. Disclosure in accordance with Ind AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

##### 1. Revenue disaggregation based on:

(a) Category of good and services	April - March 2023	April - March 2022
Chemicals	26,739.16	28,396.52
Coal	-	26.66
Job work and other services	127.87	114.57
Others	0.21	237.31
<b>Total</b>	<b>26,867.24</b>	<b>28,775.06</b>

(b) Geographical region	April - March 2023	April - March 2022
India	17,076.92	19,827.22
International	9,790.32	8,947.84
<b>Total</b>	<b>26,867.24</b>	<b>28,775.06</b>

##### 2. Movement in contract balances

Particulars	Opening	Billed for the Financial Year	Additional receipt outstanding as at year end	Closing
<b>Contract Liabilities</b>				
March 31, 2023	54.60	51.64	61.19	64.15
March 31, 2022	61.53	55.13	48.20	54.60



(All figures are rupees in million unless otherwise stated)

**15. OTHER INCOME**

Particulars	April - March 2023	April - March 2022
Interest income on Financial asset		
From bank on deposits	57.61	108.33
From others	158.02	67.25
Guarantee commission	-	0.64
Sundry balances written back	11.05	1.99
Miscellaneous income	18.78	26.86
Reversal of provision for impairment	8.32	-
Profit on sale of Fixed Assets	0.33	0.04
MTM on Financial Asset held as FVTPL	0.13	0.01
Profit on sale of investments	6.96	5.62
<b>Total</b>	<b>261.20</b>	<b>210.74</b>

**16. COST OF RAW MATERIALS CONSUMED**

Particulars	April - March 2023	April - March 2022
Opening stock of raw material	1,906.03	1,208.70
<b>Add:</b> On account of Business Combination (Refer Note 5(K))	-	228.84
<b>Add:</b> Purchases	16,406.72	18,760.19
	18,312.75	20,197.73
<b>Less:</b> Insurance claim of raw material destroyed in floods (refer note -2.5 (C))	-	(84.46)
<b>Less:</b> closing stock of raw material	(1,510.08)	(1,906.03)
<b>Total</b>	<b>16,802.67</b>	<b>18,207.24</b>

**17. PURCHASE OF STOCK-IN-TRADE**

Particulars	April - March 2023	April - March 2022
Chemicals and other purchases	691.42	2,080.92
Coal	-	25.02
<b>Total</b>	<b>691.42</b>	<b>2,105.94</b>

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

Particulars	April - March 2023	April - March 2022
Inventory of Work-in-progress at the beginning of the year	21.30	25.91
On Account of Business Combination	-	49.28
<b>Less:</b> Inventory of Work-in-progress at the end of the year	(37.83)	(21.30)
	<b>(16.53)</b>	<b>53.89</b>
Inventory of Finished goods at the beginning of the year	987.86	297.63
On Account of Business Combination	-	192.18
<b>Less:</b> Inventory of Finished goods at the end of the year	(674.47)	(987.86)
<b>Less:</b> Insurance claim of finished goods destroyed in floods (refer note 2.5 (C))	-	(113.56)
	<b>313.39</b>	<b>(611.61)</b>
<b>Total</b>	<b>296.86</b>	<b>(557.72)</b>

(All figures are rupees in million unless otherwise stated)

## 19. EMPLOYEE BENEFIT EXPENSES

Particulars	April - March 2023	April - March 2022
Salaries, wages and bonus	755.85	697.85
Director's remuneration	135.70	156.05
Contribution to employees gratuity, leave encashment and other funds	70.68	54.62
ESOP compensation cost	114.17	231.32
Staff welfare expenses	32.40	22.74
<b>Total</b>	<b>1,108.80</b>	<b>1,162.58</b>

## 20. FINANCE COST:

Particulars	April - March 2023	April - March 2022
Interest on Financial liabilities at amortised cost	171.26	39.78
Unwinding of lease liability	1.88	1.40
Interest on direct taxes	1.60	9.05
Interest on indirect taxes	7.66	66.10
Other borrowing costs	2.32	14.16
Amortisation of upfront fees	-	11.76
<b>Total</b>	<b>184.72</b>	<b>142.25</b>

## 21. DEPRECIATION & AMORTIZATION

Particulars	April - March 2023	April - March 2022
Depreciation	675.01	444.64
Amortisation on right-of-use assets	25.94	18.53
Amortisation	3.65	5.12
<b>Total</b>	<b>704.60</b>	<b>468.29</b>

## 22. OTHER EXPENSES

Particulars	April - March 2023	April - March 2022
Power & fuels	2,511.25	1,739.57
Consumption of consumables stores and spares	192.74	197.23
Consumption of packing materials	270.15	176.85
Water charges	52.13	50.76
Labour charges	118.78	97.87
Inward freight charges	51.58	40.47
Outward export freight charges	889.83	868.58
Clearing and forwarding expenses	28.76	30.37
Repairs and maintenance		
Buildings	42.57	58.14
Machineries	99.51	56.71
Others	28.77	24.40
Transportation charges	454.71	448.07
Commission on sales	79.95	47.37
Advertisement	2.02	2.18
Director's sitting fees	3.07	2.00
Books and periodicals	0.07	0.05
Business promotion expenses	19.54	6.30

(All figures are rupees in million unless otherwise stated)

**22. OTHER EXPENSES** (Contd.)

Particulars	April - March 2023	April - March 2022
Commission to non-executive director	10.30	10.00
Computer maintenance	25.38	14.68
Conveyance expenses	3.66	4.81
Donation	1.86	0.12
CSR expenditure	36.50	25.10
General expenses	11.01	6.58
Inspection charges	3.56	4.00
Insurance charges	150.57	63.75
Membership & subscription	17.19	19.38
Postage & telegram	1.75	1.49
Professional & legal expenses	153.29	141.26
Printing & stationery	4.62	4.12
Rent	7.40	3.92
Rates & taxes	10.78	18.74
Security service charges	23.40	21.23
Travelling expenses	56.99	20.74
Telephone expenses	5.40	5.44
Vehicle expenses	36.62	31.67
Auditors' remuneration	3.92	3.96
Bank charges	31.49	29.92
Expected credit loss	61.01	79.01
Foreign Exchange loss	50.40	95.37
Impairment of Subsidiary balances	1.34	41.17
Other expenses	18.22	19.47
Sundry Balance w/off	-	0.17
GST paid	-	44.30
Sales tax Expenses	-	6.06
<b>Total</b>	<b>5,572.09</b>	<b>4,563.38</b>

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

Particulars	April - March 2023	April - March 2022
To Statutory auditors:		
For audit including consolidation and limited review	3.82	3.75
For certification and other services	0.10	0.21
<b>Total</b>	<b>3.92</b>	<b>3.96</b>

**(b) Details of research and development expenditure**

Particulars	April - March 2023	April - March 2022
<b>A) Revenue expenses</b>		
Employee benefits expense	66.56	50.63
Legal & professional fees	8.30	5.50
Other expenses	5.68	4.46
Utility expenses	4.55	3.84
Travelling expenses	4.56	4.28
Contract labour and Security service charge	5.79	4.32

(All figures are rupees in million unless otherwise stated)

**(b) Details of research and development expenditure** (Contd.)

Particulars	April - March 2023	April - March 2022
Subscription	3.07	4.15
IT Exps	0.23	-
Training Exps	0.06	-
Repairs & maintenance	22.73	20.62
Depreciation	16.06	16.19
<b>B) Capital Expenses</b>		
Capital expenditure (Refer Note 1.6)	5.80	11.96
<b>Total</b>	<b>143.38</b>	<b>125.95</b>

**23. TAX EXPENSE**

Particulars	April - March 2023	April - March 2022
<b>a) Income tax expense in the Statement of profit and loss consists of:</b>		
Current tax	367.93	558.70
Deferred tax	118.83	35.83
Income tax (excess)/short provision of previous year	-	(54.71)
<b>Income tax recognised in Statement of profit or loss</b>	<b>486.76</b>	<b>539.82</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 2023	April - March 2022
<b>A) Current Tax</b>		
Profit before tax	1,834.15	2,935.96
Enacted tax rates in India (%)	34.94%	34.94%
Computed expected tax expenses	640.92	1,014.71
Effect of non- deductible expenses	309.66	227.51
Effects of deductible Expenses	(373.15)	(150.02)
Tax incentives	(209.50)	(208.50)
<b>(A)</b>	<b>367.93</b>	<b>883.70</b>
<b>Less: MAT credit utilised*</b>	-	(325.00)
<b>Income tax expenses - Net</b>	<b>367.93</b>	<b>558.70</b>
*Includes mat credit not recognised in the books on principle of prudence, now recognised and utilised.		
<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	320.46	512.97
<b>Tax effect on adjustments:</b>		
1/5 portion of opening Ind AS reserve	-	(0.73)
Effect of non deductible expense	11.17	0.55
Others	-	(0.22)
<b>Minimum alternate tax on book profits</b>	<b>331.63</b>	<b>512.58</b>
<b>Higher of A or B</b>	<b>367.93</b>	<b>558.70</b>

(All figures are rupees in million unless otherwise stated)

**B) Deferred tax**

Deferred tax assets/(liabilities) in relation to:

Particulars	Opening	On account of Business combination	Recognised in profit and loss Asset/(liability)	Closing
<b>Property plant &amp; equipment</b>	<b>(207.06)</b>	<b>1.32</b>	<b>(37.79)</b>	<b>(243.53)</b>
Right-of-use assets (net)	(1.61)	-	(0.57)	(2.18)
Minimum alternate tax	24.39	-	(24.39)	-
Items recognised in OCI	-	-	0.11	0.11
Provision for doubtful advances and debts	10.67	1.53	25.38	37.58
Tax disallowances	17.17	-	1.43	18.59
<b>As at March 31, 2022</b>	<b>(156.44)</b>	<b>2.85</b>	<b>(35.83)</b>	<b>(189.43)</b>
Property plant & equipment	(243.53)	-	(141.83)	(385.36)
Right-of-use assets (net)	(2.18)	-	(0.72)	(2.90)
Minimum alternate tax	-	-	-	-
Items recognised in OCI	0.11	-	(0.11)	-
Provision for doubtful advances and debts	37.58	-	20.94	58.52
Tax disallowances	18.59	-	2.89	21.48
<b>As at March 31, 2023</b>	<b>(189.43)</b>	<b>-</b>	<b>(118.83)</b>	<b>(308.26)</b>

**24. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD – IND AS 33 “EARNING PER SHARE” OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015.**

Net profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	April - March 2023	April - March 2022
Net profit/(loss) as per Statement of Profit and Loss	1,347.39	2,396.14
Outstanding equity shares at period end (face value of ₹ 2/-)	26,51,76,208	26,36,62,773
Weighted average Number of Shares outstanding during the period – Basic	26,49,83,009	26,36,62,773
Weighted average Number of Shares outstanding during the period - Diluted	26,69,37,505	26,73,84,704
Weighted average number of shares as per para 26 of Ind AS 33" Earning per Share"	26,69,37,505	26,73,84,704
Earnings per Share - Basic (₹)	5.08	9.09
Earnings per Share - Diluted (₹)	5.05	8.96

**Reconciliation of weighted number of outstanding during the period:**

Particulars	April - March 2023	April - March 2022
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	26,36,62,773	26,36,62,773
<b>Add:</b> Issue of equity shares	15,13,435	-
<b>Total number of equity shares outstanding at the end of the period</b>	<b>26,51,76,208</b>	<b>26,36,62,773</b>
<b>For Basic EPS:</b>		
Weighted average number of equity shares at the end of the period	26,49,83,009	26,36,62,773
<b>For Dilutive EPS:</b>		
Weighted average number of equity shares at the end of the period	26,69,37,505	26,73,84,704

(All figures are rupees in million unless otherwise stated)

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

Particulars	April - March 2023	April - March 2022
<b>(i) Contingent liabilities</b>		
<b>(a) Liabilities Disputed - Appeals filed with respect to:</b>		
(i) Disputed indirect taxes matters (Net of Amount paid under protest of ₹ 6.49 million (PY: ₹ 6.49 million )	219.98	313.20
(ii) Disputed direct taxes matters - on account of disallowances/additions and default of TDS	383.02	7.03
(iii) Other dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (PY: ₹ 2.30 million)	4.53	4.53
<b>(b) Guarantees:</b>		
(i) Furnished by banks on behalf of the Company	239.16	66.64
<b>(c) Other money for which the Company is contingently liable:</b>		
Standby letter of credit given on behalf of wholly owned subsidiaries	-	79.58
<b>(ii) Commitments (Net of advances):</b>		
(a) Capital Commitments - Estimated amount of contracts remaining to be executed on capital account	141.47	878.08
(b) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	100.32	782.61
<b>(iii) Letters of Credit</b>	<b>1,223.69</b>	<b>1,714.36</b>

### (iv) Other tax proceedings -

During the previous year, the Senior Intelligence Officer, Directorate of Revenue Intelligence ("DRI") of the Bangalore Zonal Unit ("SIO") conducted a search at the Acetyl Intermediates ("AI") Manufacturing Facility on February 11, 2021 (the "Search") on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("Notification") and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods"

as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded.

## 26. DISCLOSURE IN ACCORDANCE WITH IND AS – 108 "OPERATING SEGMENTS", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015

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

## 27. DISCLOSURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

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

A	Particulars	2022-23	2021-22
1.	Gross amount required to be spent by the Company during the year.	36.50	25.10
2.	Amount approved by the Board to be spent during the year on Ongoing Projects	<b>36.50</b>	<b>25.10</b>
	- Ongoing	19.47	15.54

(All figures are rupees in million unless otherwise stated)

**27. Disclosure on Corporate Social Responsibility (CSR) Activity** (Contd.)

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

A) Particulars	2022-23	2021-22
- Other Than Ongoing	17.03	9.56
3. Amount spent during the year on:		
- Construction/acquisition of any asset	-	-
- On purposes other than (a) above	26.43	10.00
<b>Total</b>	<b>26.43</b>	<b>10.00</b>
Excess Spent of previous year	-	2.03
4. Shortfall at the end of the year,	10.07	13.08
5. Total of previous years shortfall/(Excess),	-	
6. Reason for shortfall - Nil		

**7. Nature of CSR activities**

Particulars	2022-23		2021-22	
	Ongoing	Non Ongoing	Ongoing	Non Ongoing
1 Education Support	1.97	8.36	-	-
2 Community Development	4.09	1.97	-	0.53
3 Disaster Management	-	1.58	-	2.83
4 Environmental Sustainability	-	0.52	-	-
5 Health Care Support	2.50	0.43	2.46	-
6 Promoting Sports	-	0.34	-	-
7 Safe Drinking Water	0.84	0.08	-	3.08
8 Skill Development (NAPS)	-	3.75	-	0.20
9 Waste Management	-	-	-	0.80
10 Contribution to Public Funded Universities	-	-	-	0.10
<b>Total</b>	<b>9.40</b>	<b>17.03</b>	<b>2.46</b>	<b>7.54</b>

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 million: Deposited in unspent CSR Bank account on April 27, 2023.

FY: 2021-22: ₹ 2.31 million: Deposited in unspent CSR Bank account on April 29, 2022.

FY: 2021-22: ₹ 10.77 million: Deposited in unspent CSR Bank account on March 31, 2022.

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

Details are given in Statement B

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
<b>Details on unhedged foreign currency exposures</b>				
Trade receivable (USD)	11,17,715	91.84	-	-
Trade receivable (EURO)	4,12,822	36.92	95,056	8.01
Interest/Loan & Advance receivable (USD)	-	-	3,42,323	25.95

(All figures are rupees in million unless otherwise stated)

## 29. DERIVATIVE INSTRUMENTS AND UNHEDGED/HEDGE/SWAP FOREIGN CURRENCY EXPOSURE (Contd.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
Advances to suppliers (USD)	5,459	0.45	56,039	4.25
Loans and advances given (AED)	-	-	6,84,315	14.12
Advance from customers (USD)	4,46,433	36.68	3,06,883	23.26
Advance from customer (EURO)	35	0.00		
Trade payable (USD)	4,67,646	38.43	85,62,266	649.02
Investment in preference shares (EURO)	20,00,000	178.89	20,00,000	168.44

### Details on hedged foreign currency exposures

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	1,04,04,229	854.92	1,62,02,129	1,262.11
Forwards - USD - Sales (Anticipated Exposure)	-	-	4,50,093	34.11
Forwards - EURO - Sales	71,62,566	640.64	83,25,295	701.16
Forwards - USD Purchase	3,24,05,919	2,662.79	4,79,97,006	3,637.81
Options - USD - Buy	-	-	69,00,000	522.97

### Details on interest rate swap on borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Foreign Currency	INR	Foreign Currency	INR
Interest rate swap - USD	-	-	5,00,000	35.68

## 30. IND AS 116 "LEASES"

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

### (b) Movement in lease liabilities:

Particulars	2021-22	2021-22
Balance at the beginning	9.78	29.95
Addition during the year	53.45	-
Finance cost incurred during the year	1.88	1.41
Payment of lease liability	(20.26)	(21.58)
<b>Closing balance</b>	<b>44.85</b>	<b>9.78</b>

(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, 2023	As at March 31, 2022
Less than one year	20.49	8.94
One to two years	19.41	1.08
Two to five years	8.09	-
More than five years	-	-
<b>Total</b>	<b>47.99</b>	<b>10.02</b>



(All figures are rupees in million unless otherwise stated)

**(e) The following is the break-up of current and non-current lease liabilities as at March 31, 2023**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	18.42	8.72
Non-current lease liability	26.43	1.06
<b>Closing balance</b>	<b>44.85</b>	<b>9.78</b>

**31. SHARE OPTION OUTSTANDING****A Employee Stock Option Plan 2020 (the Plan):**

Pursuant to the resolutions passed by the Board on October 30, 2020 and by the shareholders on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 (“ESOP-2020”) for issue of employee stock options (“ESOPs”) or thank you grants or restricted stock units (“RSUs”) to eligible employees up to 67,50,000 options, which may result in issue of not more than 67,50,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

The Nomination and Remuneration Committee had on January 27, 2021 granted 56,90,467 options (comprising of 42,45,540 employee stock options; 11,43,263 RSUs and

3,01,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date, no Equity Shares have been issued pursuant to the ESOP-2020. This plan is administered by the Nomination and Remuneration Committee of the Board.

The eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (three) years from the date of Grant.

During the year, additional 2,76,855 Equity shares were granted under Laxmi – Employee Stock Option Plan 2020 (“ESOP-2020”).

**i) Summary of options granted under plan:**

Particulars	Option Plan			
	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Number of options granted	2,76,855	42,45,540	11,43,266	3,01,664
Grant date	May 4, 2022		January 27, 2021	
Exercise price	100	100	2	2
Fair value on the date of grant of option (₹ per share)	433.65	73.12	121.48	121.48
Methods of valuation	Black-Scholes			
Method of settlement	Equity			
Method of accounting	Fair value			
Vesting period	May 5, 2023: 15%; March 31, 2024: 15%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 30%;	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2024: 40%	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2024: 40%	April 1, 2022: 100%;
Exercise period	7 years			

During the year, 15,13,435 (PY:NIL) options were exercised.

**ii) Reconciliation of options granted under plan:**

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options Outstanding at the beginning of the year	50,56,446	56,90,470
Number of options Granted during the year	2,76,855	-
Number of options vested during the Period	-	17,20,466
Number of options Exercised during the year	15,13,435	
Number of options Lapses/Forfeited during the year	4,82,611	6,34,024
Number of options Outstanding at the end of the year	33,37,255	50,56,446
Number of options exercisable at the end of the year	14,29,903	17,20,466

(All figures are rupees in million unless otherwise stated)

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Exercise Price	Share options O/s March 31, 2023	Share options O/s March 31, 2022
Grant 4 (ESOP)	100	2,76,855	-
Grant 1 (ESOP)	100	24,51,775	37,56,016
Grant 2 (RSU)	2	6,08,625	10,09,669
Grant 3 (Thank You Grant)	2	-	2,90,761
<b>Total</b>		<b>33,37,255</b>	<b>50,56,446</b>

Weighted average remaining contractual life of the share option outstanding at the end of year is 1,644 days (Previous Year: NA)

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
Grant 4 (ESOP)	433.65
Grant 1 (ESOP)	73.12
Grant 2 (RSU)	121.48
Grant 3 (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	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Expected dividend yield	0.30%	0.30%	0.30%	0.30%
Risk free rates	6.96%	6.12%	6.12%	6.12%
Expected volatility	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 annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the 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	2022-23	2021-22
ESOP compensation cost	114.17	231.32
<b>Total expenses</b>	<b>114.17</b>	<b>231.32</b>

## 32. FINANCIAL INSTRUMENTS

i) The carrying value and fair value of Financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Carrying value		Fair value	
a) Financial assets				
Amortised cost				
Loans	1,219.60	2,071.96	1,219.60	2,071.96
Others	1,499.79	1,021.67	1,499.79	1,021.67
Trade receivables	5,372.52	6,245.96	5,372.52	6,245.96
Cash and cash equivalents	690.28	294.41	690.28	294.41
Other bank balances	486.54	1,473.24	486.54	1,473.24

(All figures are rupees in million unless otherwise stated)

**32. FINANCIAL INSTRUMENTS** (Contd.)

**i) The carrying value and fair value of Financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Carrying value		Fair value	
<b>Fair Value through Profit &amp; Loss</b>				
Investments	200.12	40.00	200.12	40.00
<b>Total Financial assets</b>	<b>9,468.85</b>	<b>11,147.24</b>	<b>9,468.85</b>	<b>11,147.24</b>
<b>b) Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	3,671.91	982.51	3,671.91	982.51
Trade payables	4,517.89	6,867.72	4,517.89	6,867.72
Lease Liability	44.85	9.78	44.85	9.78
Others	273.60	464.63	273.60	464.63
<b>Total Financial liabilities</b>	<b>8,508.25</b>	<b>8,324.64</b>	<b>8,508.25</b>	<b>8,324.64</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.

**33. FAIR VALUE HIERARCHY**

This section explains the judgments and estimates made in determining the fair values of the Financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its Financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of Financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

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	31-Mar-23	-	8.18	-
Forward contracts	31-Mar-22	-	1.08	-
<b>Financial assets measured at fair value:</b>				
Mutual funds	31-Mar-23	200.12	-	-
Mutual funds	31-Mar-22	40.00	-	-

**34. FINANCIAL RISK MANAGEMENT**

The Company is exposed to various Financial risks arising from its underlying operations and Financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring Financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover

areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of Financial risk management is to manage and control Financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of Financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

### 1) Market risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a Financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial

(All figures are rupees in million unless otherwise stated)  
instruments affected by market risk includes loans and borrowings, deposits, investments and derivative Financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

### A) Foreign currency risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue/costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR).

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

Particulars	Assets		Liabilities	
	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	11,23,174	3,98,362	9,14,079	88,69,149
EUR	24,12,822	20,95,056	35	-
AED	-	6,84,315	-	-

### Foreign currency sensitivity analysis:

The Company is mainly exposed to USD and EURO fluctuations.

Impact on profit/(loss) for the year	As at March 31, 2023		As at March 31, 2022	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	(0.17)	0.17	6.36	(6.36)
EUR	(2.14)	2.14	(1.75)	1.75
AED	-	-	(0.14)	0.14

### 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.

(All figures are rupees in million unless otherwise stated)

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 ₹ 21.66 million and floating interest loan is ₹ 1400 million (March 31, 2022: Fixed interest loan ₹ 98.66 million and Floating interest loan ₹ 62.42 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2022-23	2021-22
	Rupee loans interest rate (increase)/decreases by 100 bps	Rupee loans interest rate (increase)/decreases by 100 bps
Increase in profit	1.40	1.69
Decrease in profit	(1.40)	(1.69)

### C) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a Financial instrument or customer contract, leading to a Financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and Financial institutions, foreign exchange transactions and other Financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' Financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and Financial institutions is managed by the Company's Corporate Treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate Financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer Note 2.2 )	5,372.52	6,245.96
Allowances for credit loss (Refer Note 2.2 (A))	(11.54)	(0.35)
Allowances for credit impaired (Refer Note 2.2 (A))	(28.99)	(18.69)

### 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, 2023 and March 31, 2022. 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.

(All figures are rupees in million unless otherwise stated)

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, 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>
<b>As at March 31, 2022</b>				
Borrowings	942.46	40.05	-	-
Trade payables	6,867.72	-	-	-
Other Financial liabilities	464.64	-	-	-
	<b>8,274.82</b>	<b>40.05</b>	-	-

**Note:** The above maturity profile does not includes contractual maturities of lease liability and the same is given in Note 30(D).

### 35. CAPITAL MANAGEMENT

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross debt	3,671.91	982.51
<b>Less:</b> Cash and cash equivalent *	(690.28)	(294.41)
<b>Less:</b> Other Bank Balances and FD kept as margin money	(101.01)	(281.19)
<b>Net debt (A)</b>	<b>2,880.63</b>	<b>406.92</b>
<b>Total equity (B)</b>	<b>14,197.89</b>	<b>12,824.32</b>
<b>Gearing ratio (A/B)</b>	<b>0.20</b>	<b>0.03</b>

\*Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

**36.** The Board of Directors at their meeting held on May 12, 2023 has recommended dividend of ₹ 0.50 per share (25% 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.

### 37. RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Company and the same is relied upon by the auditors.

### 38. COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench, vide hearing convened on August 25, 2022, has sanctioned the Scheme of Merger by Absorption of Acetyls Holdings Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) ("Transferor Companies")

with the Company under Section 230 to Section 232 of the Companies Act, 2013 and thereby the books of accounts of AHPL and YCPL has been merged with the Company w.e.f. the Appointed Date of October 2, 2021. Consequently, the Standalone Financials as on March 31, 2022 has been restated to give effect of the merger. Refer note 5(K).

### 39. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

- i. The Company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary.
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), the details of which is tabulated hereunder:

#### (i) For FY 2022-23:

- a) There are no transaction to be reported during the year.

(All figures are rupees in million unless otherwise stated)

**(ii) For FY 2021-22:**

Nature of Transaction	Name of the Intermediary & Relationship	Amount & Date	Name of the Other Company & Relationship	Amount & Date
Equity	Yellowstone Fine Chemicals Private Limited	₹ 6.81	Laxmi Italy s.r.l.	EURO 80,000
			Equity Investment	
	Relation: Wholly Owned Subsidiary	Period: Aug 2021 and Nov 2021	Relation: Step-down Subsidiary Company	Period: Aug 2021 and Nov 2021

- b) **Declaration:** For all the transaction reported in (a) and (b) above relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied by the Company and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).
- ii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 40.** Analytical Ratios as per requirements of Schedule III are given in Statement C
- 41.** Figures of the previous period have been regrouped wherever necessary including to conform to current period's classification.
- 42.** The balance sheet, Statement of profit and loss, cash flow Statement, Statement of changes in equity, Statement of significant accounting policies and the other explanatory notes forms an integral part of the Financial Statements of the Company for the year ended March 31, 2023.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058

**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805

(All figures are rupees in million unless otherwise stated)

# Statement A

## Returns/Statements submitted to the Bank and Financials Institution

Financial Year: 2022-23

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,834.60	1,669.10	165.50
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,690.50	5,699.80	(9.30)
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	3,653.16	3,654.10	0.94
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,900.90	1,843.10	57.80
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,734.60	4,729.50	5.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,898.01	2,783.40	(114.61)
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,640.89	2,503.10	137.79
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,863.04	6,938.70	(75.66)
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,995.42	4,867.90	(127.52)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,913.13	2,723.00	190.13
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,312.08	6,292.30	19.78
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,793.11	4,579.40	(213.71)

### Reason for Differences

The information to the banks are sent much in advance of preparation of books of accounts for limited review/Audit. Certain estimations are made at the time of providing information to the banks.



# Statement B

## Related Party Transactions

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

### Related Party Transactions

<b>A) Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise</b>		
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd. (Applied for Strike off with MCA w.e.f March 20, 2023)	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE (Wind up approved by HFZA w.e.f Dec 8, 2022)	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	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 4, 2021)	Step down subsidiary
17	Yellowstone Chemicals Pvt. Ltd. (Merged with the Company w.e.f October 2, 2022)	Subsidiaries
18	Acetyls Holding Private Limited (Merged with the Company w.e.f October 2, 2022)	Subsidiaries
19	Laxmi USA LLC (Formation is done, Capital infusion is not yet done)	Subsidiaries
<b>B) Associates and joint ventures of the reporting enterprise</b>		
1	Cleanwin Energy One LLP	Joint Venture
<b>C) Key Management Personnel</b>		
1	Ravi Goenka (w.e.f April 3, 2023)	Executive Chairman
	Ravi Goenka (up to April 3, 2023)	Chairman & Managing Director
2	Dr. Rajan Venkatesh (w.e.f. April 3, 2023)	Managing Director & Chief Executive Officer
3	Satej Naber (up to April 3, 2023)	Chief Executive Officer & Executive director
4	Harshvardhan Goenka	Executive director
5	Rajeev Goenka	Non-Executive director
6	Rajiv Banavali (w.e.f. May 18, 2021)	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh	Independent Women Director
10	Rajeev Vaidya	Independent Director
11	Vasudeo Goenka (Deceased on December 8, 2021)	Chairman & Non-Executive Director
<b>D) Relatives of Key Management Personnel</b>		
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Manisha Goenka	
5	Niharika Goenka	
6	Vimladevi Goenka (Deceased on October 27, 2021)	

**Disclosure in accordance with Ind AS - 24 “Related Party Disclosures”, of the Companies (Indian Accounting Standards) Rules, 2015 (Contd.)**

**Related Party Transactions**

**E) Enterprises over which any person described in (C) is able to exercise control**

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	Yellowstone Chemicals Pvt. Ltd. (till October 1, 2021)
7	Acetyls Holding Private Limited (till October 1, 2021)
8	Laxmi Foundation
9	Yellowstone Clean Energy LLP
10	R R investments (w.e.f December 27, 2021)

(All figures are rupees in million unless otherwise stated)

# Statement B

## Related Party Transactions

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>2022-23</b>	-	-	10.30	-	-	10.30
	<b>2021-22</b>	-	-	(10.00)	-	-	(10.00)
Omprakash Bundellu	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(1.78)	-	-	(1.78)
<b>Guarantee Commission Income</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	(0.64)	-	-	-	-	(0.64)
Viva Lifescience Private Limited	2022-23	-	-	-	-	-	-
	2021-22	(0.64)	-	-	-	-	(0.64)
<b>Interest Income</b>	<b>2022-23</b>	146.01	-	-	-	-	146.01
	<b>2021-22</b>	(62.83)	-	-	-	-	(62.83)
Viva Lifescience Private Limited	2022-23	56.92	-	-	-	-	56.92
	2021-22	(40.90)	-	-	-	-	(40.90)
Cellbion Lifesciences Pvt. Ltd.	2022-23	0.35	-	-	-	-	0.35
	2021-22	(1.35)	-	-	-	-	(1.35)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	88.72	-	-	-	-	88.72
	2021-22	(20.54)	-	-	-	-	(20.54)
Others less than 10%	2022-23	0.01	-	-	-	-	0.01
	2021-22	(0.04)	-	-	-	-	(0.04)
<b>Interest Paid</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	-	-	(1.36)	-	-	(1.36)
Harshvardhan Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
Ravi Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
<b>Donation</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	-	-	-	-	(0.20)	(0.20)
Laxmi Foundation	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(0.20)	(0.20)
<b>Commission &amp; Other Expenses</b>	<b>2022-23</b>	0.36	-	-	-	0.82	1.18
	<b>2021-22</b>	(1.19)	(0.10)	(5.08)	-	(0.73)	(7.10)
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	0.82	0.82
	2021-22	-	-	-	-	(0.73)	(0.73)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2022-23	0.36	-	-	-	-	0.36
	2021-22	(1.19)	-	-	-	-	(1.19)
Cleanwin Energy One LLP	2022-23	-	-	-	-	-	-
	2021-22	-	(0.10)	-	-	-	(0.10)

(All figures are rupees in million unless otherwise stated)

(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
Vasudeo Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.67)	-	-	(0.67)
Harshvardhan Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(4.41)	-	-	(4.41)
<b>Reimbursement of exp charged</b>	<b>2022-23</b>	<b>78.06</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>0.21</b>	<b>78.29</b>
	<b>2021-22</b>	<b>(80.29)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.10)</b>	<b>(80.39)</b>
Cleanwin Energy One LLP	2022-23	-	0.02	-	-	-	0.02
	2021-22	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	0.21	0.21
	2021-22	-	-	-	-	(0.10)	(0.10)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	78.06	-	-	-	-	78.06
	2021-22	(57.11)	-	-	-	-	(57.11)
Laxmi Petrochem Middle East FZE	2022-23	-	-	-	-	-	-
	2021-22	(1.60)	-	-	-	-	(1.60)
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(21.58)	-	-	-	-	(21.58)
<b>Reimbursement of payment made on behalf of related party</b>	<b>2022-23</b>	<b>369.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369.13</b>
	<b>2021-22</b>	<b>(31.97)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31.97)</b>
Yellowstone Fine Chemicals Pvt Ltd	2022-23	365.63	-	-	-	-	365.63
	2021-22	(30.62)	-	-	-	-	(30.62)
Viva Lifescience Private Limited	2022-23	3.50	-	-	-	-	3.50
	2021-22	-	-	-	-	-	-
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(1.35)	-	-	-	-	(1.35)
<b>Sales</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>
	<b>2021-22</b>	<b>(4,338.79)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43.30)</b>	<b>(4,382.09)</b>
Laxmi Organic Industries (Europe) BV	2022-23	3,005.51	-	-	-	-	3,005.51
	2021-22	(2,997.49)	-	-	-	-	(2,997.49)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	2022-23	72.65	-	-	-	-	72.65
	2021-22	(4.61)	-	-	-	-	(4.61)
Saideep Traders	2022-23	-	-	-	-	-	-
	2021-22	(1.16)	-	-	-	-	(1.16)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	4.83	-	-	-	-	4.83
	2021-22	-	-	-	-	-	-
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(1,335.52)	-	-	-	-	(1,335.52)
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	31.25	31.25
	2021-22	-	-	-	-	(43.30)	(43.30)
<b>Sales of Asset</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2021-22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.31)</b>	<b>(1.31)</b>
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(1.31)	(1.31)

(All figures are rupees in million unless otherwise stated)

(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>Purchases</b>	<b>2022-23</b>	<b>515.96</b>	<b>26.53</b>	-	-	-	<b>542.50</b>
	<b>2021-22</b>	<b>(310.92)</b>	<b>(22.79)</b>	-	-	-	<b>(333.71)</b>
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(206.84)	-	-	-	-	(206.84)
Cleanwin Energy One LLP	2022-23	-	26.53	-	-	-	26.53
	2021-22	-	(22.79)	-	-	-	(22.79)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(0.12)	-	-	-	-	(0.12)
Saideep Traders	2022-23	515.96	-	-	-	-	515.96
	2021-22	(103.96)	-	-	-	-	(103.96)
<b>Sitting Fees</b>	<b>2022-23</b>	-	-	<b>3.07</b>	-	-	<b>3.07</b>
	<b>2021-22</b>	-	-	<b>(2.00)</b>	-	-	<b>(2.00)</b>
Vasudeo Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Rajeev Goenka	2022-23	-	-	0.35	-	-	0.35
	2021-22	-	-	(0.30)	-	-	(0.30)
Rajiv Banavali	2022-23	-	-	0.55	-	-	0.55
	2021-22	-	-	(0.25)	-	-	(0.25)
Omprakash Bundellu	2022-23	-	-	0.49	-	-	0.49
	2021-22	-	-	(0.38)	-	-	(0.38)
Manish Chokhani	2022-23	-	-	0.45	-	-	0.45
	2021-22	-	-	(0.35)	-	-	(0.35)
Rajeev Vaidya	2022-23	-	-	0.73	-	-	0.73
	2021-22	-	-	(0.33)	-	-	(0.33)
Sangeeta Singh	2022-23	-	-	0.51	-	-	0.51
	2021-22	-	-	(0.40)	-	-	(0.40)
<b>Director's Remuneration</b>	<b>2022-23</b>	-	-	<b>140.67</b>	-	-	<b>140.67</b>
	<b>2021-22</b>	-	-	<b>(156.05)</b>	-	-	<b>(156.05)</b>
Ravi Goenka	2022-23	-	-	92.28	-	-	92.28
	2021-22	-	-	(100.40)	-	-	(100.40)
Harshvardhan Goenka	2022-23	-	-	23.00	-	-	23.00
	2021-22	-	-	(24.29)	-	-	(24.29)
Satej Nabar	2022-23	-	-	25.39	-	-	25.39
	2021-22	-	-	(28.23)	-	-	(28.23)
Purab Dhanvantray Shah	2022-23	-	-	-	-	-	-
	2021-22	-	-	(3.13)	-	-	(3.13)
<b>Long Term Benefits</b>	<b>2022-23</b>	-	-	<b>1.88</b>	-	-	<b>1.88</b>
	<b>2021-22</b>	-	-	<b>(1.74)</b>	-	-	<b>(1.74)</b>
Ravi Goenka	2022-23	-	-	1.06	-	-	1.06
	2021-22	-	-	(0.97)	-	-	(0.97)
Harshvardhan Goenka	2022-23	-	-	0.39	-	-	0.39
	2021-22	-	-	(0.36)	-	-	(0.36)
Satej Nabar	2022-23	-	-	0.44	-	-	0.44
	2021-22	-	-	(0.41)	-	-	(0.41)

(All figures are rupees in million unless otherwise stated)

(Contd.)

<b>Related Parties Transactions</b>	<b>For the period ended</b>	<b>(A) Entities where control exists</b>	<b>(B) Associate &amp; Joint Venture</b>	<b>(C) Key Management Personnel</b>	<b>(D) Relatives of Key Management Personnel</b>	<b>(E) Enterprises over which any person described in (C) is able to exercise control</b>	<b>Total</b>
<b>Equity Investment</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	(50.00)	-	-	-	-	(50.00)
Yellowstone Specialty Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(50.00)	-	-	-	-	(50.00)
<b>Investment in Preference Share Capital</b>	<b>2022-23</b>	<b>2,372.50</b>	-	-	-	-	<b>2,372.50</b>
	<b>2021-22</b>	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt Ltd	2022-23	2,372.50	-	-	-	-	2,372.50
	2021-22	-	-	-	-	-	-
<b>Purchase of Fixed Assets</b>	<b>2022-23</b>	<b>40.90</b>	-	-	-	-	<b>40.90</b>
	<b>2021-22</b>	-	-	-	-	-	-
Viva Lifescience Private Limited	2022-23	40.90	-	-	-	-	40.90
	2021-22	-	-	-	-	-	-
<b>Loan/Advance Given</b>	<b>2022-23</b>	<b>1,245.40</b>	-	-	-	-	<b>1,245.40</b>
	<b>2021-22</b>	<b>(1,540.44)</b>	-	-	-	-	<b>(1,540.44)</b>
Viva Lifescience Private Limited	2022-23	25.20	-	-	-	-	25.20
	2021-22	(809.65)	-	-	-	-	(809.65)
Laxmi Lifesciences Pvt. Ltd.	2022-23	0.20	-	-	-	-	0.20
	2021-22	-	-	-	-	-	-
Laxmi Petrochem Middle East FZE	2022-23	-	-	-	-	-	-
	2021-22	(22.89)	-	-	-	-	(22.89)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	1,220.00	-	-	-	-	1,220.00
	2021-22	(707.90)	-	-	-	-	(707.90)
<b>Advance Given Against Service Agreement</b>	<b>2022-23</b>	<b>43.50</b>	-	-	-	-	<b>43.50</b>
	<b>2021-22</b>	-	-	-	-	-	-
Viva Lifescience Private Limited	2022-23	43.50	-	-	-	-	43.50
	2021-22	-	-	-	-	-	-
<b>Repayment of Loan/ Advance Given (including interest)</b>	<b>2022-23</b>	<b>2,156.84</b>	-	-	-	-	<b>2,156.84</b>
	<b>2021-22</b>	<b>(106.40)</b>	-	-	-	-	<b>(106.40)</b>
Viva Lifescience Private Limited	2022-23	1,194.10	-	-	-	-	1,194.10
	2022-23	(60.00)	-	-	-	-	(60.00)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	942.50	-	-	-	-	942.50
	2021-22	-	-	-	-	-	-
Laxmi Petrochem Middle East FZC	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Cellbion Lifesciences Pvt. Ltd.	2022-23	20.24	-	-	-	-	20.24
	2021-22	(46.40)	-	-	-	-	(46.40)
<b>Provision for impairment of Investment &amp; Loans and advances</b>	<b>2022-23</b>	<b>1.34</b>	-	-	-	-	<b>1.34</b>
	<b>2021-22</b>	<b>(41.17)</b>	-	-	-	-	<b>(41.17)</b>
Laxmi Lifesciences Pvt. Ltd.	2022-23	0.34	-	-	-	-	0.34
	2021-22	-	-	-	-	-	-
Yellowstone Speciality Chemicals Pvt. Ltd	2022-23	1.00	-	-	-	-	1.00
	2021-22	-	-	-	-	-	-
Laxmi Petrochem Middle East FZC	2022-23	-	-	-	-	-	-
	2021-22	(41.17)	-	-	-	-	(41.17)

(All figures are rupees in million unless otherwise stated)

(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>Dividend Paid</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>
	<b>2021-22</b>	<b>(88.35)</b>	<b>-</b>	<b>(0.32)</b>	<b>(5.46)</b>	<b>(2.35)</b>	<b>(96.48)</b>
Ravi Goenka	2022-23	-	-	0.89	-	-	0.89
	2021-22	-	-	(0.08)	-	-	(0.08)
Rajeev Goenka	2022-23	-	-	0.08	-	-	0.08
	2021-22	-	-	(0.24)	-	-	(0.24)
Manisha Goenka	2022-23	-	-	-	6.60	-	6.60
	2021-22	-	-	-	(5.08)	-	(5.08)
Aryavrat Goenka	2022-23	-	-	-	0.53	-	0.53
	2021-22	-	-	-	(0.38)	-	(0.38)
Satej Nabar	2022-23	-	-	0.07	-	-	0.07
	2021-22	-	-	-	-	-	-
Omprakash Bundellu	2022-23	-	-	0.04	-	-	0.04
	2021-22	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2022-23	123.69	-	-	-	-	123.69
	2021-22	(88.35)	-	-	-	-	(88.35)
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	3.29	3.29
	2021-22	-	-	-	-	(2.35)	(2.35)
<b>Balance Payable</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>0.05</b>
	<b>2021-22</b>	<b>(8.63)</b>	<b>(0.78)</b>	<b>(0.25)</b>	<b>-</b>	<b>(0.31)</b>	<b>(9.97)</b>
Cleanwin Energy One LLP	2022-23	-	-	-	-	-	-
	2021-22	-	(0.78)	-	-	-	(0.78)
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Rajeev Goenka	2022-23	-	-	0.02	-	-	0.02
	2021-22	-	-	-	-	-	-
Rajiv Banavali	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.25)	-	-	(0.25)
Sangeeta Singh	2022-23	-	-	0.02	-	-	0.02
	2021-22	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2022-23	-	-	-	-	-	-
	2021-22	(8.63)	-	-	-	-	(8.63)
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(0.31)	(0.31)
<b>Commission Payable to Non-Executive Directors</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>7.50</b>	<b>-</b>	<b>-</b>	<b>7.50</b>
	<b>2021-22</b>	<b>-</b>	<b>-</b>	<b>(10.00)</b>	<b>-</b>	<b>-</b>	<b>(10.00)</b>
Omprakash Bundellu	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(1.78)	-	-	(1.78)

(All figures are rupees in million unless otherwise stated)

(Contd.)

<b>Related Parties Transactions</b>	<b>For the period ended</b>	<b>(A) Entities where control exists</b>	<b>(B) Associate &amp; Joint Venture</b>	<b>(C) Key Management Personnel</b>	<b>(D) Relatives of Key Management Personnel</b>	<b>(E) Enterprises over which any person described in (C) is able to exercise control</b>	<b>Total</b>
<b>Balance Receivable</b>	<b>2022-23</b>	<b>2,736.14</b>	-	-	-	<b>12.49</b>	<b>2,748.63</b>
	<b>2021-22</b>	<b>(2,980.78)</b>	-	-	-	<b>(7.29)</b>	<b>(2,988.06)</b>
Viva Lifescience Private Limited	2022-23	185.11	-	-	-	-	185.11
	2021-22	(1,259.27)	-	-	-	-	(1,259.27)
Laxmi Speciality Chemicals (Shangai) Co. Ltd.	2022-23	51.96	-	-	-	-	51.96
	2021-22	(0.81)	-	-	-	-	(0.81)
Laxmi Organic Industries (Europe) BV	2022-23	633.39	-	-	-	-	633.39
	2021-22	(525.85)	-	-	-	-	(525.85)
Cellbion Lifesciences Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(21.46)	-	-	-	-	(21.46)
Saideep Traders	2022-23	40.67	-	-	-	-	40.67
	2021-22	(126.66)	-	-	-	-	(126.66)
Laxmi Petrochem Middle East FZE	2022-23	-	-	-	-	-	-
	2021-22	(40.07)	-	-	-	-	(40.07)
Laxmi Lifesciences Pvt. Ltd.	2022-23	0.24	-	-	-	-	0.24
	2021-22	(0.03)	-	-	-	-	(0.03)
Yellowstone Fine Chemicals Pvt Ltd	2022-23	1,817.76	-	-	-	-	1,817.76
	2021-22	(1,006.63)	-	-	-	-	(1,006.63)
Ravi Goenka Trustee of Yellowstone Trust	2022-23	7.01	-	-	-	-	7.01
	2021-22	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	10.29	10.29
	2021-22	-	-	-	-	(5.08)	(5.08)
Pedestal Finance & Trading Pvt. Ltd.	2022-23	-	-	-	-	2.20	2.20
	2021-22	-	-	-	-	(2.20)	(2.20)
<b>Provision for receivables</b>	<b>2022-23</b>	<b>1.34</b>	-	-	-	-	<b>1.34</b>
	<b>2021-22</b>	<b>(41.17)</b>	-	-	-	-	<b>(41.17)</b>
Laxmi Lifesciences Pvt. Ltd.	2022-23	0.34	-	-	-	-	0.34
	2021-22	-	-	-	-	-	-
Yellowstone Speciality Chemicals Pvt. Ltd	2022-23	1.00	-	-	-	-	1.00
	2021-22	-	-	-	-	-	-
Laxmi Petrochem Middle East FZC	2022-23	-	-	-	-	-	-
	2021-22	(41.17)	-	-	-	-	(41.17)
<b>Standby Letters of Credit issued by the Company's banker to the bankers of WOS:</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>2021-22</b>	<b>(79.58)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79.58)</b>
Laxmi Petrochem Middle East FZE	2022-23	-	-	-	-	-	-
	2021-22	(79.58)	-	-	-	-	(79.58)

**Note:**

The above transactions does not include provision provided for Commission to Non-executive directors and performance based incentive to Key Management Personal.



(All figures are rupees in million unless otherwise stated)

# Statement C

## Analytical Ratios

### Financial Year 2022-2023

Sr. No.	Ratio	Numerator/ Denominator	Ratio (2022-23)	Ratio (2021-22)	% of Variation	Reason for variance
1	Current ratio	$\frac{\text{Current Asset}}{\text{Current Liabilities}}$	1.52	1.62	(6.06)	
2	Debt-Equity ratio	$\frac{\text{Total Debts}}{\text{Shareholders Equity}}$	0.26	0.08	237.57	The Company only had a long term ECB at the end of FY22. In Sep 2022 the Company borrowed INR 500 million and then in Dec 22 the Company borrowed another 900 million. Both these were partially reimbursement and partially for new Capex.
3	Debt Service Coverage ratio	$\frac{\text{Earnings available for debt service*}}{\text{Debt Service}}$	7.95	1.99	299.99	The new debt taken only has interest payable while there is a moratorium on repayment.
4	Return on Equity ratio (ROE)	$\frac{\text{Net Profits after taxes – Preference Dividend}}{\text{Average Shareholder's Equity}}$	9.97%	18.66%	(46.55)	Given the deflationary commodity cycle the top line and consequently the bottom line are impacted resulting in a lower ROE.
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods sold}}{\text{Average Inventory}}$	6.30	8.01	(21.42)	The volumes have increased and hence the average inventory has increased while a combination of domestic procurement and lower prices have reduced cost of goods sold.
6	Trade Receivables turnover ratio	$\frac{\text{Revenue}}{\text{Average Accounts Receivable}}$	4.62	5.70	(18.87)	A drop in sale prices has reduced revenue while longer contracts have increased receivable days. Overall days of sales outstanding is stable.
7	Trade payables turnover ratio	$\frac{\text{Purchases}}{\text{Average Trade Payables}}$	3.39	4.00	(15.21)	Higher domestic purchases have increased average trade payables as the payable period is shorter but that is at a better price.
8	Net capital turnover ratio	$\frac{\text{Revenue}}{\text{Average working capital}}$	5.89	5.29	11.48	Average working capital value has reduced in line with revenue. Number of days is almost flat.
9	Net profit ratio	$\frac{\text{Net Profit after Tax}}{\text{Revenue}}$	5.01%	8.33%	(39.78)	The lower commodity prices have impacted top and bottom lines while the fixed cost as a % of revenue is almost flat.
10	Return on Capital employed (ROCE)	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed**}}$	11.09%	21.81%	(49.13)	The two large projects capitalised in Unit 2 will start generating full year profits from FY24. This along with lower commodity process has impacted the ROCE.
11	Return on Investment (ROI)	$\frac{\text{Income generated from Investments}}{\text{Time weighted average investments}}$	4.73%	2.56%	84.77	Computed only for treasury investment in mutual fund. Rest of the investments in subsidiaries and associates are strategic and non treasury.

\*Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

\*\*Tangible net worth + deferred tax liabilities + Lease Liabilities.

# Independent Auditor's Report

To  
The Members of  
**Laxmi Organic Industries Limited**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying Consolidated Financial Statements of Laxmi Organic Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("IndAS")

and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, consolidated profit (including Consolidated Other Comprehensive Income), Consolidated Statement of changes in equity and its consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Sr. No.	Key Audit Matter	Auditors' Response
1.	<p><b>Assessment of Accounting pursuant to Scheme approval by NCLT for merger of Acetyls Holding Private Limited (AHPL) and Yellowstone Chemicals Private Limited (YCPL) with Laxmi Organic Industries Limited (LOIL)</b></p> <p>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 has been filed with the Registrar of Companies on September 30, 2022, to make the Scheme effective. The Appointed date of the Scheme is October 2, 2021.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"><li>• We obtained and read the documents filed by the Company with the Registrar of Companies, including the NCLT order with respect to the merger of AHPL and YCPL and transfer of business to the Company based on which the Scheme became effective;</li><li>• Tested the underlying workings prepared by management for merger of AHPL and YCPL including the workings prepared for restatement of comparative figures for previous year as required by Appendix C to Ind AS 103;</li><li>• Tested the underlying workings prepared by management for transfer of assets and liabilities at its carrying values pertaining to business as per the Scheme;</li><li>• Assessed accounting in accordance with Scheme and as per applicable accounting standards which includes the following;</li></ul>

Sr. No.	Key Audit Matter	Auditors' Response
		<ul style="list-style-type: none"> <li>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.</li> <li>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 2, 2021.</li> <li>Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 2, 2021 as required by Appendix C of Ind AS 103 "Business Combination".</li> </ul> <p>Assessed the disclosures in the standalone Ind AS Financial Statements for compliance with disclosure requirements.</p>
2.	<p><b>Realizability of Carrying value of Insurance claim recognized in the earlier period;</b></p> <p>The specialty intermediates unit at Mahad suffered unprecedented flooding in July 2021 resulting in the plant being shut down for a period of 70 days.</p> <p>The Insurance survey has still not been concluded and loss assessment and insurance survey are underway as on the Balance Sheet date.</p> <p>The Company based on the Coverage and the Insurance conditions has accrued the claim receivable from the Insurance Company of ₹ 469.25 million.</p> <p>This amount was accrued in the previous year and no adjustment has been made to the same.</p>	<p><b>Our audit procedure related to insurance claim receivable included the following among the others,</b></p> <ul style="list-style-type: none"> <li>We tested the effectiveness of controls relating to quantification of inventory loss due to flood, by carrying out Physical verifying the inventory and assets at the Plant post the event in the previous year,</li> <li>We tested the effectiveness of controls relating to identification of expenditure accounted as flood related expenses for materials, repairs and capital items.</li> <li>Enquired with the management about the Insurance coverage and insurance conditions along with the status of the claim.</li> <li>We have enquired from time to time with the management on the recoverability of the claim and its quantification by the surveyor and the insurance Company The Management has shared the communications with the surveyor on the status of the claim.</li> <li>Reviewed the submission of the various documents to the surveyor by the Company and the mails exchanged.</li> <li>Reviewed the correspondence from the surveyor which does not indicate whether there is any concern regarding the claim under the policy and that the surveyor would shortly be submitting the final survey report to the Insurance Company.</li> <li>Obtained assertion from the management about the correctness and completeness of the insurance claim.</li> </ul> <p>On the basis of above, we have relied on the assertion of the management for the correctness of the accrual and realizability of the insurance claim receivable as at March 31, 2023.</p>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the Standalone and Consolidated Financial Statements and our Independent Auditors' Report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Consolidated Other Comprehensive Income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

1. identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## OTHER MATTERS

- a. We did not audit the Financial Statements of five subsidiaries, whose Financial Statements reflect total assets of ₹ 5,071.49 million as at March 31, 2023, total revenue of ₹ 1,783.75 million and net cash inflows amounting to ₹ 12.76 million for the year ended on that date, as considered in the preparation of the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b. We did not audit the Financial Statements of three subsidiaries whose Financial Statements reflect total assets of ₹ 1,679.07 million, total revenue of ₹ 4,596.53 million and net cash inflows of ₹ 74.33 million for the year ended on that date. These Financial Statements, which have been audited by other auditors, were not prepared in accordance with the Ind AS. The management of the Company has furnished us details of Ind AS adjustments that are required in case of these financials so as to make these Financial Statements fit for consolidation. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors, review of INDAS adjustments by us and management certification.
- c. We did not audit the Financial Statements of one foreign subsidiaries whose Financial Statements reflects total assets of ₹ 0.72 million, total revenue of ₹ 2.33 million and net cash outflows of ₹ (1.90) million for the year ended on that date. These Financial Statements, of the immaterial subsidiaries, have been prepared by the management for consolidation purposes and incorporated in these Consolidated Financial Statements on the basis of the management certification on which we have not carried out any audit procedures. Our report is not modified on this account.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of The Companies Act, 2013, we give in the attached Annexure A a statement of the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts, workings and records maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d. In our opinion, the Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated Financial Statements.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group, and its associate – Refer Note 27 to the Consolidated Financial Statements.

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

iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

security, or the like on behalf of the Ultimate Beneficiaries

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

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

v. In respect of final dividend proposed in the previous year, declared and paid by the Company during the year, the same is in compliance with Section 123 of the Companies Act, 2013

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Nuzhat Khan**  
Partner  
M. No.: 124960  
UDIN: 23124960BGVGDC3181

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Annexure A

## To the Independent Auditors' Report on the Consolidated Financial Statements of Laxmi Organic Industries Limited

As required by clause 3(xxii) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements, we report herein below in the table qualifications/adverse reporting by the auditors.

S. No.	Name of the Company/CIN	Relationship Holding/Subsidiary/ Associate/Joint Venture	Clause number of the Caro report which is qualified or adverse.
1	Laxmi Organic Industries Limited CIN - L24200MH1989PLC051736	Holding	i(c), iii(e), vii(a), ix(d)

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

**Nuzhat Khan**  
Partner  
M. No. 124960  
UDIN: 23124960BGGVDC3181

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Annexure B to The Auditors' Report

## Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements (Financial Statements) of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Financial Statements of **Laxmi Organic Industries Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries which are companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company and its Subsidiaries which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with

reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Financial Statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS.

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



## OPINION

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to Financial Statements of subsidiaries, which are companies incorporated in India, are based on the corresponding reports of the auditor of such companies.

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

**Nuzhat Khan**  
Partner  
M. No. 124960  
UDIN: 23124960BGGVDC3181

**Place:** Mumbai,  
**Dated:** May 12, 2023

# Consolidated Balance Sheet as at March 31, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3.1	7,056.56	3,715.86
(b) Capital work-in-progress	3.3	4,470.62	3,737.76
(c) Goodwill on Consolidation		-	-
(d) Other intangible assets	3.2	4.48	7.63
(e) Right-of-use assets	3.4	84.91	62.52
<b>(f) Financial assets</b>			
(i) Investment	4.1	27.62	12.50
(ii) Trade receivables	4.2	-	-
(iii) Loans		-	-
(iv) Others	4.5	103.54	102.57
(g) Deferred tax assets	11	-	-
(h) Other non-current assets	5	206.82	125.73
		<b>11,954.55</b>	<b>7,764.58</b>
<b>(2) Current assets</b>			
(a) Inventories	6	2,942.14	3,738.09
<b>(b) Financial assets</b>			
(i) Investment	4.1	200.12	40.00
(ii) Trade receivables	4.2	5,702.47	6,684.24
(iii) Cash and cash equivalents	4.4	810.14	336.12
(iv) Bank balance other than (iii) above	4.4	498.40	1,486.41
(v) Loans		-	12.07
(vi) Others	4.5	713.58	750.12
(c) Other current assets	5	1,300.60	1,682.99
		<b>12,167.45</b>	<b>14,730.04</b>
<b>Total assets</b>		<b>24,122.00</b>	<b>22,494.61</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	530.35	527.33
(b) Other Equity	8	13,587.35	12,371.17
		14,117.70	12,898.50
(c) Non-controlling interest	8	6.14	3.68
<b>Total Equity</b>		<b>14,123.84</b>	<b>12,902.18</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	9.1	1,303.40	21.66
(ii) Lease liability	9.2	81.22	43.69
(b) Provisions	10	40.59	39.28
(c) Deferred tax liabilities	11	271.77	167.54
(d) Other non-current liabilities	12	-	-
		<b>1,696.98</b>	<b>272.17</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	13	2,666.31	1,311.51
(ii) Lease liability	9.2	6.26	14.42
(iii) Trade payables	14	-	-
- total outstanding dues of micro and small enterprise	14	69.55	147.76
- total outstanding dues of other than micro and small enterprise	14	4,593.79	6,968.87
(iv) Other financial liabilities	9.3	482.98	481.45
(b) Other current liabilities	12	352.95	123.30
(c) Provisions	10	129.34	125.54
(d) Current tax liabilities (net)	15	-	147.41
		<b>8,301.18</b>	<b>9,320.26</b>
<b>Total equity and liabilities</b>		<b>24,122.00</b>	<b>22,494.61</b>

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

For **Natvarial Vepari & Co.**  
Chartered Accountants  
Firm Registration No.: 106971W

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058

**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805

# Consolidated Statement of Profit & Loss for the year ended March 31, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I) INCOME:</b>			
Revenue from operations (gross)	16	27,966.43	30,842.66
Other income	17	120.53	147.90
<b>Total income (I)</b>		<b>28,086.96</b>	<b>30,990.56</b>
<b>II) EXPENSES:</b>			
Cost of raw materials consumed	18	16,677.64	18,416.27
Purchase of traded goods	19	1,648.23	3,573.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	226.37	(733.63)
Employee benefits expense	21	1,159.01	1,244.37
Finance cost	22	112.58	154.83
Depreciation & amortisation	23	724.12	481.80
Other expenses	24	5,809.88	4,665.04
<b>Total expenses (II)</b>		<b>26,357.83</b>	<b>27,801.99</b>
<b>III) Profit before share of profit/(loss) of associate/joint venture and exceptional items</b>		<b>1,729.13</b>	<b>3,188.57</b>
Share of profit/(loss) of joint venture/associates		-	-
<b>IV) Profit before exceptional items and tax</b>		<b>1,729.13</b>	<b>3,188.57</b>
<b>V) Exceptional items</b>		<b>-</b>	<b>-</b>
<b>Profit before tax (IV+V)</b>		<b>1,729.13</b>	<b>3,188.57</b>
Tax expense	25	483.01	614.39
1. Current tax		378.77	655.18
2. Deferred tax liability/(asset)		104.24	13.92
3. Income tax (excess)/short provision of previous year		-	(54.71)
<b>Profit for the period from continuing operations</b>		<b>1,246.12</b>	<b>2,574.18</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit (net of tax)		3.85	(11.08)
<b>Total other comprehensive income, net of tax</b>		<b>3.85</b>	<b>(11.08)</b>
<b>Total comprehensive income for the year</b>		<b>1,249.97</b>	<b>2,563.10</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		1,245.72	2,573.34
Non-controlling interest		0.40	0.84
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		3.85	(11.08)
Non-controlling interest		-	-
<b>Earnings per equity share (face value of share ₹ 2/- each)</b>			
Basic (₹)	26	4.70	9.76
Diluted (₹)	26	4.67	9.62

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**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, 2023

(All figures are rupees in million unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>			
Profit/(Loss) before exceptional items and tax		1,729.13	3,188.57
Adjustments for:		-	-
Depreciation and amortisation expense		724.12	481.02
(Profit)/loss on sale/write off of assets		(0.33)	(0.04)
Interest Expense		105.45	53.61
Unwinding of lease Liability		5.25	-
Interest on direct tax		1.87	9.22
Interest income		(81.61)	(112.90)
Amortisation of upfront fees		-	11.76
Provision/(reversal) of expected credit loss		62.21	90.17
Profit on sale of investments		(6.96)	(5.62)
MTM on Financial Asset held as FVTPL		(0.13)	(2.13)
Sundry balances written back		(15.02)	-
Net unrealised exchange (gain)/loss		(13.23)	-
ESOP compensation cost		114.17	231.32
<b>Total of non cash adjustments</b>		<b>895.78</b>	<b>756.41</b>
<b>Operating profit/(loss) before changes in working capital</b>		<b>2,624.92</b>	<b>3,944.98</b>
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Inventories		795.95	(1,234.26)
Trade receivables		919.56	(2,018.74)
Financial assets		76.27	(423.21)
Non financial assets		322.71	(365.94)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payable		(2,438.17)	1,341.13
Financial liabilities		0.19	(20.63)
Non financial liabilities		229.65	(42.04)
Provisions		(39.09)	32.23
<b>Total of changes in working capital</b>		<b>(132.93)</b>	<b>(2,731.46)</b>
<b>Cash generated from operations</b>		<b>2,491.99</b>	<b>1,213.52</b>
Net income tax (paid)/refunds		(501.41)	(563.62)
<b>Net cash flow from operating activities (A)</b>		<b>1,990.58</b>	<b>649.90</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on property plant and equipment		(4,758.93)	(2,891.33)
Proceeds from sale of property plant and equipment		1.45	8.47
Payment for Business Purchase		-	(400.10)
Movement in other bank balances		988.01	3,741.28
Loan Repaid		12.07	(12.07)
Equity Investments/Contribution in subsidiaries		(15.12)	

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of investments		(10,049.50)	(10,355.00)
Sale of investments		9,896.47	10,340.61
Interest received		84.42	114.20
<b>Net cash flow used in investing activities (B)</b>		<b>(3,841.12)</b>	<b>546.06</b>
<b>C. Cash flow from financing activities</b>			
Non-controlling interest		2.46	(3.70)
Proceeds from issue of share capital (including securities premium)		93.75	-
Proceeds from long term borrowings		1,400.00	-
Repayment of long term borrowings		(99.76)	(1,365.15)
Net proceeds from short term borrowings		1,331.93	332.05
Interest paid		(188.92)	(39.62)
Lease liabilities:			
Principal		(24.08)	(25.46)
Interest		(5.25)	(5.19)
Dividends paid		(185.57)	(131.83)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>2,324.56</b>	<b>(1,238.90)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>474.02</b>	<b>(42.94)</b>
Cash and cash equivalents at the beginning of the year		336.12	166.16
Addition on account of Business Purchase			(212.90)
Cash and cash equivalents at the end of the year		810.14	336.12
		<b>474.02</b>	<b>(42.94)</b>
<b>Components of Cash and Cash Equivalents</b>			
Cash on hand		2.97	3.50
Balances with bank		407.17	332.62
Fixed Deposit (Original maturity within 3 months)		400.00	-
<b>Total Balance</b>		<b>810.14</b>	<b>336.12</b>

**Notes:**

Figure in brackets denote outflows.

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.**

In terms of our report attached.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058

**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805

# Consolidated Statement of Changes in Equity

for the period ended March 31, 2023

(All figures are rupees in million unless otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023			As at March 31, 2022		
	Number of shares	Face value	₹	Number of shares	Face value	₹
Opening balance	26,36,62,773	2	527.33	26,36,62,773	2	527.33
Fresh issue of shares	15,13,435	-	3.02	-	-	-
<b>Closing balance</b>	<b>26,51,76,208</b>	<b>2</b>	<b>530.35</b>	<b>26,36,62,773</b>	<b>2</b>	<b>527.33</b>

## B) OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Securities 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, 2021</b>	<b>4,900.82</b>	<b>9.55</b>	<b>4,765.85</b>	<b>49.01</b>	<b>50.29</b>	<b>(3.33)</b>	<b>46.36</b>	<b>-</b>	<b>9,818.56</b>	<b>4.54</b>
Profit for the year	2,574.19	-	-	-	-	-	-	-	2,574.19	0.84
Dividend Paid	(131.83)	-	-	-	-	-	-	-	(131.83)	-
Reversal of IPO Issue expenses now not payable	-	-	14.38	-	-	-	-	-	14.38	-
Effects of merger*	-	-	-	-	-	-	-	(118.69)	(118.69)	-
Offer Expenses	-	-	-	-	-	-	-	-	-	-
Re-measurement of net defined benefit plans	(11.08)	-	-	-	-	-	-	-	(11.08)	-
ESOP Compensation Cost	-	-	-	-	-	-	231.32	-	231.32	-
NCI drawing/infusion of capital	-	-	-	-	-	-	-	-	-	(1.70)
Changes due to prior period- Refer Note(32)	-	-	-	-	-	-	-	-	-	-
Effects of Foreign Exchange	-	-	-	-	-	(5.68)	-	-	(5.68)	-
<b>Balance as at March 31, 2022</b>	<b>7,332.11</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>12,371.17</b>	<b>3.68</b>
Changes due to prior period- Refer Note(40)	(36.32)	-	-	-	-	-	-	-	(36.32)	-
<b>Restated 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
Remeasurement of net defined benefit plans	3.85	-	-	-	-	-	-	-	3.85	-
On Allotment pursuant to exercise of ESOP by Employees	-	-	90.71	-	-	-	-	-	90.71	-
ESOP compensation cost	-	-	-	-	-	-	114.17	-	114.17	-
Effects of Foreign Exchange	-	-	-	-	-	(12.33)	-	-	(12.33)	-
Reversal of IPO Issue expenses now not payable*	-	-	-	-	-	-	-	-	-	-
NCI drawing/infusion of capital	-	-	-	-	-	-	-	-	-	2.05
Capital Reserve-Deconsole	-	(4.05)	-	-	-	-	-	-	(4.05)	-
Transfer on exercise of ESOP by employees	-	-	139.08	-	-	-	(139.08)	-	-	-
Dividend Paid	(185.57)	-	-	-	-	-	-	-	(185.57)	-
<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>

(i) \*The assets and liabilities of the amalgamating Company YCPL has been accounted at their carrying values as per their Financial Statements in the books of the Company. The difference between the value of investments of AHPL and YCPL and the aforesaid net assets and liabilities at carrying value has been accounted as Negative Capital Reserve/ Amalgamation Adjustment Deficit Account as per the Appendix C of on IndAS 103- Business Combination. Refer Note 7(K).

(ii) \*\*During the previous year, there has been a saving in the original estimate of IPO issue expenses in previous which is reversed in the ratio of Offer For Sale and fresh issue. The Company's share of issue expenses of ₹ 14.38 million originally debited to securities premium is now reversed.

(iii) Non Controlling Interest represents other partners in Saideep Traders a partnership firm in which the Company has controlling Interest.

Remeasurement of net defined benefit plans forms part of retained earnings.

As per our report of even date

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

**Nuzhat Khan**  
Partner  
M.No.: 124960

**Place:** Mumbai  
**Date:** May 12, 2023

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 12, 2023

**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 12, 2023.

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, 2023 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, 2023 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 12, 2023.

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 Million, except otherwise indicated.

### 2. Principles of consolidation:

The consolidated Financial Statements relate to Laxmi Organic Industries Limited and its subsidiary companies (referred to as Group), and its associates and its joint ventures. The consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard - 110 “Consolidated Financial Statements”, Indian Accounting Standard - 28 “Investment in Associate and Joint Ventures” of the Companies (Indian Accounting Standard) Rules 2015. The consolidated Financial Statements have been prepared on the following basis: -

The Financial Statements of the group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These Financial Statements are prepared by applying uniform accounting policies in use at the group. Non-controlling interests which represent part of the net profit or loss and net assets of a subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

The consolidated Financial Statements comprises of the Financial Statements of the Company and its subsidiaries as at March 31, 2023. 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, 2023.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of profit and loss, Consolidated Statement of changes in equity and balance sheet, respectively.

Associates are entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 "Investment in Associate and Joint Venture". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The

group's investment in associates includes goodwill identified on acquisition.

The difference between the cost to the Company of its investments in the subsidiary/associates/joint ventures over the Company's portion of equity is recognized in the financial statement as goodwill on consolidation or capital reserve.

"Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations: The group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings.

Joint ventures: Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### 3. The list of subsidiary companies, associates and joint ventures included in consolidation and Company's holding therein are as under:

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
1.	Laxmi Organic Industries (Europe) BV	Subsidiary	100%	Europe
2.	Laxmi Petrochem Middle East FZE (up to December 8, 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
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 9, 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 IndAS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Financial Statements.

### Judgments:

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

#### a. Income taxes:

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

#### b. Defined benefit plans (gratuity benefits):

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

#### c. Useful lives of property, plant and equipment

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

#### d. Impairment of property, plant and equipment

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

#### e. Inventories

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

#### f. Recognition and measurement of other provisions

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

## 3. Recent pronouncements

Ministry of corporate affairs (MCA) notifies new standard or amendments to the existing standards under 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 1, 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 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 derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

- Long-term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- Capital work-in-progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.
- Borrowing costs on property, plant and equipment’s are capitalised when the relevant recognition criteria specified in Ind AS 23 “Borrowing Costs” is met.
- Decommissioning costs, if any, on property, plant and equipment are estimated at their present value and capitalised as part of such assets.
- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.
- Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.
- The property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind AS 101 “First-time Adoption of Indian Accounting Standards” at previous GAAP carrying value.

**c) Intangible assets:**

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

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

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

Intangible assets without finite life are tested for impairment at each balance sheet date and impairment provision, if any are debited to profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.

**d) Depreciation methods, estimated useful lives and residual value**

Depreciation on all assets of the Company is charged on written down value over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 except in case of property plant and equipment of distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per useful life of assets mentioned in Schedule II to the Companies Act, 2013.

Lease hold land is amortized over the period of lease.

**e) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

**f) Impairment of non-financial Assets:**

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value.

An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

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

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

**g) Inventories:**

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

**i. Raw materials and packing materials:**

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

**ii. Work-in-process:**

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

**iii. Finished goods & semi-finished goods:**

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

**iv. Stores and spares:**

Stores and spare parts are valued at lower of purchase costs and net realisable value. The cost is determined based on weighted average method

**v. Traded goods:**

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

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks, which are short-term, highly

liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **i) Equity investment**

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

#### **j) Foreign currency translation:**

The Company's Financial Statements are presented in INR, which is also the Company's functional currency.

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

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

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

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

#### **k) Provisions, contingent liabilities and contingent assets**

##### **A. i. Provisions**

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

##### **B. ii. 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. iii. Contingent assets**

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

##### **l) Onerous contracts:**

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

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

The Company accounts for the benefits of Employee share based payment plan in accordance with Ind AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in Ind AS 101 first time adoption.

##### **n) Fair value measurement**

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

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

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

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

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

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

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

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

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

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

#### o) Financial instruments

##### A. Financial assets:

###### i. Initial recognition and measurement

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

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

###### ii. Subsequent measurement

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

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

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

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

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the

instrument prior to its contractual maturity to realize its fair value changes).

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.
- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

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

###### iii. Derecognition of financial instruments

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### iv. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the financial assets measured at amortized cost.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the

Company reverts to recognizing impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## B. Financial liabilities

### i. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

### iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to

reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

#### v. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### vi. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### C. Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under IND AS 109 are recognised in the statement of profit and loss.

#### p) Revenue recognition

##### A. 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 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to

be reported under Ind AS 18. Significant accounting policies – revenue recognition in the annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The adoption of Ind AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to sale of chemicals or rendering of services to the customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of job work services given by the Company to the customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and customer category.

Use of significant judgements in revenue recognition:

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

#### B. Other operating income/other income

- i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.
- ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.
- iii. Revenue in respect of insurance/other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.
- iv. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- v. Dividend income is recognised when the right to receive the same is established.
- vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the income statement.
- vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial

instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

- viii. Financial guarantee income: Under Ind AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the statement of profit and loss.
- ix. Insurance 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 recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
2. Net interest expense or income.



### Long-term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

### Termination benefits

Termination benefits are payable as a result of the Company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within twelve months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

### r) Taxes:

Tax expenses comprise current tax and deferred tax:

#### i. Current tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ii. Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no

longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred/current tax is also recognised in OCI or equity.

#### iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

### s) Leases

#### As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or

the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. the Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

#### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

#### **t) Research and development:**

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment/intangible assets.

#### **u) Earnings per share:**

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **v) Dividend distribution**

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

#### **w) Trade payables & Trade receivables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

#### **x) Government grants**

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

- a. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the statement of profit and loss in a systematic basis over the expected life of the related assets and presented within other income.
- b. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

#### **y) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

(All figures are rupees in million unless otherwise stated)

## 3.1 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	Tangible Total
<b>As at April 1, 2021</b>	-	29.37	654.68	240.82	3,885.39	58.00	20.63	27.39	59.42	22.31	4,998.02
On account of Business Combination (Refer Note (a) below)		23.59	24.10	4.27	169.78	1.14	1.69	1.13	-	-	225.70
Additions		186.89	57.68	1.84	560.01	1.25	2.26	8.33	36.32	-	854.58
Disposals/Adjustments		-	-	-	(24.48)	-	-	-	(16.07)	-	(40.54)
Exchange Flucation								(0.14)			(0.14)
<b>As at March 31, 2022</b>	-	239.85	736.47	246.93	4,590.70	60.39	24.58	36.71	79.67	22.31	6,037.62
Additions	1,058.13	15.89	765.08	-	2,219.00	12.53	1.28	2.12	-	-	4,074.03
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)
Exchange Flucation								(0.17)			(0.17)
<b>As at March 31, 2023</b>	1,058.13	254.32	1,485.01	246.93	6,681.48	72.69	25.85	38.49	79.67	22.31	9,964.89
<b>Depreciation</b>											
<b>As at April 1, 2021</b>	-	2.77	170.51	66.50	1,491.08	33.53	15.32	20.06	33.95	10.56	1,844.28
On account of Business Combination (Refer Note (a) below)	-	0.68	3.89	0.60	45.65	0.25	0.45	0.77	-	-	52.29
Charge for the year	-	2.07	47.30	10.39	370.98	6.29	2.69	5.81	10.38	1.50	457.42
Disposals/adjustments	-	-	(17.74)	-	-	-	-	(0.12)	(14.37)	-	(32.23)
<b>As at March 31, 2022</b>	-	5.52	221.70	77.49	1,889.97	40.07	18.46	26.53	29.96	12.06	2,321.76
Charge for the year	-	2.62	85.01	9.84	561.93	4.92	2.39	5.24	15.40	1.31	688.66
Disclosed under other financial assets (Refer Note-1.5)	-	-	(9.58)	-	(91.72)	(0.20)	(0.01)	(0.15)	-	-	(101.66)
Disposals/adjustments	-	(0.31)	-	-	-	-	-	-	-	-	(0.31)
Exchange Flucation								(0.12)			(0.12)
<b>As at March 31, 2023</b>	-	7.83	297.13	87.33	2,360.18	44.79	20.85	31.50	45.36	13.36	2,908.33
<b>NET BLOCK</b>											
<b>As at March 31, 2022</b>	-	234.33	514.76	169.44	2,700.74	20.32	6.11	10.18	49.71	10.26	3,715.86
<b>As at March 31, 2023</b>	1,058.13	246.48	1,187.88	159.61	4,321.30	27.91	5.00	6.99	34.31	8.95	7,056.56

(a) Refer Note 7(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 2, 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 2, 2021 in the books of the transferor Company.

(All figures are rupees in million unless otherwise stated)

**(b) Details of immovable property which are not in the name of the Company:**

The title deeds of all immovable transferred under the scheme are yet to be transferred in the name of the Company as at March 31, 2023 as per detailed hereunder:

<b>Class of Asset</b>	<b>Description of item of property</b>	<b>Gross Block</b>	<b>Title deeds held in the name of</b>	<b>Property held since which date</b>	<b>Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director</b>	<b>Reason for not being held in the name of the Company</b>
Land under lease	Land Colony	2.69	Yellowstone	NCLT Order		Acquisition
Land under lease	Land Factory	20.90	Chemicals Private Limited	Date- August 25, 2022 Appointed Date- October 2, 2021	NA	on business combination vide NCLT Order. Name transfer process has been initiated
Land under lease	Land Factory	13.60				
<b>Total</b>		<b>37.18</b>				

- (c) During the year, the Company has purchased land and building for its expansion plans. The building which requires modification and changes for making them ready for its intended use are taken to CWIP.
- (d) Depreciation on assets used in connection with the expansion plans are charged to CWIP as project expenses pending allocation ₹ 1.14 million.

(All figures are rupees in million unless otherwise stated)

**3.2 Intangible asset**

Class of Assets	Intangibles - Softwares	Total
<b>Cost</b>		
As at April 1, 2021	22.42	22.42
Additions	3.21	3.21
Disposals/adjustments	-	-
<b>As at March 31, 2022</b>	<b>25.63</b>	<b>25.63</b>
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>
<b>Depreciation</b>		
As at April 1, 2021	12.87	12.87
Charge for the year	5.13	5.13
Disposals/adjustments	-	-
<b>As at March 31, 2022</b>	<b>18.00</b>	<b>18.00</b>
Charge for the year	3.65	3.65
Transfer to other Receivables	(0.08)	(0.08)
Disposals/adjustments	-	-
<b>As at March 31, 2023</b>	<b>21.57</b>	<b>21.57</b>
<b>NET BLOCK</b>		
<b>As at March 31, 2022</b>	<b>7.63</b>	<b>7.63</b>
<b>As at March 31, 2023</b>	<b>4.48</b>	<b>4.48</b>

**3.3 Capital work-in-progress**

Particulars	Opening balance	Addition on account of business combination	Addition during the year	Capitalized during the year	Closing balance
March 31, 2023	3,737.76	-	4,982.07	4,249.21	4,470.62
March 31, 2022	1,479.28	76.47	2,716.46	534.45	3,737.76

**(a) CWIP Ageing Schedule**

As at March 31, 2023

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	3,537.94	-	3,537.94
1-2 years	783.66	-	783.66
2-3 years	148.95	-	148.95
More than 3 years	-	-	-
<b>Total</b>	<b>4,470.56</b>	<b>-</b>	<b>4,470.56</b>

As at March 31, 2022

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	2,637.78	-	2,637.78
1-2 years	693.74	-	693.74
2-3 years	406.03	-	406.03
More than 3 years	0.21	-	0.21
<b>Total</b>	<b>3,737.76</b>	<b>-</b>	<b>3,737.76</b>

(All figures are rupees in million unless otherwise stated)

**(b) Details of Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan**  
As at March 31, 2023

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-22-01	67.55	-	-	-	67.55
LOIL-22-02	66.21	-	-	-	66.21
LOIL-22-03	62.56	-	-	-	62.56
LOIL-22-05	37.82	-	-	-	37.82
LOIL-22-06	35.06	-	-	-	35.06
LOIL-22-07	34.51	-	-	-	34.51
LOIL-22-08	33.70	-	-	-	33.70
LOIL-22-09	30.38	-	-	-	30.38
LOIL Others (Individually less than 5%)	224.19	2.14	-	-	226.32
YFCPL Project 01	3,732.11	-	-	-	3,732.11
<b>Total</b>	<b>4,324.08</b>	<b>2.14</b>	<b>-</b>	<b>-</b>	<b>4,326.22</b>

**As at March 31, 2022**

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
LOIL-21-14	875.08	-	-	-	875.08
LOIL-21-23	420.32	-	-	-	420.32
LOIL-21-02	83.99	-	-	-	83.99
LOIL Others (Individually less than 5%)	280.79	--	-	-	280.79
YFCPL Project 01	-	818.97	-	-	818.97
<b>Total</b>	<b>1,660.18</b>	<b>818.97</b>	<b>-</b>	<b>-</b>	<b>2479.15</b>

**3.4 Right-of-use asset**

Class of Assets	Right of Use		Total
	Building	Land(*)	
<b>Cost</b>			
As at April 1, 2021	63.40	86.83	150.23
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>63.40</b>	<b>86.83</b>	<b>150.23</b>
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>
<b>Depreciation</b>			
As at April 1, 2021	37.00	25.16	62.16
Charge for the year	18.11	7.45	25.56
Disposals/adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>55.11</b>	<b>32.61</b>	<b>87.72</b>
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>30.82</b>	<b>104.13</b>
<b>NET BLOCK</b>			
<b>As at March 31, 2022</b>	<b>8.29</b>	<b>54.22</b>	<b>62.51</b>
<b>As at March 31, 2023</b>	<b>45.43</b>	<b>39.48</b>	<b>84.91</b>

**Notes**

**3.5** The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLDP) 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.

(All figures are rupees in million unless otherwise stated)

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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Factory building	6.94	7.34
Plant and equipment	36.51	42.75
Furniture & fixture	0.03	0.04
Computers	0.02	0.06
Less: Disclosed under other financial assets	(43.50)	-
<b>Total</b>	<b>-</b>	<b>50.20</b>

### 3.6 Details of additions made during the year w.r.t research and development

Particulars	As at March 31, 2023	As at March 31, 2022
Factory building	3.56	1.84
Plant and equipment	1.72	10.02
Computers	0.25	0.10
Furniture and fixtures	0.27	-
<b>Total</b>	<b>5.80</b>	<b>11.96</b>

## 4.1 INVESTMENT

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>Investments in limited liability partnership</b>				
Cleanwin Energy One LLP (26% Holding)* (Equity Method)	12.50	12.50	-	-
<b>Investments in Equity Instruments - Associates</b>				
Radiances MH Sunrise Seven Private Limited of ₹ 10 each (15,12,000 shares (March 31, 2022: Nil shares))	15.12	-	-	-
<b>Investments in mutual funds (Quoted)</b>				
Investments at fair value through P&L (fully Paid)				
SBI liquid Fund - Direct Growth	-	-	200.12	40.00
<b>Total</b>	<b>27.62</b>	<b>12.50</b>	<b>200.12</b>	<b>40.00</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.

(All figures are rupees in million unless otherwise stated)

**During the current year, 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 9, 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 as of March 31, 2023 of the loans given, investments made, guarantees given and security provided by the Group:

Name of Party	Purpose of Loan	As at March 31, 2023	As at March 31, 2022
Cleanwin Energy One LLP	Investment	-	12.50
Radiances MH Sunrise Seven Private Limited	Investment	15.12	

**(b) Market value disclosure of Investments:**

Name of Party	As at March 31, 2023	As at March 31, 2022
<b>Aggregate value of quoted investments</b>		
Book Value	200.12	40.00
Market Value	200.12	40.00
<b>Aggregate value of unquoted investments</b>	<b>27.62</b>	<b>12.50</b>

**4.2 TRADE RECEIVABLES**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
<b>(Unsecured considered good, at amortised cost)</b>				
Trade Receivables – Considered Good	-	-	5,702.47	6,684.24
Trade Receivables which have significant increase in credit risk			11.54	0.35
Less: Allowance for Expected Credit Loss			(11.54)	(0.35)
<b>Trade Receivables – Credit Impaired</b>			<b>28.99</b>	<b>86.64</b>
Less: Allowance for expected credit loss	-	-	(28.99)	(86.64)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,702.47</b>	<b>6,684.24</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.



(All figures are rupees in million unless otherwise stated)

**(B) Movement in allowance for credit loss**

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the period	86.99	57.41
Addition during the year	21.49	29.58
Reversal during the year	(67.95)	-
Provision at the end of the period	40.53	86.99

**(C) Trade Receivable Ageing Schedule (Ageing from due date of payment)****(i) 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	1,854.30	10.67	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>5,731.46</b>	<b>11.54</b>	<b>5,743.00</b>

Note: There are no disputed trade receivables as at March 31, 2023.

**(ii) As at March 31, 2022**

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	4,458.93	-	4,458.93
less than 6 months	2,188.71	-	2,188.71
6 months - 1 year	33.18	-	33.18
1-2 year	21.50	-	21.50
2-3 year	5.28	-	5.28
> 3 years	59.91	0.35	60.26
<b>Total</b>	<b>6,767.51</b>	<b>0.35</b>	<b>6,767.86</b>

Range of O/s period	Disputed		Total
	Considered Good	Significant increase in credit risk	
6 months - 1 year	0.28	-	0.28
1-2 year	3.10	-	3.10
<b>Total</b>	<b>3.38</b>	<b>-</b>	<b>3.38</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, 2023	As at March 31, 2022
Maharashtra Aldehydes & Chemicals Ltd.	10.29	5.08
	10.29	5.08

(All figures are rupees in million unless otherwise stated)

#### 4.3 LOANS (AT AMORTISED COST)

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
(Unsecured Considered Good)				
i) Loan to Related party considered good	-	-	-	12.02
ii) Others	-	-	-	0.05
<b>Total</b>	-	-	-	<b>12.07</b>
<b>(a) Details of related party:</b>				
Mr. Vinod Bhassin (related party of component)	-	-	-	12.02
<b>Total</b>	-	-	-	<b>12.02</b>

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

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

Repayable on demand

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters	-	-	-	-
Directors	-	-	12.02	99.59%
KMPs	-	-	-	-
Related Parties	-	-	-	-
Total Loans and Advances to Promoter, Director, KMP and Related parties	-	-	12.02	-
<b>Total Loans and Advances in the nature of Loan and Advances (A)</b>	-	-	<b>12.07</b>	-

#### 4.4 CASH AND BANK BALANCES

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>A) Cash and cash equivalents</b>				
i) Balances with banks	-	-	407.17	332.62
ii) Cash on hand	-	-	2.97	3.50
iii) Fixed deposit (original maturity within 3 months)	-	-	400.00	-
<b>Total</b>	-	-	<b>810.14</b>	<b>336.12</b>
<b>B) Other bank balances</b>				
i) With monitoring agency (for IPO proceeds)	-	-	-	0.29
ii) Escrow account (for IPO expenses)	-	-	-	1.38
iii) Fixed deposit (from IPO proceeds)	-	-	377.41	1,179.60
iv) Fixed deposit (other)	-	-	80.00	-
v) Unspent CSR Bank Account	-	-	8.27	10.78
vi) Fixed deposit against margin money*	-	-	32.72	294.36
<b>Total</b>	-	-	<b>498.40</b>	<b>1,486.41</b>
<b>Total</b>	-	-	<b>1,308.54</b>	<b>1,822.53</b>

\*The Fixed Deposit against margin money are kept for non-fund based facility.

(All figures are rupees in million unless otherwise stated)

**4.5 OTHER FINANCIAL ASSETS**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
(Unsecured considered good unless otherwise stated)				
Advance to staff	0.26	0.45	6.14	1.66
Interest accrued receivable				
From banks	-	-	7.78	10.23
From others	-	-	0.05	0.40
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	0.15	-	-	-
Insurance claim receivable (Refer note (b) below)	-	-	469.25	398.05
Other receivables*	-	-	50.33	159.38
Discount and Incentives Receivable from Vendors			178.65	150.40
Security deposit	102.46	101.44	1.38	30.00
Guarantee rental obligation	0.67	0.68	-	-
<b>Total</b>	<b>103.54</b>	<b>102.57</b>	<b>713.58</b>	<b>750.12</b>

(a) \*Other receivable Includes ₹ 43.50 million receivable as detailed in note no 3.5 relating to Jarandeshwar project.

**(b) Insurance claim receivable**

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

**5. OTHER ASSETS**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
i) Capital advance	85.83	37.70	-	-
ii) Prepaid expenses	14.30	3.29	39.87	35.25
iii) Prepaid taxes (net of provisions)	44.25	22.84	-	-
iv) Balance with government authorities	62.44	61.90	1,024.93	1,241.02
v) Advances to supplier				
- Considered good	-	-	164.45	355.26
- Considered doubtful	-	-	125.63	87.28
	-	-	290.08	442.54
<b>Less: Impairment of doubtful advances</b>	-	-	(125.63)	(87.28)
	-	-	<b>164.45</b>	<b>355.26</b>
vi) Export incentive receivable	-	-	1.59	0.99
vii) Export licenses on hand	-	-	3.43	7.67
viii) Other receivables	-	-	66.33	42.80
<b>Total</b>	<b>206.82</b>	<b>125.73</b>	<b>1,300.60</b>	<b>1,682.99</b>

**6. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)**

Particulars	As at March 31, 2023	As at March 31, 2022
a) Raw material (including Goods in transit of ₹ 1.70 million (March 31, 2022: 5.40 million))	1,572.18	2,034.87
b) Work-in-progress	37.83	21.30

(All figures are rupees in million unless otherwise stated)

## 6. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE) (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
c) Finished goods	674.47	987.86
d) Consumable stores and spares	150.75	126.01
e) Fuels and consumables	36.57	181.63
f) Packing material	16.57	10.89
g) Traded material	453.77	375.53
<b>Total</b>	<b>2,942.14</b>	<b>3,738.09</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, 2023	As at March 31, 2022
(i) Amount of inventories recognised as an expense	20,839.17	21,606.93
(ii) Amount of write - down of inventories recognised as an expense	5.29	23.10
	<b>20,844.46</b>	<b>21,630.03</b>

## 7. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
<b>i) Authorised shares:</b>		
38,00,00,000 equity shares of face value of ₹ 2/- each (March 31, 2022: 30,50,00,000 equity share of face value of ₹ 2/- each))	760.00	610.00
<b>Total</b>	<b>760.00</b>	<b>610.00</b>
<b>ii) Issued, subscribed and paid-up shares:</b>		
26,51,76,208 equity shares of face value of ₹ 2/- each (March 31, 2022: 26,36,62,773 equity shares of face value of ₹ 2/- each)	530.35	527.33
<b>Total Issued, subscribed and paid-up share capital</b>	<b>530.35</b>	<b>527.33</b>

### A) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Type of Borrower	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Opening balance (Face Value of ₹ 2/- each)	26,36,62,773	527.33	26,36,62,773	527.33
Fresh issue (Face Value of ₹ 2/- each)	15,13,435	3.02	-	-
<b>Closing balance (Face Value of ₹ 2/- each)</b>	<b>26,51,76,208</b>	<b>530.35</b>	<b>26,36,62,773</b>	<b>527.33</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 million.

The Offer comprised of a fresh issue of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 1,55,03,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million ("Pre-IPO Placement").

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company's share of IPO related expenses of ₹ 156.99 million resulted into net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

(All figures are rupees in million unless otherwise stated)

**(i) Utilisation of IPO proceeds (gross of IPO expenses) as per the Prospectus are as follows As at March 31, 2023**

Particulars	Planned as per Prospectus	Spent upto FY 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>

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

Further the actual utilization towards repayment of loan was lower by ₹ 63.94 million and in terms of our prospectus we are entitled to allocate such amount to general corporate purposes so long as the allocation does not result in general corporate purpose exceeding 25%. This has resulted in general corporate purpose increasing from ₹ 637.29 to 744.76 million. During the current year, there is a increase in the available funds for general corporate purpose of ₹ 0.26 million resulting in total of ₹ 745.02 which is fully utilized in current year.

**(ii) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2022**

Particulars	Planned as per Prospectus	Spent upto FY 2020-21	Utilisation up to March 31, 2021	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	42.97	1,686.28	-
ii) Funding working capital requirements of the Company	351.78	-	-	351.78
iii) Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.53	0.10
iv) Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	92.22	33.43
v) General corporate purposes (net of issue expenses)*	744.76	-	744.76	-
vi) Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the proposed facility	604.04	-	184.10	419.94
vii) Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
<b>Total</b>	<b>4,843.52</b>	<b>42.97</b>	<b>3,617.89</b>	<b>1,182.66</b>

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

(All figures are rupees in million unless otherwise stated)

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

(\*#) Balance of IPO proceeds as at March 31, 2023 and as at March 31, 2022 which are kept in fixed deposit and bank balance are shown under Other bank balances.

### C) 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.

### D) Details of shareholders holding more than 5% shares in the Group

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	17,67,04,984	66.64%	17,67,04,984	67.02%

### E) Shareholding of Promoters

#### (i) 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	94,22,646	3.55%	-
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 Pvt Ltd	47,00,000	1.77%	-
	<b>Total</b>	<b>19,28,02,806</b>	<b>72.71%</b>	<b>-</b>
	<b>Total No of Shares issued and Subscribed</b>	<b>26,51,76,208</b>	<b>100.00%</b>	<b>-</b>

#### (ii) Shares held by promoters at March 31, 2022

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	12,69,179	0.48%	0.42
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-
3	Manisha Ravi Goenka	94,22,646	3.57%	(0.28)
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	(0.14)
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	-	0.00%	(1.00)
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
	<b>Total</b>	<b>19,22,62,806</b>	<b>72.92%</b>	<b>-</b>
	<b>Total No of Shares issued and Subscribed</b>	<b>26,36,62,773</b>	<b>100.00%</b>	<b>-</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 million. The buy back was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares of face value of ₹ 10/- each and has created Capital Redemption Reserve amounting to ₹ 50.29 million by debiting the balance in General Reserve.
- 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 32.
- 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 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 2, 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

(All figures are rupees in million unless otherwise stated)

be restated only from that date of business combination i.e October 2, 2021. Accordingly, the Company has accounted for the Scheme in its books of accounts with effect from October 2, 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.

## 1. 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 2, 2021. Subsequently, at a board meeting held on November 2, 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 2, 2021. Subsequently, at a board meeting held on November 2, 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.

### (iii) Appointed date

The appointed date for the purpose of this amalgamation is October 2, 2022.

### (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 2, 2021 as explained in para 7(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.

(All figures are rupees in million unless otherwise stated)

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 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.

## 2. 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	October 2, 2021																														
* 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	<table border="1"> <thead> <tr> <th colspan="2"><b>Assets Recognised</b></th> </tr> </thead> <tbody> <tr> <td>PPE including CWIP -</td> <td>₹ 249.90</td> </tr> <tr> <td>Inventory -</td> <td>₹ 470.80</td> </tr> <tr> <td>Trade Receivable -</td> <td>₹ 409.33</td> </tr> <tr> <td>Other Current Assets -</td> <td>₹ 373.11</td> </tr> <tr> <td>Deferred tax asset (net) -</td> <td>₹ 2.07</td> </tr> <tr> <td>Non-Current Assets -</td> <td>₹ 7.66</td> </tr> <tr> <td><b>Total -</b></td> <td><b>₹ 1,512.87</b></td> </tr> <tr> <th colspan="2"><b>Liabilities Recognised</b></th> </tr> <tr> <td>Trade Payables -</td> <td>₹ 1,036.45</td> </tr> <tr> <td>Loans -</td> <td>₹ 96.55</td> </tr> <tr> <td>Other liabilities -</td> <td>₹ 98.16</td> </tr> <tr> <td><b>Total -</b></td> <td><b>₹ 1,231.46</b></td> </tr> <tr> <td><b>Consideration Paid -</b></td> <td><b>₹ 400.10</b></td> </tr> <tr> <td><b>Amalgamation Adjustment Deficit Account -</b></td> <td><b>₹ (118.69)</b></td> </tr> </tbody> </table>	<b>Assets Recognised</b>		PPE including CWIP -	₹ 249.90	Inventory -	₹ 470.80	Trade Receivable -	₹ 409.33	Other Current Assets -	₹ 373.11	Deferred tax asset (net) -	₹ 2.07	Non-Current Assets -	₹ 7.66	<b>Total -</b>	<b>₹ 1,512.87</b>	<b>Liabilities Recognised</b>		Trade Payables -	₹ 1,036.45	Loans -	₹ 96.55	Other liabilities -	₹ 98.16	<b>Total -</b>	<b>₹ 1,231.46</b>	<b>Consideration Paid -</b>	<b>₹ 400.10</b>	<b>Amalgamation Adjustment Deficit Account -</b>	<b>₹ (118.69)</b>
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<b>Amalgamation Adjustment Deficit Account -</b>	<b>₹ (118.69)</b>																														
*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 value of consideration paid, amounting to ₹ 118.69 million has been disclosed as Negative Capital Reserve/Amalgamation Adjustment Deficit Account as per the provisions of Appendix C of Ind AS 103.																														



(All figures are rupees in million unless otherwise stated)

**3. Changes to Consolidated Financial Statements on account of merger:**

As on October 2, 2021 on acquisition of the business of AHPL and YCPL as a subsidiary, the Company has accounted the acquisition as a business purchase in accordance with INDAS 103 – Business Combination at the fair value of assets and liabilities in the Consolidated Financial Statements. On merger as aforesaid following appendix C of INDAS 103, the merger is accounted as under common control transaction at the carrying value of assets and liabilities from the date of control i.e. October 2, 2021 resulting in the fair value changes being reversed. On account of this the Good will on consolidation of ₹ 32.88 million has changed to ₹ 118.69 (disclosed as Amalgamation Adjustment Deficit account) under SOCIE.

**8. OTHER EQUITY**

Particulars	As at March 31, 2023	As at March 31, 2022
i) Retained Earnings	8,359.79	7,332.11
ii) General Reserve	49.01	49.01
iii) Security Premium	5,010.02	4,780.23
iv) Capital Reserve	5.50	9.55
v) Foreign Currency Translation Reserve	(21.34)	(9.01)
vi) Capital Redemption Reserve (refer note 7(H) above)	50.29	50.29
vii) Share Option Outstanding Account (Refer Note no. 32)	252.77	277.68
viii) Amalgamation Adjustment Deficit Account pursuant to business combination (Refer Note 7(K) above)	(118.69)	(118.69)
<b>Total</b>	<b>13,587.35</b>	<b>12,371.17</b>

**9. FINANCIAL LIABILITIES (AT AMORTISED COST)****9.1 Long term borrowings**

Particulars	As at March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Non-current	Non-current	Current	Current
<b>(a) Term loans:</b>				
Rupee term loan from bank	1,303.40	-	96.60	-
Rupee term loan from NBFC	-	-	-	-
Foreign currency loan from bank	-	18.42	18.42	73.68
<b>(b) Vehicle loans:</b>				
Vehicle loans - other than bank	-	-	-	18.47
<b>(c) Government grant</b>	-	3.24	3.24	3.24
<b>Total</b>	<b>1,303.40</b>	<b>21.66</b>	<b>118.26</b>	<b>95.39</b>
<b>Less: Current Maturities disclosed under short term borrowings</b>	-	-	(118.26)	(95.39)
<b>Total</b>	<b>1,303.40</b>	<b>21.66</b>	<b>-</b>	<b>-</b>
<b>The break-up of above:</b>				
Secured	1,303.40	18.42	115.02	92.15
Unsecured	-	3.24	3.24	3.24
<b>Total</b>	<b>1,303.40</b>	<b>21.66</b>	<b>118.26</b>	<b>95.39</b>

**Notes:****A) Term Loan includes:****i) Rupee term loan from banks (HDFC Bank Ltd):**

Tenure of loan: max 60 months.

Repayment: 18 equal instalments after a moratorium period of 6 months from the date of 1<sup>st</sup> disbursement

Interest:

Linked with HDFC Bank 1 year MCLR + 0 bps

(All figures are rupees in million unless otherwise stated)

**ii) Rupee term loans from NBFC (AXIS Finance Ltd):**

Tenure of loan: max 72 months

Repayment: 18 equal installments after a moratorium period of 18 months from the date of 1<sup>st</sup> disbursement

Interest:

Linked with Axi Bank 1 year MCLR + 0 bps

**iii) Foreign Currency Term loans from banks (Citi Bank NA, Jersey):**

15 equal quarterly installments in foreign currency starting from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

The Company converted this ECB into INR loan under CCY SWAP on April 2, 2019 at fixed interest rate of 7.90% p.a.”

**B) Security of term loans:**

- 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.
- 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.

**External Commercial Borrowing (Term Loan)**

- 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.
- 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.
- First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra.
- Second pari passu charge on all present and future current assets of borrower.

**C) Vehicle loan:**

Vehicle loans are secured against the same vehicle for which loan is taken. During the current year, the same is fully repaid.

**D) Government grant:**

There are multiple interest free sales tax loans which are repayable in five installments from their due date. The group has outstanding of ₹ 3.24 million as at March 31, 2023 (March 31, 2022: ₹ 6.48 million). The first installment date was May 2009 and last terminal date is May 2023.

**E) Maturity profile of long term borrowings:**

Particulars	As at March 31, 2023	As at March 31, 2022
Installment payable within one year	118.26	95.39
Installment payable between 1 to 2 years	331.16	21.66
Installment payable between 2 to 5 years	900.48	-
Installment payable beyond 5 years	71.76	-
<b>Total</b>	<b>1,421.66</b>	<b>117.05</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.

Name of the Promoter	Non-current borrowings	Current borrowings & Current Liabilities	Total
<b>Balance as at March 31, 2021</b>	<b>98.66</b>	<b>2,171.05</b>	<b>2,269.71</b>
Changes from financing cash flows	-	(505.33)	(505.33)
Effects of changes in foreign exchange rates	-	-	-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	-	(858.81)	(858.81)
On account of business combination	-	95.55	95.55
Proceeds from bill discounting	-	332.05	332.05
Other changes (transfer within categories)	(77.00)	77.00	-
<b>Balance as at March 31, 2022</b>	<b>21.66</b>	<b>1,311.51</b>	<b>1,333.17</b>
Changes from financing cash flows	1,400.00	(99.76)	1,300.24
Effects of changes in foreign exchange rates	-	4.37	4.37
Proceeds from bill discounting & Cash credit	-	1,331.93	1,331.93
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>

(All figures are rupees in million unless otherwise stated)

**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, 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 million (Actual drawdown loan amount is ₹ 1,400 million) for which mortgage is pending to be created as at balance sheet date.

In 2021-22, all the charges as per the sanction are duly registered with Registrar of Companies as at March 31, 2022 in favour of the lenders for facilities availed by the Company except for charges related to working capital enhancement by ₹ 2,915.60 million for which charge was pending creation as at balance sheet date, however the same was created on April 22, 2022.

**H) Disclosure of repayments**

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

During the current year, there are no defaults in repayment of principal and interest to the lenders.

I) The term loans taken during the year have been utilized for the purposes for which they were taken.

**9.2 Lease liability**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
Lease liability	81.22	43.69	6.26	14.42
(Refer note 31)				
<b>Total</b>	<b>81.22</b>	<b>43.69</b>	<b>6.26</b>	<b>14.42</b>

**9.3 Other financial liabilities (at amortised cost)**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
Payable for capital goods	-	-	308.01	213.12
Interest accrued on financial liabilities	-	-	20.81	19.48
Deposit received	-	-	9.83	10.77
Staff salary and other payable	-	-	111.67	196.89
Other liabilities	-	-	24.48	31.48
Amount payable to related party	-	-	-	8.63
Amount payable on hedging transactions	-	-	8.18	1.08
<b>Total</b>	<b>-</b>	<b>-</b>	<b>482.98</b>	<b>481.45</b>
<b>a) Details of related party:</b>				
Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	-	-	8.63
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.63</b>

**10. PROVISIONS**

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
i) Provision for employee benefits:				
Leave encashment	40.59	37.50	24.67	23.61
Gratuity	-	1.78	4.33	40.63

(All figures are rupees in million unless otherwise stated)

## 10. PROVISIONS (Contd.)

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
ii) Provision for sales return	-	-	16.86	26.74
iii) Provision for tax (net of advances)	-	-	82.61	34.56
iv) Provision others	-	-	0.87	-
<b>Total</b>	<b>40.59</b>	<b>39.28</b>	<b>129.34</b>	<b>125.54</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
March 31, 2023	26.74	18.41	28.30	16.86
March 31, 2022	14.43	24.62	12.31	26.74

### (b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits

The Group has carried out the actuarial valuation of Gratuity and Leave encashment liability under actuarial principle, in accordance with IND AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2022: ₹ 2.00 million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

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, 2023	As at March 31, 2022
<b>(a) Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the year	86.94	57.02
Liability On Account of Business combination	-	1.72
Current service cost	13.29	9.96
Interest cost	5.69	3.59
Actuarial (gain)/loss - Other comprehensive income	(7.25)	15.30
<b>Defined benefit obligation at the year end</b>	<b>98.67</b>	<b>87.58</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	45.17	41.52
Investment income	3.00	2.59
Employer contribution	47.61	1.06
Benefits paid	(1.45)	-
<b>Fair value of plan assets at the year end</b>	<b>94.33</b>	<b>45.17</b>
<b>(c) Reconciliation of fair value of assets and obligations</b>		
Present value of defined benefit obligation	98.66	87.58
Fair value of plan assets	94.33	45.17
<b>Net asset/(liability)</b>	<b>(4.33)</b>	<b>(42.41)</b>

(All figures are rupees in million unless otherwise stated)

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as under: (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(d) Expenses recognized during the year (Under the head "Employees benefit expenses")</b>		
In Income Statement	13.28	10.18
In Other Comprehensive Income	2.69	15.37
<b>Total expenses recognized during the period</b>	<b>15.97</b>	<b>25.55</b>
<b>(e) Actuarial (gain)/loss- Other comprehensive income</b>	<b>2.69</b>	<b>15.30</b>
<b>(f) Net liabilities recognised in the balance sheet</b>		
Long term provisions*	-	1.78
Short term provisions	4.33	40.63
	<b>4.33</b>	<b>42.41</b>

\*Pertains to Yellowstone Chemicals Private Limited which got merged with the Company w.e.f October 1, 2021. (Refer Note 7(K))

### ii) Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.25%	6.65%
Salary growth rate (per annum)	11%	11%
Attrition rate	20%	19%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

### iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary growth rate	Attrition rate	Mortality rate
<b>Changes in assumption</b>				
March 31, 2023 (%)	1%	1%	50%	10%
March 31, 2022 (%)	1%	1%	50%	10%
<b>Increase in assumption</b>				
March 31, 2023	94.63	102.06	93.68	98.56
March 31, 2022	81.65	88.33	80.34	85.15
<b>Decrease in assumption</b>				
March 31, 2023	102.83	95.20	107.80	98.57
March 31, 2022	88.98	82.15	94.42	85.17

### 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.

(All figures are rupees in million unless otherwise stated)

**(iii) Salary Escalation Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**(iv) Demographic Risk:**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**(v) Regulatory Risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 million).

**(vi) Asset Liability Mismatching or Market Risk:**

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

**(vii) Investment Risk:**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

## 11. DEFERRED TAX LIABILITY

### A) - Net deferred tax liability

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Deferred tax liability on account of:</b>		
i) Property plant & equipment	385.36	244.73
ii) Right-of-use assets (Net)	2.90	2.18
	<b>388.26</b>	<b>246.91</b>
<b>b) Deferred tax asset on account of:</b>		
i) Provision for doubtful advances and debts	58.52	36.05
ii) Tax disallowances	21.48	18.59
	<b>80.00</b>	<b>54.64</b>
<b>Total deferred tax liability (net)</b>	<b>308.26</b>	<b>192.27</b>

### B) - Net deferred tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Deferred tax asset on account of:</b>		
i) Property Plant & Equipment	0.42	1.21
ii) On unrealised profit on Intra group transactions	25.92	20.75
iii) Provision for doubtful advances and debts	-	1.53
iv) Item recognised in OCI	-	0.11
v) Unabsorbed losses	10.15	1.14
<b>Total deferred tax asset (net)</b>	<b>36.49</b>	<b>24.74</b>
<b>Net Deferred Tax Liability</b>	<b>271.77</b>	<b>167.54</b>

## 12. OTHER LIABILITIES

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non-current	Non-current	Current	Current
i) Duties and taxes payable	-	-	46.97	48.29
ii) Advance from customers	-	-	233.72	63.09
iii) Other liabilities	-	-	62.19	11.92
iv) Liability towards CSR Obligation	-	-	10.07	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>352.95</b>	<b>123.30</b>

(All figures are rupees in million unless otherwise stated)

**13. SHORT TERM BORROWINGS (AT AMORTISED COST)**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>From Banks</b>		
Cash Credit	2,054.59	1,146.87
Commercial Paper	486.96	-
Bill discounting	-	62.42
From Others	6.50	6.50
From Directors	-	0.33
<b>Current Maturities of long term borrowings:</b>		
Rupee term loan from bank	96.60	-
Rupee term loan from NBFC	-	-
Foreign Currency Loan	18.42	73.68
Government grant	3.24	3.24
Vehicle Loan	-	18.47
<b>Total</b>	<b>2,666.31</b>	<b>1,311.51</b>
Secured	2,169.61	1,239.02
Unsecured	496.70	72.49

**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 2022-2023 are in agreement with the books of accounts, however there was variation in the year 2021-22 which is detailed in Statement A.

**b) Utilisation of Borrowings taken from Bank and Financial Institution**

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

**c) Commercial Papers**

During the year, the Company has issued its first tranche of Commercial Papers ("CPs") of ₹ 500 million on February 7, 2023.

**Terms of Commercial Papers:**

Issue Value	₹ 500 million
Date of Allotment	February 7, 2023
Date of Maturity	August 4, 2023
Coupon/Discount Rate	7.85% per annum
Schedule of Interest Payment	Upfront
Schedule of payment of principal amount	Payment on maturity i.e., on August 4, 2023
Charge/security	Unsecured
Issued in Favour of	Kotak Mahindra Bank Limited
Credit Rating	IND A1+

**14. TRADE PAYABLES (AT AMORTISED COST)**

Particulars	As at March 31, 2023	As at March 31, 2022
i) Dues of micro and small enterprise	69.55	147.76
ii) Other than micro and small enterprise	4,593.79	6,968.87
<b>Total</b>	<b>4,663.34</b>	<b>7,116.63</b>

(All figures are rupees in million unless otherwise stated)

### a) Amounts due to Micro, Small and Medium Enterprises

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Group. This is relied upon by the auditors.

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due	89.31	189.35
Material and Service Vendor	69.55	147.76
Capital Vendor	19.76	41.59
Interest due on above	0.71	0.36
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	601.40	562.30
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	6.05	1.48
Amount of interest accrued and remaining unpaid as at year end	12.23	5.47
Amount of further interest remaining due and payable in the succeeding year	-	-

### b) Trade Payable Ageing Schedule

(Ageing from due date of payment)

#### (i) As at March 31, 2023

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	19.03	-	1,271.06	-
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>69.55</b>	<b>-</b>	<b>4,593.79</b>	<b>-</b>

#### (ii) As at March 31, 2022

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	4.22	-	1,106.97	-
Not Due	94.18	-	5,381.69	-
Less than 1 year	48.99	-	461.23	-
1-2 years	0.08	-	8.74	2.77
2-3 year	0.23	-	0.22	-
> 3 years	0.07	-	7.25	-
<b>Total</b>	<b>147.76</b>	<b>-</b>	<b>6,966.10</b>	<b>2.77</b>

## 15. CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of taxes paid)	-	147.41
<b>Total</b>	<b>-</b>	<b>147.41</b>



(All figures are rupees in million unless otherwise stated)

**16. REVENUE FROM OPERATIONS**

Particulars	2022-23	2021-22
<b>i) Sales/Rendering:</b>		
- Products	27,745.08	30,681.89
- Services	127.87	114.57
	<b>27,872.95</b>	<b>30,796.46</b>
<b>ii) Other operating revenue:</b>		
Sale of scrap	54.74	22.24
Export incentives	33.38	15.37
Insurance claim	5.35	8.59
	<b>93.48</b>	<b>46.20</b>
<b>Total</b>	<b>27,966.43</b>	<b>30,842.66</b>

**Disclosure in accordance with IND AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015****1. Revenue disaggregation based on:**

(a) Category of good and services	2022-23	2021-22
Chemicals	27,744.87	30,547.30
Coal	-	26.66
Jobwork and other services	127.87	114.57
Others	0.21	107.93
<b>Total</b>	<b>27,872.95</b>	<b>30,796.46</b>

(b) Geographical region	2022-23	2021-22
India	15,004.47	19,938.76
International	12,868.48	10,857.70
<b>Total</b>	<b>27,872.95</b>	<b>30,796.46</b>

**2. Movement in contract balances**

Particulars	Opening	Billed for the Financial Year	Additional receipt outstanding as at year end	Closing
<b>Contract Liabilities</b>				
March 31, 2023	63.09	124.28	61.19	233.72
March 31, 2022	86.81	135.02	48.21	63.09

**17. OTHER INCOME**

Particulars	2022-23	2021-22
Interest income on financial asset		
From bank on deposits	57.61	108.33
From other	24.00	4.55
Sundry balances written back	15.02	2.13
Miscellaneous income	8.15	27.23
Reversal of Provision of impairment	8.32	-

(All figures are rupees in million unless otherwise stated)

## 17. OTHER INCOME (Contd.)

Particulars	2022-23	2021-22
Profit on sale of investments	6.96	5.62
MTM on Financial Asset held as FVTPL	0.13	-
Profit on sale of Fixed Assets	0.33	0.04
<b>Total</b>	<b>120.53</b>	<b>147.90</b>

## 18. COST OF RAW MATERIALS CONSUMED

Particulars	2022-23	2021-22
Opening stock of raw material	2,034.87	1,341.01
Addition on account of Business Combination (Refer Note 7(K))	-	228.84
<b>Add: Purchases</b>	<b>16,214.95</b>	<b>18,965.75</b>
	<b>18,249.82</b>	<b>20,535.60</b>
<b>Less: Insurance claim of raw material destroyed in floods</b>	<b>-</b>	<b>(84.46)</b>
<b>Less: closing stock of raw material</b>	<b>(1,572.18)</b>	<b>(2,034.87)</b>
<b>Total</b>	<b>16,677.64</b>	<b>18,416.27</b>

## 19. PURCHASE OF STOCK-IN-TRADE

Particulars	2022-23	2021-22
i) Chemicals and other purchases	1,648.23	3,548.29
ii) Coal	-	25.02
<b>Total</b>	<b>1,648.23</b>	<b>3,573.31</b>

## 20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	2022-23	2021-22
Inventory of Work-in-progress at the beginning of the year	21.30	25.91
On account of Business Combination	-	49.28
<b>Less: Inventory of Work-in-progress at the end of the year</b>	<b>(37.83)</b>	<b>(21.30)</b>
	<b>(16.53)</b>	<b>53.89</b>
Inventory of Finished goods at the beginning of the year	987.80	297.63
On account of Business Combination	-	192.18
<b>Less: Inventory of Finished goods at the end of the year</b>	<b>(674.47)</b>	<b>(987.80)</b>
<b>Less: Insurance claim of finished goods destroyed in floods</b>	<b>-</b>	<b>(113.56)</b>
	<b>313.33</b>	<b>(611.55)</b>
Inventory of traded goods at the beginning of the year	375.53	195.93
<b>Add: Foreign currency translation adjustments</b>	<b>7.81</b>	<b>3.63</b>
<b>Less: Inventory of traded goods at the end of the year</b>	<b>(453.77)</b>	<b>(375.53)</b>
	<b>(70.43)</b>	<b>(175.97)</b>
<b>Total</b>	<b>226.37</b>	<b>(733.63)</b>

(All figures are rupees in million unless otherwise stated)

**21. EMPLOYEE BENEFIT EXPENSES**

Particulars	2022-23	2021-22
i) Salaries, wages and bonus	795.77	776.30
ii) Director's remuneration	135.70	156.05
iii) Contribution to employees gratuity, leave encashment and other funds	77.39	57.34
iv) ESOP compensation cost (Refer note 33)	114.17	231.32
v) Staff welfare expenses	35.98	23.36
<b>Total</b>	<b>1,159.01</b>	<b>1,244.37</b>

**22. FINANCE COST**

Particulars	2022-23	2021-22
i) Interest on financial liabilities at amortised cost	94.69	48.40
ii) Unwinding of lease liability	5.25	5.19
iii) Interest on direct taxes	1.87	9.22
iv) Interest on indirect taxes	8.44	66.09
v) Other borrowing costs	2.32	14.17
vi) Amortisation of upfront fees	-	11.76
<b>Total</b>	<b>112.58</b>	<b>154.83</b>

**23. DEPRECIATION & AMORTIZATION**

Particulars	2022-23	2021-22
i) Depreciation	687.52	451.12
ii) Amortisation of right-of-use assets	32.94	25.55
iii) Amortisation	3.65	5.13
<b>Total</b>	<b>724.12</b>	<b>481.80</b>

**24. OTHER EXPENSES**

Particulars	2022-23	2021-22
Power & fuels	2,518.13	1,745.48
Consumption of consumables stores and spares	192.74	197.23
Consumption of packing materials	270.15	176.85
Water charges	53.81	51.42
Labour charges	128.50	104.86
Inward freight charges	52.20	41.13
Outward export freight charges	909.56	878.57
Clearing and forwarding expenses	28.76	30.56
Repairs and maintenance		
Buildings	43.06	58.23
Machineries	104.26	45.90
Others	28.77	37.80
Transportation charges	503.20	498.72
Commission on sales	79.95	47.37
Advertisement	2.02	2.18
Director's sitting fees	3.07	2.00
Books and periodicals	0.07	0.05
Business promotion expenses	19.54	7.83

(All figures are rupees in million unless otherwise stated)

## 24. OTHER EXPENSES (Contd.)

Particulars	2022-23	2021-22
Commission to non-executive director	10.30	10.00
Computer maintenance	25.45	16.92
Conveyance expenses	3.80	5.03
Donation	1.86	0.12
CSR expenditure	36.50	22.80
General expenses	38.65	14.17
Inspection charges	3.57	4.00
Insurance charges	151.11	64.82
Membership & subscription	17.22	20.23
Postage & telegram	1.93	1.81
Professional & legal expenses	180.26	143.75
Printing & stationery	4.85	4.21
Rent	12.18	8.02
Rates & taxes	46.82	19.68
Security service charges	28.03	22.17
Travelling expenses	59.56	29.37
Telephone expenses	5.55	6.43
Vehicle expenses	41.68	35.83
Auditors' remuneration	3.92	4.04
Component auditors fees	3.46	4.81
Bank charges	36.09	34.67
Expected credit loss	62.21	90.17
Foreign Exchange loss	69.98	98.19
Other expenses	22.36	22.48
Indirect taxes paid	4.74	55.14
<b>Total</b>	<b>5,809.88</b>	<b>4,665.04</b>

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

Particulars	2022-23	2021-22
<b>To Statutory auditors</b>		
For audit including consolidation and limited review	3.83	3.75
For certification and other services	0.09	0.29
<b>Total</b>	<b>3.92</b>	<b>4.04</b>

### (b) Details of research and development expenditure

Particulars	2022-23	2021-22
<b>A Revenue expenses</b>		
Employee benefits expense	66.56	50.63
Legal & professional fees	8.30	5.50
Other expenses	5.68	4.46
Utility expenses	4.55	3.84
Travelling expenses	4.56	4.28
Contract labour and Security service charge	5.79	4.32
Subscription	3.07	4.15
IT Exps	0.23	-

(All figures are rupees in million unless otherwise stated)

**(b) Details of research and development expenditure** (Contd.)

Particulars	2022-23	2021-22
Training Exps	0.06	-
Repairs & maintenance	22.73	20.62
Depreciation	16.06	16.19
<b>B Capital Expenses</b>		
Capital expenditure (Refer Note 3.6)	5.79	11.96
<b>Total</b>	<b>143.39</b>	<b>125.95</b>

**25. TAX EXPENSE**

Particulars	2022-23	2021-22
<b>a) Income tax expense in the statement of profit and loss consists of:</b>		
Current Tax	378.77	655.18
Deferred tax	104.24	13.92
Income tax (excess)/short provision of previous year	-	(54.71)
<b>Income tax recognised in statement of profit or loss</b>	<b>483.01</b>	<b>614.39</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	2022-23	2021-22
<b>A Current Tax</b>		
Profit before tax	1,729.13	3,188.57
Taxable Profit for Indian Entities	1,769.89	2,842.38
Taxable Profit for Foreign Entities	13.29	380.73
Non - Taxable Profit for Indian Entities	(54.04)	(1.56)
Non - Taxable Profit for Foreign Entities	13.29	(42.59)
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	650.40	1,117.79
Effect of non- deductible expenses	311.28	223.37
Effects of deductible Expenses	(373.40)	(152.48)
Tax incentives	(209.50)	(208.50)
	<b>378.77</b>	<b>980.18</b>
<b>Less: MAT credit utilised*</b>	-	(325.00)
<b>Income tax expenses - Net</b>	<b>A 378.77</b>	<b>655.18</b>
*Includes mat credit not recognised in the books on principle of prudence, now recognised and utilised.		
<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	1,729.13	2,816.56
Computed tax liability on book profits	302.11	492.11
Tax effect on adjustments:		
1/5 portion of opening IND AS reserve as on March 31, 2017	-	(0.73)
Effect of non deductible expense	11.17	22.64
Others	-	0.99
<b>Minimum alternate tax on book profits</b>	<b>B 313.28</b>	<b>515.01</b>
<b>Higher of A or B</b>	<b>378.77</b>	<b>655.18</b>

(All figures are rupees in million unless otherwise stated)

**B) Deferred tax**

Deferred tax assets/(liabilities) in relation to:

Particulars	Opening	On account of Business combination	Recognised in profit and loss Asset/(liability)	Closing
Property plant & equipment	(207.06)	(1.32)	(37.48)	(243.22)
Right-of-use assets (net)	(1.61)	-	(0.57)	(2.18)
Unrealised profit on Intra group transactions	-	-	20.75	20.75
Item recognised in OCI	-	-	(0.11)	(0.11)
Unabsorbed losses	-	-	1.13	1.13
Minimum alternate tax	24.39	-	(24.39)	-
Provision for doubtful advances and debts	10.67	(1.50)	25.34	37.51
Tax disallowances	17.17	-	1.42	18.59
Deferred tax of component	-	-	-	-
<b>As at March, 31, 2022</b>	<b>(156.44)</b>	<b>(2.82)</b>	<b>(13.92)</b>	<b>(167.54)</b>
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
Minimum alternate tax	-	-	-	-
Provision for doubtful advances and debts	37.51	-	21.01	58.52
Tax disallowances	18.59	-	2.89	21.48
<b>As at March, 31, 2023</b>	<b>(167.53)</b>	<b>-</b>	<b>(104.24)</b>	<b>(271.77)</b>

**26. DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD – IND AS 33 “EARNING PER SHARE” OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015.**

Net profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2022-23	2021-22
Net Profit/(Loss) as per Statement of Profit and Loss	1,245.72	2,573.34
Outstanding equity shares at period end (face value of ₹ 2/-)	26,51,76,208	26,36,62,773
Weighted average Number of Shares outstanding during the period – Basic	26,49,83,009	26,36,62,773
Weighted average Number of Shares outstanding during the period - Diluted	26,69,37,505	26,73,84,704
Weighted average number of shares as per para 26 of IND AS 33 "Earning per Share"	26,69,37,505	26,73,84,704
Earnings per Share - Basic (₹)	4.70	9.76
Earnings per Share - Diluted (₹)	4.67	9.62

**Reconciliation of weighted number of outstanding during the period:**

Particulars	2022-23	2021-22
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	26,36,62,773	26,36,62,773
<b>Add:</b> Issue of equity shares	15,13,435	-
<b>Total number of equity shares outstanding at the end of the period</b>	<b>26,51,76,208</b>	<b>26,36,62,773</b>
<b>For Basic EPS:</b>		
Weighted average number of equity shares at the end of the period	26,49,83,009	26,36,62,773
<b>For Dilutive EPS:</b>		
Weighted average number of equity shares at the end of the period	26,69,37,505	26,73,84,704

(All figures are rupees in million unless otherwise stated)

**27. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	2022-23	2021-22
<b>(i) Contingent liabilities</b>		
<b>(a) Liabilities Disputed - Appeals filed with respect to:</b>		
<b>(i) Disputed indirect taxes matters</b> - (Net of Amount paid under protest of ₹ 6.49 million (PY: ₹ 6.49 million))	219.98	313.20
<b>(ii) Disputed Direct Taxes Matters</b> - on account of disallowances/additions and default of TDS	383.02	7.03
<b>(iii) Other Disputed</b> - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (PY: ₹ 2.30 million))	4.53	4.53
<b>(b) Guarantees:</b>		
(i) Given on behalf of wholly owned subsidiaries to their Lenders	-	-
(ii) Furnished by banks on behalf of the Group	239.16	66.64
<b>(ii) Commitments (Net of advances):</b>		
<b>(a) Capital Commitments -</b> - Estimated amount of contracts remaining to be executed on capital account	5,728.50	1,276.78
<b>(b) Export obligation</b> - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	100.32	782.61
<b>(iii) Letters of Credit</b>	1,521.39	1,724.36

**(iv) Other tax proceedings**

During the previous year, the Senior Intelligence Officer, Directorate of Revenue Intelligence (“DRI”) of the Bangalore Zonal Unit (“SIO”) conducted a search at the Acetyl Intermediates (“AI”) Manufacturing Facility on February 11, 2021 (the “Search”) on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 (“Notification”) and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms “excisable goods” as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded.

**28. 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 revenues by the Company’s country of domicile and other countries is tabulated hereunder:

Particulars	2022-23		2021-22	
	Amount (₹ In million)	% of Total Segment Revenue	Amount (₹ In million)	% of Total Segment Revenue
<b>Segment Revenue</b>				
- In India	15,004.47	53.83	19,938.76	64.74
- Outside India	12,868.48	46.17	10,857.70	35.26
<b>Total</b>	<b>27,872.95</b>	<b>100</b>	<b>30,796.46</b>	<b>100</b>

(All figures are rupees in million unless otherwise stated)

## 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. 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	2022-23	2021-22
1 Gross amount required to be spent by the Company during the year.	36.50	25.10
2 Amount approved by the Board to be spent during the year		
- Ongoing	19.47	15.54
- Other than ongoing	8.66	9.56
3 Amount spent during the year on:		
(a) - Construction/acquisition of any asset	-	-
(b) - On purposes other than (a) above	26.43	10.00
<b>Total</b>	<b>26.43</b>	<b>10.00</b>
Excess Spent of previous year	-	2.03
4 Shortfall at the end of the year,	10.07	13.07
5 Total of previous years shortfall/(Excess),	-	-
6 Reason for shortfall- Nil		

### 7. Nature of CSR activities

Particulars	2022-23		2021-22	
	Ongoing	Non Ongoing	Ongoing	Non Ongoing
a) Education Support	1.97	8.36	-	-
b) Community Development	4.09	1.97	-	0.53
c) Disaster Management	-	1.58	-	2.83
d) Environmental Sustainability	-	0.52	-	-
e) Health Care Support	2.50	0.43	2.46	-
f) Promoting Sports	-	0.34	-	-
g) Safe Drinking Water	0.84	0.08	-	3.08
h) Skill Development (NAPS)	-	3.75	-	0.20
i) Waste Management	-	-	-	0.80
j) Contribution to Public Funded Universities	-	-	-	0.10
<b>Total</b>	<b>9.40</b>	<b>17.03</b>	<b>2.46</b>	<b>7.54</b>

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.

FY: 2022-23: ₹ 10.07 million: Deposited in unspent CSR Bank account on April 27, 2023.

FY: 2021-22: ₹ 2.31 million: Deposited in unspent CSR Bank account on April 29, 2022.

FY: 2021-22: ₹ 10.77 million: Deposited in unspent CSR Bank account on March 31, 2022.

## 31. IND AS 116 “LEASES”

(a) Movement in right of use assets - Refer Note 3.4



(All figures are rupees in million unless otherwise stated)

**(b) Movement in lease liabilities:**

Particulars	2022-23	2021-22
Balance at the beginning	58.12	83.58
Addition	53.45	-
Finance cost incurred during the year	5.25	5.19
Payment of lease liability	(29.33)	(30.65)
<b>Closing balance</b>	<b>87.49</b>	<b>58.12</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, 2023	As at March 31, 2022
Less than one year	29.67	18.01
One to two years	28.75	10.27
Two to five years	36.12	28.03
More than five years	5.45	14.80
<b>Total</b>	<b>99.99</b>	<b>71.11</b>

**(e) The following is the break-up of current and non-current lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liability	6.26	14.42
Non-current lease liability	81.22	43.69
<b>Closing balance</b>	<b>87.48</b>	<b>58.11</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 held on January 27, 2021 granted 56,90,467 options (comprising of 42,45,540 employee stock options; 11,43,263 RSUs and 3,01,664 thank

you grants) to eligible employees pursuant to the ESOP-2020. As of the date, no Equity Shares have been issued pursuant to the ESOP-2020. This plan is administered by the Nomination and Remuneration Committee of the Board.

The eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (three) years from the date of Grant.

During the year, additional 2,76,855 Equity shares were granted under Laxmi – Employee Stock Option Plan 2020 (“ESOP-2020”).

**i) Summary of options granted under plan:**

Particulars	Option Plan			
	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Number of options granted	2,76,855	42,45,540	11,43,263	3,01,664
Grant date	May 4, 2022		January 27, 2021	

(All figures are rupees in million unless otherwise stated)

**i) Summary of options granted under plan: (Contd.)**

Particulars	Option Plan			
	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Exercise price	100	100	2	2
Fair value on the date of grant of option (₹ per share)	433.65	73.12	121.48	121.48
Methods of valuation	Black-Scholes			
Method of settlement	Equity			
Method of accounting	Fair value			
Vesting period	May 5, 2023: 15%; March 31, 2024: 15%; March 31, 2025: 20%; March 31, 2026: 20%; March 31, 2027: 30%	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2021: 40%	April 1, 2022: 30%; April 1, 2023: 30%; April 1, 2021: 40%	April 1, 2022: 100%;
Exercise period	7 years			

During the year, 15,13,435 (PY:NIL) options were exercised.

**ii) Reconciliation of options granted under plan:**

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options Outstanding at the beginning of the year	50,56,446	56,90,470
Number of options Granted during the year	2,76,855	-
Number of options Exercised during the year	-	17,20,466
Number of options vested during the Period	15,13,435	-
Number of options Lapses/Forfeited during the year	4,82,611	6,34,024
Number of options Outstanding at the end of the year	33,37,255	50,56,446
Number of options exercisable at the end of the year	14,29,903	17,20,466

**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, 2023	Share options O/s March 31, 2022
Grant 4 (ESOP)	100	2,76,855	-
Grant 1 (ESOP)	100	24,51,775	37,56,016
Grant 2 (RSU)	2	6,08,625	10,09,669
Grant 3 (Thank You Grant)	2	-	2,90,761
<b>Total</b>		<b>33,37,255</b>	<b>50,56,446</b>

Weighted average remaining contractual life of the share option outstanding at the end of year is 1,644 days (Previous Year: NA)

**iv) Fair value of options at the grant date is as under**

Type of Option	Fair value (in ₹)
Grant 4 (ESOP)	433.65
Grant 1 (ESOP)	73.12
Grant 2 (RSU)	121.48
Grant 3 (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	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Expected dividend yield	0.30%	0.30%	0.30%	0.30%
Years to expiration	6	7	7	7

(All figures are rupees in million unless otherwise stated)

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions: (Contd.)

Particulars	Grant 4 (ESOP)	Grant 1 (ESOP)	Grant 2 (RSU)	Grant 3 (Thank You Grant)
Risk free rates	6.96%	6.12%	6.12%	6.12%
Expected volatility	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 annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the 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	2022-23	2021-22
ESOP compensation cost	114.17	231.32
<b>Total expenses</b>	<b>114.17</b>	<b>231.32</b>

## 33. FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	As at	As At	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Carrying value		Fair value	
<b>a) Financial assets</b>				
<b>Amortised cost</b>				
Loans	-	12.07	-	12.07
Others	817.13	852.69	817.13	852.69
Trade receivables	5,702.47	6,684.24	5,702.47	6,684.24
Cash and cash equivalents	810.14	336.12	810.14	336.12
Other bank balances	498.40	1,486.41	498.40	1,486.41
<b>Fair Value through Profit &amp; Loss</b>				
Investments	200.12	40.00	200.12	40.00
<b>Total financial assets</b>	<b>7,828.15</b>	<b>9,371.53</b>	<b>7,828.15</b>	<b>9,371.53</b>
<b>b) Financial liabilities</b>				
<b>Amortised cost</b>				
Borrowings	3,969.71	1,333.17	3,969.71	1,333.17
Trade payables	4,663.34	7,116.63	4,663.34	7,116.63
Lease liability	87.48	58.11	87.48	58.11
Others	482.98	481.45	482.98	481.45
<b>Total financial liabilities</b>	<b>9,203.51</b>	<b>8,989.36</b>	<b>9,203.51</b>	<b>8,989.36</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.

(All figures are rupees in million unless otherwise stated)

**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, 2023 and March 31, 2022:

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	31-Mar-23	-	8.18	-
Forward contracts	31-Mar-22	-	1.08	-
Mutual funds	31-Mar-23	(200.12)	-	-
Mutual funds	31-Mar-22	(40.00)	-	-

### 35. 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 (USD) and Euro (EUR).

#### Foreign currency sensitivity analysis:

The Group is mainly exposed to USD and EURO fluctuations

#### Foreign exchange derivative contracts

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss.

(All figures are rupees in million unless otherwise stated)

**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 ₹ 21.66 million and floating interest loan is ₹ 1400 million (March 31, 2022: Fixed interest loan ₹ 98.66 million and Floating interest loan ₹ 62.42 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2022-23		2021-22	
	Rupee loans interest rate (increase)/decreases by 100 bps	USD loans interest (increase)/decreases by 15 bps	Rupee loans interest rate (increase)/decreases by 100 bps	USD loans interest (increase)/decreases by 15 bps
Increase in profit	1.40	-	1.69	-
Decrease in profit	(1.40)	-	(1.69)	-

**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 minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer Note 4.2)	5,702.47	6,684.24
Allowances for credit loss (Refer Note 4.2 (A))	40.53	86.99

**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, 2023 and March 31, 2022. 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.

(All figures are rupees in million unless otherwise stated)

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, 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>
<b>As at March 31, 2022</b>				
Borrowings	1,293.12	40.05	-	-
Trade payables	7,116.65	-	-	-
Other financial liabilities	481.45	-	-	-
	<b>8,891.22</b>	<b>40.05</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 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, 2023	March 31, 2022
Gross debt*	3,969.71	1,404.93
Less: Cash and cash equivalent*	810.14	336.12
<b>Net debt (A)</b>	<b>3,159.57</b>	<b>1,068.81</b>
<b>Total equity (B)</b>	<b>14,123.84</b>	<b>12,902.18</b>
<b>Gearing ratio (A/B)</b>	<b>0.22</b>	<b>0.08</b>

\*Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

### 37. DISCLOSURE AS PER SCHEDULE III OF THE COMPANIES ACT 2013 OF THE ENTITIES CONSOLIDATED IN THESE FINANCIAL STATEMENTS

Name of the Enterprise	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss	
	% of Consolidated net assets	% of Consolidated net assets	% of Consolidated profit/(loss)	% of Consolidated profit/(loss)
<b>Parent:</b>				
<b>Laxmi Organic Industries Limited</b>				
Current year	99.01%	13,978.04	111.36%	1,391.98
Previous year	97.70%	(12,601.62)	88.92%	(2,279.04)
<b>Subsidiary - Indian:</b>				
<b>Laxmi Lifesciences Private Limited</b>				
Current year	0.00%	(0.10)	0.01%	0.11
Previous year	0.00%	0.21	0.00%	0.06
<b>Viva Lifesciences Private Limited</b>				
Current year	-0.57%	(80.99)	-6.56%	(82.03)
Previous year	-0.01%	1.02	0.11%	(2.72)
<b>Cellbion Lifesciences Private Limited</b>				
Current year	-0.08%	(11.88)	-0.04%	(0.45)
Previous year	-0.21%	27.36	-0.05%	1.39
<b>Saideep Traders</b>				
Current year	-0.01%	(0.90)	0.58%	7.20

(All figures are rupees in million unless otherwise stated)

**37. DISCLOSURE AS PER SCHEDULE III OF THE COMPANIES ACT 2013 OF THE ENTITIES CONSOLIDATED IN THESE FINANCIAL STATEMENTS** (Contd.)

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)
Previous year	0.06%	(7.83)	0.62%	(15.95)
<b>Yellowstone Fine Chemical Private Limited</b>				
Current year	-0.56%	(79.18)	-3.46%	(43.24)
Previous year	-0.01%	0.76	0.00%	0.04
<b>Yellowstone Speciality Chemical Private Limited</b>				
Current year	-0.01%	(1.00)	-0.07%	(0.89)
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)	-1.33%	(16.64)
Previous year	-0.24%	30.49	-1.25%	31.94
<b>Laxmi Organic Industries (Europe) B.V.</b>				
Current year	2.26%	319.26	-0.94%	(11.80)
Previous year	2.78%	(358.92)	12.03%	(308.24)
<b>Laxmi Speciality Chemicals (Shanghai) Co. Ltd.</b>				
Current year	0.00%	(0.59)	0.56%	7.03
Previous year	-0.05%	6.24	-0.23%	5.81
<b>Laxmi Italy S.R.L</b>				
Current year	-0.04%	(4.96)	-0.10%	(1.30)
Previous year	-0.03%	3.68	-0.14%	3.68

**38.** Disclosure related to interest in other entities as per IND AS 112 is given in Statement C.

**39.** The Board of Directors at their meeting held on May 12, 2023 has recommended dividend of ₹ 0.50 per share (25% 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.

**40.** 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.

**41. RELATIONSHIP WITH STRUCK OFF COMPANIES**

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Group and the same is relied upon by the auditors.

**42.** Figures of the previous period have been regrouped wherever necessary including to confirm to current period's classification.

**43.** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the Financial Statements of the Group for the year ended March 31, 2023.

As per our report of even date

For and on behalf of the Board of Directors  
**Laxmi Organic Industries Limited**For **Natvarlal Vepari & Co.**  
Chartered Accountants  
Firm Registration No.: 106971W**Ravi Goenka**  
Executive Chairman  
DIN: 00059267**Dr. Rajan Venkatesh**  
Managing Director & CEO  
DIN: 10057058**Nuzhat Khan**  
Partner  
M.No.: 124960**Tanushree Bagrodia**  
Chief Financial Officer**Aniket Hirpara**  
Company Secretary  
M. No.: ACS18805**Place:** Mumbai  
**Date:** May 12, 2023**Place:** Mumbai  
**Date:** May 12, 2023

(All figures are rupees in million unless otherwise stated)

# Statement A

## Returns/statements submitted to the Bank and Financials Institution

Financial Year: 2022-23

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,834.60	1,669.10	165.50
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,690.50	5,699.80	(9.30)
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	3,653.16	3,654.10	0.94
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,900.90	1,843.10	57.80
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,734.60	4,729.50	5.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,898.01	2,783.40	(114.61)
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,640.89	2,503.10	137.79
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,863.04	6,938.70	(75.66)
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,995.42	4,867.90	(127.52)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,913.13	2,723.00	190.13
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,312.08	6,292.30	19.78
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,793.11	4,579.40	(213.71)



# Statement B

## Related Party Transactions

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

### Related Party Transactions

<b>A Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise</b>		
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd. (Applied for Strike off with MCA w.e.f March 20, 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 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 4, 2021)	Step down subsidiary
17	Yellowstone Chemicals Pvt. Ltd. (Merged with the Company w.e.f October 2, 2022)	Subsidiaries
18	Acetyls Holding Private Limited (Merged with the Company w.e.f October 2, 2022)	Subsidiaries
19	Laxmi USA LLC (Formation is done, Capital infusion is not yet done)	Subsidiaries
<b>B Associates and joint ventures of the reporting enterprise</b>		
1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Joint Venture
<b>C Key Management Personnel</b>		
1	Ravi Goenka (w.e.f April 3, 2023)	Executive Chairman
	Ravi Goenka (up to April 3, 2023)	Chairman & Managing Director
2	Dr. Rajan Venkatesh (w.e.f. April 3, 2023)	Managing Director & Chief Executive Officer
3	Satej Naber (up to April 3, 2023)	Chief Executive Officer & Executive director
4	Harshvardhan Goenka	Executive director
5	Rajeev Goenka	Non-Executive director
6	Rajiv Banavali (w.e.f. May 18, 2021)	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh	Independent Women Director
10	Rajeev Vaidya	Independent Director
11	Vasudeo Goenka (Deceased on December 8, 2021)	Chairman & Non-Executive Director
12	Vinod Bhassin	Director
<b>D Relatives of Key Management Personnel</b>		
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Manisha Goenka	
5	Niharika Goenka	
6	Vimladevi Goenka (Deceased on October 27, 2021)	

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**Related Party Transactions** (Contd.)

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**E Enterprises over which any person described in (C) is able to exercise control**

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- |    |  |
|----|--|
| 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  | Yellowstone Chemicals Pvt. Ltd. (till October 1, 2021) |
| 7  | Acetyls Holding Private Limited (till October 1, 2021) |
| 8  | Laxmi Foundation                                       |
| 9  | Yellowstone Clean Energy LLP                           |
| 10 | R R investments (w.e.f December 27, 2021)              |
-

(All figures are rupees in million unless otherwise stated)

# Statement B

## Related Party Transactions

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>2022-23</b>	-	-	<b>10.30</b>	-	-	<b>10.30</b>
	<b>2021-22</b>	-	-	<b>(10.00)</b>	-	-	<b>(10.00)</b>
Omprakash Bundellu	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2022-23	-	-	2.06	-	-	2.06
	2021-22	-	-	(1.78)	-	-	(1.78)
<b>Interest Paid</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	-	-	<b>(1.36)</b>	-	-	<b>(1.36)</b>
Harshvardhan Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
Ravi Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
<b>Donation</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	-	-	-	-	<b>(0.20)</b>	<b>(0.20)</b>
Laxmi Foundation	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(0.20)	(0.20)
<b>Commission &amp; Other Expenses</b>	<b>2022-23</b>	-	-	-	-	<b>0.82</b>	<b>0.82</b>
	<b>2021-22</b>	-	<b>(0.10)</b>	<b>(5.08)</b>	-	<b>(0.73)</b>	<b>(5.91)</b>
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	0.82	0.82
	2021-22	-	-	-	-	(0.73)	(0.73)
Cleanwin Energy One LLP	2022-23	-	-	-	-	-	-
	2021-22	-	(0.10)	-	-	-	(0.10)
Vasudeo Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.67)	-	-	(0.67)
Harshvardhan Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(4.41)	-	-	(4.41)
<b>Reimbursement of exp charged</b>	<b>2022-23</b>	-	<b>0.02</b>	-	-	<b>0.21</b>	<b>0.23</b>
	<b>2021-22</b>	<b>(21.58)</b>	-	-	-	<b>(0.10)</b>	<b>(21.68)</b>
Cleanwin Energy One LLP	2022-23	-	0.02	-	-	-	0.02
	2021-22	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	0.21	0.21
	2021-22	-	-	-	-	(0.10)	(0.10)
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(21.58)	-	-	-	-	(21.58)
<b>Reimbursement of payment made on behalf of related party</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	<b>(1.35)</b>	-	-	-	-	<b>(1.35)</b>
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(1.35)	-	-	-	-	(1.35)

(All figures are rupees in million unless otherwise stated)

(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>Sales</b>	<b>2022-23</b>	-	-	-	-	31.25	31.25
	<b>2021-22</b>	(1,335.52)	-	-	-	(43.30)	(1,378.82)
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(1,335.52)	-	-	-	-	(1,335.52)
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	31.25	31.25
	2021-22	-	-	-	-	(43.30)	(43.30)
<b>Sales of Asset</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	-	-	-	-	(1.31)	(1.31)
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(1.31)	(1.31)
<b>Purchases</b>	<b>2022-23</b>	-	26.53	-	-	-	26.53
	<b>2021-22</b>	(206.96)	(22.79)	-	-	-	(229.75)
Yellowstone Chemicals Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	(206.84)	-	-	-	-	(206.84)
Cleanwin Energy One LLP	2022-23	-	26.53	-	-	-	26.53
	2021-22	-	(22.79)	-	-	-	(22.79)
<b>Sitting Fees</b>	<b>2022-23</b>	-	-	3.07	-	-	3.07
	<b>2021-22</b>	-	-	(2.00)	-	-	(2.00)
Rajeev Goenka	2022-23	-	-	0.35	-	-	0.35
	2021-22	-	-	(0.30)	-	-	(0.30)
Rajiv Banavali	2022-23	-	-	0.55	-	-	0.55
	2021-22	-	-	(0.25)	-	-	(0.25)
Omprakash Bundellu	2022-23	-	-	0.49	-	-	0.49
	2021-22	-	-	(0.38)	-	-	(0.38)
Manish Chokhani	2022-23	-	-	0.45	-	-	0.45
	2021-22	-	-	(0.35)	-	-	(0.35)
Rajeev Vaidya	2022-23	-	-	0.73	-	-	0.73
	2021-22	-	-	(0.33)	-	-	(0.33)
Sangeeta Singh	2022-23	-	-	0.51	-	-	0.51
	2021-22	-	-	(0.40)	-	-	(0.40)
<b>Directors Remuneration</b>	<b>2022-23</b>	-	-	140.67	-	-	140.67
	<b>2021-22</b>	-	-	(163.20)	-	-	(163.20)
Ravi Goenka	2022-23	-	-	92.28	-	-	92.28
	2021-22	-	-	(100.40)	-	-	(100.40)
Harshvardhan Goenka	2022-23	-	-	23.00	-	-	23.00
	2021-22	-	-	(24.29)	-	-	(24.29)
Satej Nabar	2022-23	-	-	25.39	-	-	25.39
	2021-22	-	-	(28.23)	-	-	(28.23)
Purab Dhanvantray Shah	2022-23	-	-	-	-	-	-
	2021-22	-	-	(3.13)	-	-	(3.13)
Vinod Bhassin	2022-23	-	-	-	-	-	-
	2021-22	-	-	(7.16)	-	-	(7.16)
<b>Long Term Benefits</b>	<b>2022-23</b>	-	-	1.88	-	-	1.88
	<b>2021-22</b>	-	-	(1.74)	-	-	(1.74)
Ravi Goenka	2022-23	-	-	1.06	-	-	1.06
	2021-22	-	-	(0.97)	-	-	(0.97)

(All figures are rupees in million unless otherwise stated)

(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
Harshvardhan Goenka	2022-23	-	-	0.39	-	-	0.39
	2021-22	-	-	(0.36)	-	-	(0.36)
Satej Nabar	2022-23	-	-	0.44	-	-	0.44
	2021-22	-	-	(0.41)	-	-	(0.41)
<b>Dividend Paid</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>
	<b>2021-22</b>	<b>(88.35)</b>	<b>-</b>	<b>(0.32)</b>	<b>(5.46)</b>	<b>(2.35)</b>	<b>(96.48)</b>
Ravi Goenka	2022-23	-	-	0.89	-	-	0.89
	2021-22	-	-	(0.08)	-	-	(0.08)
Rajeev Goenka	2022-23	-	-	0.08	-	-	0.08
	2021-22	-	-	(0.24)	-	-	(0.24)
Manisha Goenka	2022-23	-	-	-	6.60	-	6.60
	2021-22	-	-	-	(5.08)	-	(5.08)
Aryavrat Goenka	2022-23	-	-	-	0.53	-	0.53
	2021-22	-	-	-	(0.38)	-	(0.38)
Satej Nabar	2022-23	-	-	0.07	-	-	0.07
	2021-22	-	-	-	-	-	-
Omprakash Bundellu	2022-23	-	-	0.04	-	-	0.04
	2021-22	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2022-23	123.69	-	-	-	-	123.69
	2021-22	(88.35)	-	-	-	-	(88.35)
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	3.29	3.29
	2021-22	-	-	-	-	(2.35)	(2.35)
<b>Balance Payable</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>0.05</b>
	<b>2021-22</b>	<b>(8.63)</b>	<b>(0.78)</b>	<b>(0.25)</b>	<b>-</b>	<b>(0.31)</b>	<b>(9.97)</b>
Cleanwin Energy One LLP	2022-23	-	-	-	-	-	-
	2021-22	-	(0.78)	-	-	-	(0.78)
Rajeev Goenka	2022-23	-	-	0.02	-	-	0.02
	2021-22	-	-	-	-	-	-
Rajiv Banavali	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.25)	-	-	(0.25)
Sangeeta Singh	2022-23	-	-	0.02	-	-	0.02
	2021-22	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2022-23	-	-	-	-	-	-
	2021-22	(8.63)	-	-	-	-	(8.63)
Brady Investments Pvt. Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(0.31)	(0.31)
<b>Commission Payable to Non-Executive Directors</b>	<b>2022-23</b>	<b>-</b>	<b>-</b>	<b>7.50</b>	<b>-</b>	<b>-</b>	<b>7.50</b>
	<b>2021-22</b>	<b>-</b>	<b>-</b>	<b>(10.00)</b>	<b>-</b>	<b>-</b>	<b>(10.00)</b>
Omprakash Bundellu	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(2.06)	-	-	(2.06)
Rajiv Banavali	2022-23	-	-	1.50	-	-	1.50
	2021-22	-	-	(1.78)	-	-	(1.78)

(All figures are rupees in million unless otherwise stated)

(Contd.)

<b>Related Parties Transactions</b>	<b>For the period ended</b>	<b>(A) Entities where control exists</b>	<b>(B) Associate &amp; Joint Venture</b>	<b>(C) Key Management Personnel</b>	<b>(D) Relatives of Key Management Personnel</b>	<b>(E) Enterprises over which any person described in (C) is able to exercise control</b>	<b>Total</b>
<b>Balance Receivable</b>	<b>2022-23</b>	<b>7.01</b>	-	-	-	<b>12.49</b>	<b>19.51</b>
	<b>2021-22</b>		-	<b>(12.02)</b>	-	<b>(7.29)</b>	<b>(7.29)</b>
Ravi Goenka	2022-23	7.01	-	-	-	-	7.01
Trustee of Yellowstone Trust	2021-22	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	10.29	10.29
	2021-22	-	-	-	-	(5.08)	(5.08)
Pedestal Finance & Trading Pvt. Ltd.	2022-23	-	-	-	-	2.20	2.20
	2021-22	-	-	-	-	(2.20)	(2.20)
Vinod Bhassin	2022-23	-	-	-	-	-	-
	2021-22	-	-	-12.02	-	-	-12.02
<b>Standby Letters of Credit issued by the Company's banker to the bankers of WOS:</b>	<b>2022-23</b>	-	-	-	-	-	-
	<b>2021-22</b>	<b>(79.58)</b>	-	-	-	-	<b>(79.58)</b>
Laxmi Petrochem	2022-23	-	-	-	-	-	-
Middle East FZE	2021-22	(79.58)	-	-	-	-	(79.58)

**Note:**

The above transactions does not include provision provided for Commission to Non-executive directors and performance based incentive to Key Management Personal.

(All figures are rupees in million unless otherwise stated)

# 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 Petrochem Middle East FZE	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	1.94	2.33	-	0.76
Current assets	1,462.34	1,482.34	-	34.49
Non-current liabilities	-	-	-	-
Current liabilities	980.24	971.38	-	65.07
<b>Net assets</b>	<b>484.04</b>	<b>513.29</b>	<b>-</b>	<b>(29.82)</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	4,005.83	4,394.68	39.28	285.68
Profit for the year	-16.97	287.49	30.11	(31.94)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Cellbion Lifesciences Pvt. Ltd.		Saideep Traders	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	35.54	49.80	73.20	86.04
Current assets	0.16	0.20	94.99	182.93
Non-current liabilities	-	21.46	36.38	42.63
Current liabilities	0.02	0.02	98.65	180.96
<b>Net assets</b>	<b>35.68</b>	<b>28.52</b>	<b>33.16</b>	<b>45.37</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	519.29	440.10
Profit for the year	7.17	14.54	7.20	15.11
Profit/(Loss) allocated to NCI	-7.61	-15.93	0.40	0.84
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Yellowstone Fine Chemical Pvt. Ltd.		Viva Lifesciences Pvt. Ltd.	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	3,849.75	894.14	128.80	1,281.78
Current assets	687.24	303.09	364.67	49.82
Non-current liabilities	1,060.05	-	-	-
Current liabilities	2,172.33	1,146.99	506.12	1,330.46
<b>Net assets</b>	<b>1,304.62</b>	<b>50.24</b>	<b>(12.66)</b>	<b>1.15</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	588.47	10.00	-	-
Revenue	0.02	-	1,781.95	109.66
Profit for the year	(43.21)	(0.04)	(13.80)	3.90
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

(All figures are rupees in million unless otherwise stated)

Particulars	Laxmi Lifesciences Pvt. Ltd.		Yellowstone Speciality Chemical Pvt. Ltd.	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	-	-	-	-
Current assets	-	0.02	-	0.93
Non-current liabilities	-	0.03	-	-
Current liabilities	-	0.10	-	0.03
<b>Net assets</b>	-	<b>(0.11)</b>	-	<b>0.89</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	0.24	-	-	-
Profit for the year	0.11	(0.06)	(0.89)	(0.07)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.		Laxmi Italy S.r.l.	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	-	-	1.27	0.21
Current assets	46.42	3.26	0.56	2.30
Non-current liabilities	-	-	(1.11)	(1.14)
Current liabilities	43.43	6.16	0.05	0.51
<b>Net assets</b>	<b>2.99</b>	<b>(2.90)</b>	<b>2.88</b>	<b>3.14</b>
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	80.40	8.80	2.33	-
Profit for the year	7.03	(5.81)	(1.30)	(3.68)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-



# Notice

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on **THURSDAY, AUGUST 03, 2023 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, 2023, 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, 2023, 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, 2023 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, 2023 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To declare final dividend on equity shares and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the recommendations made by the Board of Directors of the Company, a final dividend at the rate 25% (₹ 0.50 per equity share) be and is hereby declared on all the equity shares of ₹ 2 each fully paid-up in the paid-up capital of the Company and that the aforesaid dividend be distributed out of the profits of the Company for the financial year ended March 31, 2023, to whose name appears on the Register of Equity Shareholders of the Company as on July 21, 2023 (“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 21, 2023 or to their mandates.”

3. To appoint Director in place of Mr. Harshvardhan Goenka (DIN: 08239696) 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. Harshvardhan Goenka (DIN: 08239696), 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.”

4. To approve the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company, 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 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be and is hereby appointed as Auditors of the Company in place of the retiring auditors, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No: 106971W) to hold office from the conclusion of this 34<sup>th</sup> Annual General Meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in financial year 2027-28, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

## SPECIAL BUSINESS:

5. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024, 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 ₹ 0.20 million (excluding Taxes plus out of pocket expenses at actual), as approved by the Board of Directors and set out in the Statement annexed to the notice convening this Meeting, to be paid to **M/s B. J. D. Nanabhoy & Company**, Cost Auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified.”

6. To approve the revision in the remuneration of Mr. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN: 08239696) for the Financial Year 2023-24 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 Regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the approval of the member be and is hereby accorded to revise the remuneration payable to Mr. Harshvardhan Goenka, Executive Director - Business Development & Strategy (DIN: 08239696), during Financial Year 2023-24 w.e.f. April 01, 2023 from present ₹ 23.01 million (CTC) to ₹ 24.48 million (CTC) as per the remuneration structure as set out in in statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the actual amount of Performance Linked Incentive (PLI) as specified in remuneration structure is dependent of Company Policy and the Nomination & Remuneration Committee be and is hereby authorised to determine the actual PLI amount payable to Mr. Harshvardhan Goenka based on his individual performance and the Company’s performance in Financial Year 2023-24, 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 2023-24, the remuneration set out here-above shall be paid to Mr. Harshvardhan Goenka, as minimum remuneration, beyond the limit specified in Section II Part II of Schedule V.

**RESOLVED FURTHER THAT** all the other terms of appointment of Mr. Harshvardhan Goenka, except the remuneration as revised above shall remain unchanged.”

7. To consider and approve the revision in the remuneration of Mr. Ravi Goenka, Executive Chairman (DIN: 00059267) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 Regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force, the approval of the members be and is hereby accorded to revise the remuneration payable to Mr. Ravi Goenka, Executive Chairman (DIN: 00059267), during Financial Year 2023-24 w.e.f. April 01, 2023 as under:

- a. The Annual fixed remuneration to be paid to Mr. Ravi Goenka, during Financial Year 2022-23 with effect from April 01, 2023, shall be revised and increased from present ₹ 54.94 million (CTC) to ₹ 58.45 million (CTC).
- b. In addition to Annual Fixed Remuneration as specified in point (a) above, Mr. Ravi Goenka shall be eligible for the following allowances and perquisites as under:
  1. Rent free accommodation (fully furnished).
  2. Leave Travel Allowance for expenses actually incurred for 2 trips in a block of 4 years for self and family member.
  3. Reimbursement of Hospitalization charges and Medical Expenses actually incurred in India on the director and his family members in any hospital.
  4. Leave encashment as per the Company’s policy.
  5. Expenses actually incurred on Gas, Electricity, Water, Furnishings and telephone not exceeding ₹ 2.5 million per annum.
  6. Club Fees and Entertainment expenses on actual basis.
  7. Personal Accident Insurance and Keyman Insurance Policy.
  8. Company’s contribution to provident fund, gratuity, as per Rules in force.
- c. In addition to the Remuneration & Perquisites and Allowances as specified in point (a) and (b) above, Mr. Ravi Goenka (DIN: 000592767) may shall be paid a remuneration by way of commission of such percentage of the net profits of the Company for FY 2022-23 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 FY 2023-24. The specific amount payable to the Managing Director will be based on performance as evaluated by the Nomination & Remuneration Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

**RESOLVED FURTHER THAT** pursuant to rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in Financial Year 2023-24, the remuneration set out here-above shall be paid to Mr. Ravi Goenka, as minimum remuneration, beyond the limit specified in Section II Part II of Schedule V.

**RESOLVED FURTHER THAT** all the other terms of appointment of Mr. Ravi Goenka, except the remuneration as revised above shall remain unchanged.”

8. To consider and approve the request received from Sarawgi Family for removing their name from “Promoter & Promoter Group” and reclassifying them as “Public Shareholders” and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the BSE Limited, National Stock Exchange of India Limited (herein after referred to as “stock exchanges”), the Securities and Exchange Board of India and such other Statutory Authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), the approval of the members be and is hereby accorded to the request received from the below Persons, to reclassify them from “Promoter and Promoter Group” category to “Public” category.

Name of Promoter Group Member	Category	No of Shares held	% Shareholding
Prashant Sarawgi HUF	Promoter Group	56,310	0.02
Vijaykumar Sarawgi	Promoter Group	-	-
Shobha Vijaykumar Sarawgi	Promoter Group	-	-
Prashant Sarawgi	Promoter Group	-	-
S R Artefacts Private Limited	Promoter Group	-	-
Silver Quest (India) LLP	Promoter Group	-	-
Vijaykumar Satyanarayan LLP	Promoter Group	-	-
Vijaykumar Sarawgi HUF	Promoter Group	-	-
S. N. Sarawgi HUF	Promoter Group	-	-

**RESOLVED FURTHER THAT** the above-mentioned Applicant shall not hold more than ten percent of the paid-up equity share capital of the Company.

**RESOLVED FURTHER THAT** in supersession of any provision, their special rights, if any, with respect to the Company through formal or informal arrangements including through any shareholder’s agreements, if any, stand withdrawn/terminated and be null and void, with immediate effect.

**RESOLVED FURTHER THAT** the above applicants confirmed that all the conditions specified in subclause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned Regulation 31A of SEBI (LODR) Regulations, 2015 post reclassification from “Promoter & Promoter Group” to “Public”.

**RESOLVED FURTHER THAT** on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s) or officer(s) of the Company and execute all such acts, deeds, matters and things including but not limited to making intimation/filings to stock exchange(s), seeking approvals from the Securities and Exchange Board of India, BSE Limited, the National Stock Exchange of India Limited or any other Authority (as applicable), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and amend such details and to represent before such authorities as may be.”

By Order of the Board of Directors  
For **LAXMI ORGANIC INDUSTRIES LIMITED**

Date: May 12, 2023  
Place: Mumbai

**Aniket Hirpara**  
Company Secretary and Compliance Officer

# Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020, 17/2020 and 11/2022 dated April 08, 2020, April 13, 2020 and December 28, 2022 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19", circular no. 20/2020 dated May 05, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 and Circular no. 03/2022 dated May 05, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CM2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID-19 pandemic" and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
  2. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
  3. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on registered e-mail address to [investors@laxmi.com](mailto:investors@laxmi.com) with a copy marked to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).
  4. The Company has fixed July 21, 2023 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
  5. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after August 08, 2023 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 21, 2023.
  6. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form.
  7. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form.
  8. In compliance with aforesaid MCA circulars and SEBI circulars, Notice of the AGM along with the Annual Report 2022-23 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 2023 and Notice of the 34<sup>th</sup> AGM of the Company, may send request to the Company's e-mail address at [investors@laxmi.com](mailto:investors@laxmi.com) mentioning FOLIO No./DP ID and Client ID.

## **Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report.**

If your e-mail address is not registered with the Depositories (if shares held in electronic form)/Company (if shares held in physical form), you may register on or before 5:00 p.m. (IST) on July 15, 2023 to receive the Notice of the AGM along with the Annual Report 2022-23 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.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, August 01, 2023 through e-mail on [investors@laxmi.com](mailto:investors@laxmi.com). The same will be replied by the Company suitably.
11. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested

to claim their dividends from the Company, within the stipulated timeline.

12. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
13. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to [laxmiorganicdivtax@linkintime.com](mailto:laxmiorganicdivtax@linkintime.com) by 11:59 p.m. IST on July 19, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
14. Non-resident shareholders [including Foreign institutional Investors (FIIs)/Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to [investors@laxmi.com](mailto:investors@laxmi.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 19, 2023.

## 15. VOTING THROUGH ELECTRONIC MEANS

### i. The procedure and instructions for remote e-voting are as under:

Pursuant to SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 09, 2021.

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/physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ul>

Login method for Individual shareholders holding securities in demat mode/physical mode is given below: (Contd.)

Type of shareholders	Login Method
	<ul style="list-style-type: none"> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</li> </ul>
<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on "<b>Sign Up</b>" under '<b>SHARE HOLDER</b>' tab and register with your following details: - <ul style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> 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.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ul> </li> <li>Shareholders/members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> </li> </ol>

Login method for Individual shareholders holding securities in demat mode/physical mode is given below: (Contd.)

Type of shareholders	Login Method
	<ul style="list-style-type: none"> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character ( @ !#\$&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click “confirm” (Your password is now generated).</li> </ul>
	2. Click on ‘Login’ under ‘ <b>SHARE HOLDER</b> ’ tab.
	3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘ <b>Submit</b> ’.
	4. After successful login, you will be able to see the notification for e-voting. Select ‘ <b>View</b> ’ icon.
	5. E-voting page will appear.
	6. Refer the Resolution description and cast your vote by selecting your desired option ‘ <b>Favour/Against</b> ’ (If you wish to view the entire Resolution details, click on the ‘ <b>View Resolution</b> ’ file link).
	7. After selecting the desired option i.e. Favour/Against, click on ‘ <b>Submit</b> ’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘ <b>Yes</b> ’, else to change your vote, click on ‘No’ and accordingly modify your vote.

#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian/Mutual Fund/Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian/Mutual Fund/Corporate Body’ login for the Scrutinizer to verify the same.

about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character ( @ !#\$&\*), at least one numeral, at least one alphabet and at least one capital letter.

#### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
  - In case shareholders/members is having valid email address, Password will be sent to his/her registered e-mail address.
  - Shareholders/members can set the password of his/her choice by providing the information

#### Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

#### Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 22-48867000 and 22-24997000
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 1800225533

Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders & evoting service Provider is LINKINTIME:

In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions** ('FAQs') and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on Tel: 022 –4918 6000.

## 16. Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & 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

**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 Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

### Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No./Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via



Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/members have any queries regarding login/e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**17.** Details of Directors seeking appointment/re-appointment at the 34<sup>th</sup> AGM to be held on Thursday, August 03, 2023 (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)

<b>Name</b>	Mr. Harshvardhan Goenka
<b>Date of Birth</b>	April 30, 1989
<b>Date of First Appointment</b>	November 01, 2020
<b>Qualification</b>	B.Sc.
<b>Experience</b>	12 years
<b>Terms &amp; Conditions of Re-Appointment</b>	In terms of Section 152(6) of the Act, Mr. Harshvardhan Goenka is liable to retire by rotation at the Meeting.
<b>Remuneration last drawn (including Sitting Fees, if any)</b>	₹ 23.01 million
<b>Remuneration proposed to be paid</b>	Upon the re-appointment as Director, Mr. Harshvardhan Goenka, in his capacity of Executive Director (Business Development & Strategy), will receive remuneration as specified in Resolution No.6.
<b>Shareholding in Company</b>	125 Equity Shares
<b>Relationship with other Directors/Key Managerial Personnel</b>	Mr. Harshvardhan Goenka is son of Mr. Ravi Goenka, Executive Chairman and nephew of Mr. Rajeev Goenka, Director
<b>No of Meetings of the Board Attended during Financial Year 2022-23</b>	5 (five)
<b>Other Directorships held as on March 31, 2023</b>	<ol style="list-style-type: none"> <li>1. Yellowstone Speciality Chemicals Private Limited</li> <li>2. Laxmi Bioenergie Limited</li> <li>3. Anugrah Investments Limited</li> <li>4. Cleanwin Energy Two Private Limited</li> <li>5. Yellowstone Green Energy Private Limited</li> <li>6. Yellowstone Oil &amp; Gas Private Limited</li> </ol>
<b>Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2023</b>	NA

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### ITEM NO.5:

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, 2024 on the remuneration ₹ 0.20 million (excluding Taxes plus out of pocket expenses at actual).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

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.5 as the Ordinary Resolution.

### ITEM NO.6

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Director have at their meeting held on May 02, 2023, approved an increase in the annual remuneration to be paid to Mr. Harshvardhan Goenka, Executive Director – Business Development & Strategy (DIN: 08239696) during Financial Year 2023-24 with effect from April 01, 2023 from present ₹ 23.01 million (CTC) to ₹ 24.48 million as per the following remuneration structure:

CTC Component	Annual Amount (₹ in million)
Fixed Pay	20.06
Performance Linked Incentive (PLI) (PLI is dependent on Company Policy and will be determined and payable at the end of the year based on the performance of the Company as well as Individual)	4.41
<b>Total CTC (Total Fixed Pay + PLI)</b>	<b>24.48</b>

The overall increase in the Annual CTC of Mr. Harshvardhan Goenka for FY 2023-24 is 6.4% 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 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.

Mr. Harshvardhan Goenka is interested in the said resolution, which pertains to the remuneration payable to him. Mr. Ravi Goenka, Mr. Rajeev Goenka and the other relatives of

Mr. Harshvardhan Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

### ITEM NO. 7

Upon the recommendation of the Nomination & Remuneration Committee, the Board of Director have at their meeting held on May 02, 2023, approved the revision in the payment of remuneration of Mr. Ravi Goenka, Executive Chairman (DIN: 00059267) as specified in the resolution. The overall percentage increase in the Annual CTC (excluding commission) is 6.4% per annum.

The revision in the remuneration has been finalized at organisation level after taking into consideration various factors like Company performance (top-line and bottom-line approach), industry benchmarking etc. Further, in the opinion of the Board, the aforesaid revision is in line with the industry norms and is justified considering the qualification,

work profile, experience and the overall contribution made by Mr. Ravi Goenka to the Company. Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No.7 as the Special Resolution.

The other terms of appointment of Mr. Ravi Goenka shall remain unchanged.

In accordance with the provisions of Companies Act, 2013, the revision in the remuneration of the Whole-Time Director requires approval of the Members.

Mr. Ravi Goenka is interested in the said resolution, which pertains to the remuneration payable to him. Mr. Harshvardhan Goenka, Mr. Rajeev Goenka and the other relatives of Mr. Ravi Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

## ITEM NO. 8

The Company has received a letter dated May 11, 2023 from the following persons ("Outgoing Promoters"), whereby they have requested the Company for re-classification from the 'Promoter and Promoter Group' category to 'Public' category shareholder of the Company. All these persons are included as a member of the Promoter Group in the prospectus dated March 18, 2021 filed with the Registrar of Companies ("ROC") and Securities and Exchange Board of India ("SEBI").

Name of Promoter Group Member	Category	No of Shares held	% Shareholding
Prashant Sarawgi HUF	Promoter Group	56,310	0.02
Vijaykumar Sarawgi	Promoter Group	-	-
Shobha Vijaykumar Sarawgi	Promoter Group	-	-
Prashant Sarawgi	Promoter Group	-	-
S R Artefacts Private Limited	Promoter Group	-	-
Silver Quest (India) LLP	Promoter Group	-	-
Vijaykumar Satyanarayan LLP	Promoter Group	-	-
Vijaykumar Sarawgi HUF	Promoter Group	-	-
S. N. Sarawgi HUF	Promoter Group	-	-

The outgoing Promoters have executed a Business Separation Agreement dated May 11, 2023 with Mr. Ravi Goenka ("the Promoter") and Mrs. Manisha Goenka ("Promoter group Member"), to record in writing (i) the factual situation that there is a separate business ventures between the Promoter and the Outgoing Promoters; (ii) that Outgoing Promoters have no role in management of the Company; and (iii) that Outgoing Promoters are desirous to re-classify ourselves as 'Public' from 'Promoter and Promoter Group' of the Company.

Considering the aforesaid Business Separation Agreement, the Outgoing Promoters satisfies all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation 3 of Regulation 31A of SEBI (LODR) Regulations, 2015 as under that:

- a. Together they do not hold more than ten percent of the total voting rights in the Company;
- b. Together they do not exercise control over the affairs of the Company directly or indirectly;
- c. Together they do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- d. They are not being represented on the board of directors (including a nominee director) of the Company;
- e. None of them act as key managerial personnel in the Company;
- f. None of them are a 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- g. None of them are a fugitive economic offender.

The Outgoing Promoters also confirmed that at all times from the date of such re-classification they will continue to comply with conditions mentioned in sub-clauses (i), (ii) and (iii) of clause (b) of sub-regulation 3 of Regulation 31A and shall also comply with conditions mentioned at sub-clause (iv) and (v) of clause (b) of sub-regulation (3) of Regulation 31A of the SEBI (LODR) Regulations, 2015 for a period of not less than three years from the date of such reclassification, failing which he shall automatically be reclassified as promoter.

The Board of Director have reviewed and approved the aforesaid reclassification request at its meeting held on May 12, 2023.

The aforesaid approval has following impact on the Total Shareholding of the Company as under:

<b>Particulars</b>	<b>Pre-Reclassification</b>		<b>Post-Reclassification</b>	
	<b>No of Shares</b>	<b>% Holding</b>	<b>No of Shares</b>	<b>% Holding</b>
Promoters	19,22,62,806	72.50	19,22,06,496	72.48
Public	7,29,13,402	27.50	7,29,69,712	27.52
<b>Total</b>	<b>26,51,76,208</b>	<b>100.00</b>	<b>26,51,76,208</b>	<b>100.00</b>

With respect to the pre-requisites in relation to the Company, Board also noted that as at the date of the approval:

- a) The Company is in compliance with requirements of minimum public shareholding as required under Regulation 38 of the Listing Regulations.
- b) The trading in equity shares of the Company has not been suspended by the stock exchanges where equity shares of the Company are listed.
- c) The Company does not have outstanding dues to the SEBI, Stock Exchanges or the Depositories.

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.

The Board recommends the resolution set forth in Item no. 8 for the approval of members.



**LAXMI ORGANIC INDUSTRIES LTD**

Registered Office :  
A-22/2/3, MIDC, Mahad,  
Dist Raigad – 402309