Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: _____

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Documents is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

LAXMI ORGANIC INDUSTRIES LIMITED

Registered Office: A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra, India ; **Tel:** +91 2145 232424;
Corporate Office: Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400 021, Maharashtra, India; **Tel:** +91 22 4910 4444;
Contact Person: Aniket Hirpara, Company Secretary and Compliance Officer; **Tel**: +91 22 4910 4467; **E-mail:** investors@laxmi.com; **Website**: www.laxmi.com;
Corporate Identity Number: L24200MH1989PLC051736

Laxmi Organic Industries Limited ("**Company**" or "**Issuer**") was incorporated at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989 issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). The Company received a certificate for commencement of business on December 20, 1989 pursuant to the provisions of the Companies Act, 1956. For further details relating to the changes in the registered office of our Company, see "*Organizational Structure*" on page 200.

Issue of up to [●] Equity Shares (as defined below) of face value of ₹2 each at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to ₹[●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 37.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER, EACH AS AMENDED

The equity shares of our Company having a face value of ₹2 each (the "**Equity Shares**") are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on October 4, 2023, was ₹280.50 and ₹279.40 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received from BSE and NSE, each on October 4, 2023. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

Except for this Preliminary Placement Document, the information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the Book Running Lead Managers (as defined hereinafter) and their respective affiliates or agents does not form part of this Preliminary Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue. A draft of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 49, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document and the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 218. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in this Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. See sections entitled "*Selling Restrictions*" on page 234 for information about eligible offerees for this Issue and "*Purchaser Representations and Transfer Restrictions*" on page 241 for information about transfer restrictions that apply to the Equity Shares sold in this Issue.

This Preliminary Placement Document is dated October 5, 2023.

BOOK RUNNING LEAD MANAGERS	
DAM Capital Advisors Limited	**Jefferies India Private Limited**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to us, our Subsidiaries, and our Associates ("**Group**") and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Group and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither we nor the BRLMs have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. DAM Capital Advisors Limited and Jefferies India Private Limited (the "**BRLMs**") have made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Group and the Issue of Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Group and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in the United States and certain other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, subscribers and purchasers of the Equity Shares will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 234 and 241, respectively.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the BRLMs or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer, transfer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 234 and 241, respectively.

In making an investment decision, the prospective investors must rely on their own examination of us, the Equity Shares and the terms of this Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Group and the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, 2013, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on the websites of the Group including our Company, viz., www.laxmi.com, any website directly or indirectly linked to the website of our Group or on the respective websites of the BRLMs or any of their respective affiliates or agents, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 234 and 241, respectively.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" in this section are to a prospective investor in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 234 and 241, respectively and have represented, warranted and acknowledged to and agreed to our Company and the BRLMs, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, and can participate in the Issue only under Schedule II of FEMA Rules. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. Additionally, you are aware that, in terms of the SEBI FPI Regulations, you are not permitted to acquire 10% or more of the post-Issue Equity Share capital of our Company;

- You are aware that in terms of the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges. Further, additional restrictions apply if you are within the United States and certain other jurisdictions. For further details in this regard, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 234 and 241, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy and press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to us, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our perspective present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 49;

- In making your investment decision, you have (i) relied on your own examination of us and the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of us and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity

Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative Investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our 'Promoter', or 'Promoter Group' (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 234 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 234;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 241 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 241;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are subscribing for the Equity Shares in an "offshore transaction" as defined in and in compliance with Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act.

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai, Maharashtra, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate. However, affiliates of the BRLMs, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 11;

- Our Company, the BRLMs, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLMs, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore

Derivative Instruments, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

Disclaimer clause of the Stock Exchanges

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to Laxmi Organic Industries Limited and references to 'we', 'us' or 'our' are to our Company together with our Subsidiaries, and our Associates on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India and references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

All the numbers in this Preliminary Placement Document have been presented in million. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources. The amounts derived from financial statements included herein are presented in ₹ million. Financial statements included in our Audited Consolidated Financial Statements are presented in ₹ million.

Except as otherwise set out in this Preliminary Placement Document, all figures set out in this Preliminary Placement Document have been rounded off to the nearest whole number. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Financial Data and Other Information

Our Company publishes its financial statements in Indian Rupees. Our Financial Statements have been prepared in accordance with the Ind AS and Companies Act, 2013. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal(s)" or "Fiscal Year" or "financial year" or "FY" refer to the 12 month period ending, or as of March 31 of that year (as the case may be).

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Preliminary Placement Document the unaudited consolidated financial results of our Group as at, and for the three month period ended June 30, 2023 ("**Unaudited Consolidated Financial Results"**) and the audited consolidated financial statements for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, including the notes thereto ("**Audited Consolidated Financial Statements**") and reports thereon. The Audited Consolidated Financial Statements should be read along with the respective audit reports.

The Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements (read with the notes thereto and the report thereon) have been limited reviewed and audited respectively by our erstwhile Statutory Auditors, Natvarlal Vepari & Co., Chartered Accountants, on which they have issued audit reports dated July 28, 2023, May 12, 2023, May 4, 2022, and May 25, 2021, respectively.

Except as specifically indicated otherwise and unless the context requires otherwise, all the consolidated financial information for the three month period ended June 30, 2023 and for the Fiscals 2023, 2022 and 2021 included in this Preliminary Placement Document have been derived from the Unaudited Consolidated Financial Results and Audited Consolidated Financial Statements respectively.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and U.S. GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Our Company's website, and the websites of our Subsidiaries, shall not form a part of this Preliminary Placement Document.

Non-GAAP Financial Measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") in this Preliminary Placement Document, for example, "EBITDA", "EBITDA Margin", "Return on Capital Employed" and "Return on Equity", in "*Our Business*" on page 185. These Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" on page 261.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in "*Industry Overview*" on page 145.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates*" dated September 25, 2023 (the "**F&S Report**"), which is a report exclusively commissioned and paid for by our Company and prepared by Frost & Sullivan (India) Private Limited pursuant to an engagement letter dated August 11, 2023, in connection with the Issue.

The F&S Report contains the following disclaimer:

"*Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates'' has been prepared for the proposed qualified institutions placement of equity shares by Laxmi Organic Industries Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors 43. This Preliminary Placement Document contains information from an industry report which we have commissioned from Frost & Sullivan. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*" on page 69.

Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the F&S Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- A large part of our manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Mahad, Maharashtra or any disruption in production at, or shutdown of, our Manufacturing Facilities could have material adverse effect on our business and financial condition.

- We have commissioned first phase of Lote Facility where the fluorospecialty assets of Miteni have been rehoused. Such fluorospecialty chemicals, a new product line, may not be accepted by our customers and/or may not be profitable or achieve the profitability that justifies our investment, which may have an adverse impact on our prospects, growth, results of operations and financial condition.

- Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

- If our development and/or innovation efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects. Further, any failure to commercialize our new products may adversely impact our business, operating results and future prospectus.

- Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

- A significant portion of our revenues and expenses and certain of our borrowings are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.

- Our profitability largely depends upon the global prices of our products. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.

- Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.

- The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.

- We rely on third-party transportation and logistics service providers for the storage and procurement of raw materials and the storage and supply of our products. Significant increases in the charges of these entities could adversely affect our business, results of operations and financial conditions. Further, disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 49, 102, 145 and 185, respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the BRLMs or any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and Senior Management named herein are residents of India and the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US $), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI and Financial Benchmarks India Private Limited (the "**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts, could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period End(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal ended*:				
March 31, 2023#	82.22	80.39	83.20	75.39
March 31, 2022#	75.81	74.51	76.92	72.48
March 31, 2021#	73.50	74.20	76.81	72.29
Months ended*				
September 30, 2023@	83.11	83.02	83.28	82.67
August 31, 2023#	82.68	82.79	83.13	82.28
July 31, 2023#	82.25	82.15	82.68	81.81
June 30, 2023#	82.04	82.23	82.64	81.88
May 31, 2023#	82.68	82.34	82.80	81.74
April 30, 2023#	81.78	82.02	82.39	81.65

Source:
#www.rbi.org.in and www.fbil.org.in
@www.oanda.com

Notes:
(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Represents the average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

** In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The RBI/ FBIL reference rates are rounded off to two decimal places*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Taxation*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*", shall have the meaning given to such terms in such sections on pages 251, 145, 261 and 254, respectively.

General terms

Term	Description
"Issuer", or "our Company" or "the Company"	Laxmi Organic Industries Limited, a public limited company incorporated under the Companies Act, 1956
"we", "Group", "our Group", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries and our Associates, on a consolidated basis

Company related terms

Term	Description
Acetyl Intermediates	Acetyl intermediates manufactured by us including ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents
Articles / Articles of Association / AoA	Articles of association of our Company, as amended from time to time
Associates	The associates of our Company as of the date of this Preliminary Placement Document, as disclosed in "*Organizational Structure*" on page 200
Audit Committee	The audit committee of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Group as at, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of assets and liabilities and the consolidated cash flow statement for the year ending March 31, 2023, March 31, 2022 and March 31, 2021 which have been prepared in accordance with the Ind AS, as specified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, to the extent applicable
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof
Chief Financial Officer	The chief financial officer of our Company, being Tanushree Bagrodia
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Aniket Hirpara
Corporate Office	The corporate office of our Company is located at Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400 021, Maharashtra
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Director(s)	Director(s) on the Board of our Company
Equity Share(s)	The equity shares of our Company, having a face value of ₹2 each
Erstwhile Statutory Auditors	The erstwhile statutory auditors of our Company, Natvarlal Vepari & Co., Chartered Accountants
Erstwhile Subsidiary	Laxmi Petrochem Middle East FZE. Dubai
ESOP-2020	Laxmi - Employee Stock Option Plan -2020.
F&S Report/ Frost & Sullivan Report	Report titled "Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates" dated September 25, 2023 prepared and issued by Frost & Sullivan, commissioned and paid for by our Company, exclusively in connection with the Issue.
Frost & Sullivan	Frost & Sullivan (India) Private Limited

Term	Description
Fundraising Committee	The fundraising committee of our Company, a committee duly authorized by our Board.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Independent Non – Executive Directors	Non-executive, independent Directors as per the Companies Act and the SEBI Listing Regulations, who are currently on the Board of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Key Managerial Personnel	Key managerial personnel of our Company identified in terms of Regulation 2(bb) of the SEBI ICDR Regulations and as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Promoter Group	The promoter group of our Company as determined in accordance with the Regulation 2(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, namely, Ravi Goenka and Yellow Stone Trust
Registered Office	The registered office of our Company is located at A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra, India
Risk Management and ESG Governance Committee	The risk management and ESG governance committee of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
RoC / Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai
Senior Management	Senior management of our Company as determined in accordance with the Regulation 2(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Board of Directors and Senior Management* " beginning on page 202 and include the Key Managerial Personnel
Shareholder(s)	The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in "*Board of Directors and Senior Management*" beginning on page 202
Statutory Auditors	Current statutory auditors of our Company, Deloitte Haskins & Sells LLP, Chartered Accountants
Subsidiaries	The subsidiaries of our Company as of the date of this Preliminary Placement Document, as disclosed in "*Organizational Structure*" on page 200
Unaudited Consolidated Financial Results	Unaudited consolidated financial results of our Company, its Subsidiaries and Associates as at and for the three-months ended June 30, 2023 and June 30, 2022 prepared in accordance with the principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, read with relevant rules issued thereunder and other accounting principles generally accepted in India, as amended, and in compliance with Regulation 33 of the SEBI Listing Regulations

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares by our Company, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid/Issue Closing Date	The date after which our Company (or BRLMs on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount, being [●], 2023

Term	Description
Bid/Issue Opening Date	The date on which our Company (or the BRLMs on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount, being October 5, 2023
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Book Running Lead Manager(s) / BRLM(s)	DAM Capital Advisors Limited and Jefferies India Private Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after discovery of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●], 2023
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue.
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices.), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, in the name and style *"Laxmi Organic Industries Ltd-QIP-Escrow Account"*, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form
Escrow Bank	Axis Bank Limited
Escrow Agreement	Agreement dated October 4, 2023 entered into by and amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹283.27 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5.00% on the Floor Price in accordance with the approval of the shareholders of our Company accorded by way of a special resolution through postal ballot passed on June 6, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹ [●]
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	Agreement dated October 4, 2023 entered into by and amongst our Company and the Monitoring Agency
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Agreement dated October 5, 2023 entered into by and amongst our Company and the BRLMs
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
Preliminary Placement Document	This preliminary placement document along with the Application Form dated October 5, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act

Term	Description
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	October 5, 2023 which is the date of the meeting of the Fundraising Committee, a committee duly authorised by our Board, deciding to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
Arbitration Act	Arbitration and Conciliation Act, 1996, as amended
AS	Accounting Standards issued by ICAI, as required under the Companies Act
AY	Assessment year
BSE	BSE Limited
Calendar Year / CY	Period of 12 months commencing from January 1 & ending on December 31
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act / Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Competition Act	The Competition Act, 2002, as amended
CrPC	Code of Criminal Procedure, 1973, as amended
CSR	Corporate social responsibility
DDT	Dividend distribution tax
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBITDA Margin	EBITDA as a percentage of total income
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (formerly called the Department of Industrial Policy and Promotion) bearing file number 5(2)/2020-FDI Policy dated and with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, as amended and the regulations issued thereunder
FEMA Norms	The Government issued a notification and imposed certain restrictions or conditionality on such investments pursuant to Press Notes, circulars and regulations (including FEMA Rules) issued by the DPIIT or the RBI or the Ministry of Finance, Government of India, from time to time, as the case may be.
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
Finance Act	The Finance Act, 2021
Financial year / Fiscal Year / FY / Fiscal	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.

Term	Description
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GDR	Global Depository Receipt
GoI / Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICC	Indian Chemical Council
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards converged with IFRS with some differences, as specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, as amended
IPC	Indian Penal Code, 1860
IT	Information technology
JV	Joint Venture(s)
Laxmi Netherland	Laxmi Organic Industries (Europe) BV, Netherlands
MCA	Ministry of Corporate Affairs, GoI
MIDC	Maharashtra Industrial Development Corporation
MNC	Multinational companies
NCLT	National Company Law Tribunal, GoI
NRI / Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OHSMS	Occupational Health and Safety Management System
p.a	Per annum
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PSU	Public sector undertaking
R&D	Research and development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
Rs. / Rupees / INR / ₹	Indian Rupees, the legal currency of the Republic of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended

Term	Description
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended
SRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by ICAI
Stock Exchanges / Indian Stock Exchanges	Collectively, BSE and NSE
STT	Securities transaction tax
U. S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
U.S.$ / U.S. dollar / USD	United States Dollar, the legal currency of the United States
USA / U.S. / United States	United States of America
VCF	Venture capital fund
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting

SUMMARY OF BUSINESS

Overview

Laxmi Organic Industries limited was established almost three decades ago and presently is involved in large scale manufacturing of chemicals. Since our inception in 1989, we have been on a journey of transformation. We initially started manufacturing acetaldehyde and acetic acid in 1992, and soon thereafter moved on to manufacturing ethyl acetate in 1996. We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market (*Source: Frost & Sullivan Report*). We held the top position in 2022 Ethyl Acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (*Source: Frost & Sullivan Report*). In Fiscal 2010, post acquiring Clariant's assets we diversified into manufacturing ketene and diketene derivatives namely esters, amides, arylides and other chemicals. We believe that the diversification of our product portfolio into varied chemistries has enabled us to create a niche for ourselves. We are the only manufacturer of diketene derivatives in India with a market share of approximately 53 % of the Indian diketene derivatives market in terms of revenue in Fiscal 2023 and one of the largest portfolios of diketene products (*Source: Frost & Sullivan Report*). In Fiscal 2020, we acquired the assets (including plant & machinery, design and operating paperwork, REACH registrations and patents) of Miteni SpA, a manufacturer of organic fluorospecialties and electrochemical fluorination. Post the acquisition we have commenced the manufacturing of Fluro Specialty Intermediates in Fiscal 2024.

The business till Fiscal 2023 was steered via three broad products categories, namely the Acetyl Intermediates, the Specialty Intermediates and Fluorine Intermediates. The Acetyl Intermediates included ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents. The Specialty Intermediates comprises of ketene diketene derivatives and other chemicals. The Fluorine Intermediates will only commence meaningful production from Fiscal 2025 onwards. From Fiscal 2024 we have taken the approach of customer interaction models and consolidated our products into two categories, namely Essentials and Specialties. While the Essentials category is the erstwhile Acetyl Intermediaries category along with Acetic Anhydride which was earlier in the Specialty Intermediates category, the Specialties category consists of all other ketene and diketene derivatives, fluorine intermediates and other chemicals. Our products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavors & fragrances, adhesives and other industrial applications. According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Over the years, we have significantly expanded our scale of operations and global footprint with customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. We have established long-standing relationships with marquee players across industry segments and geographies. We have offices in Leiden (Netherlands) and Shanghai (China) which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice. We held the top position in 2022 ethyl acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (source: Frost & Sullivan Report). For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis.

We currently have three fully operational manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**") which are strategically located in proximity to several ports and each other. We also have two distilleries located in Satara district (the "**Jarandeshwar Distillery**") and Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. The ethanol manufactured at the Distilleries is primarily consumed for the manufacturing of fuel-grade ethanol and ethyl acetate. Further, the upcoming manufacturing facility at Lote Parshuram, Maharashtra, 70 kms away from Mahad, Maharashtra is where the fluorospecialty assets of Miteni have been rehoused (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the flurointermediary products from Lote Facility is expected in Fiscal 2025.

The Mahad facilities, spread over 40 acres, are almost fully occupied. Thus, to enable further expansion and provide for manufacturing diversification, we acquired a land parcel of 84 acres in Dahej, Gujarat in Fiscal 2023

("**Dahej Facility**"). The Board has approved a capex spend of about ₹ 7,100.00 million to develop the first phase of the Dahej Facility. For further details in this regard, see "*Use of Proceeds*" on page 83.

We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities, with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(source: Frost & Sullivan Report)*.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our consolidated revenue from operations was ₹7,335.79 million, ₹27,966.43 million, ₹30,842.66 million and ₹17,684.48 million, respectively. Our consolidated EBITDA for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 812.89 million, ₹ 2,565.83 million, ₹ 3,825.20 million and ₹ 2,213.30 million respectively, while our consolidated profit after tax for the period from continuing operations for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 383.29 million, ₹1,246.12 million, ₹ 2,574.18 million and ₹1,270.63 million respectively.

We have strong and well experienced Board and Key Managerial Personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Ravi Goenka, who is also our Executive Chairman has extensive experience in the chemicals industry and has played a significant role in our development and growth. For further, details in relation to Ravi Goenka and our other Directors and Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page 202.

Our strengths

Cost Competitiveness

One of the key focus areas for the Company has been ensuring cost competitiveness, which is also the reason we have invested in data and technology services. Proximity to the ports further strengthens our cost competitiveness as the time and money spent on logistics is efficient. Both the essentials and the specialty products have common raw materials and that further adds to our cost competitive advantage along with the cogeneration power plant that we operate. Lastly, given the large capacity that we operate, we have significant economies of scale. All these factors, and our focus on operational excellence enable us to be cost competitive in the markets in which we operate.

In the erstwhile Acetyl Intermediates and the now Essentials business, our conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles *(source: Frost & Sullivan Report)*. This has also ensured robust Return on Capital Employed over business cycles.

Lean and Reliable Large Scale Operations of Essentials

The global acetyl market is expected to grow at a CAGR of more than 5.9% over the next decade in terms of volume and is projected to grow from 16 MMT in calendar year 2022 to 22.6 MMT in calendar year 2028 *(Source: Frost & Sullivan Report)*. In terms of revenue, the global acetyl market stands approximately at USD 27.3 billion globally and is expected to grow at 3.2% CAGR over the next half decade *(Source: Frost & Sullivan Report)*. The scale that we have along with our quality control that we have, has enabled us to provide our essentials customers with a differentiated experience in that they can rely on one supplier for timely, quality based supplies in volumes that are relevant. These capabilities will help us cater to the growing markets as well.

We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market *(Source: Frost & Sullivan Report)*. Further, we have the single largest ethyl acetate manufacturing site in India. *(Source: Frost & Sullivan Report)*. We were also among the top ten producers of Ethyl Acetate globally in fiscal 2022. *(Source: Frost & Sullivan Report).*

For the Fiscals 2023, 2022 and 2021, our Company's revenue, on a consolidated basis from manufactured Acetyl Intermediates (including exports to Laxmi Netherlands) was ₹ 18,354.46 million, ₹ 19,157.88 million, and ₹ 12,492.41 million, comprising of 65.63%, 62.12%,and 70.64%, respectively, of our total revenue from operations, on a consolidated basis. The revenue from essentials, on a consolidated basis for quarter ended June 30, 2023 was ₹ 4,981.04 million which constituted 67.90 % of our total revenue from operations, on a consolidated basis.

In addition to our large manufacturing sites, we also have significant storage *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) to ensure reliable and in time supplies for customer. We believe that our large manufacturing capacity, consistent growth, experienced management, global footprint and high-quality products makes us a reliable supplier across various industries.

Only large scale Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products

According to Frost & Sullivan, the global market for diketene and ketene derivatives was estimated to be around USD 1.5-1.6 Bn for the year 2022 and the volume was estimated to be between 1.0-1.1* MMT in 2022 and is expected to grow to 1.4 -1.5 MMT[1] by 2028 growing at a CAGR of ~4.5%. The market in India was valued at USD 160-165 Mn and is expected to reach ~USD 250 Mn by 2028F. The overall growth will be driven by new applications and locking in the value chains.

Our Specialties portfolio is amongst the top five most comprehensive globally as we are amongst the handful of producers who have a backward integrated site that manufactures derivatives right from diketene to the downstream product *(Source: Frost & Sullivan Report).* The current portfolio has 48 products of which two products came on stream in Fiscal 2023. This portfolio has grown from 18 products in Fiscal 2011 at the time of acquisition to 48 products in Fiscal 2023. Our specialties business caters to pharmaceuticals, colorants and agrochemical industries and also provides substitutes for possible imports. We were one of the largest suppliers of diketene based specialty intermediates in Europe from India in calendar year 2022 *(Source: Frost & Sullivan Report).*

As the Fluorine Intermediaries business comes on stream this specialties product basket will grow. For the Fiscals 2023, 2022 and 2021, our revenue from the sale of manufactured Specialty Intermediates, on a standalone basis (including exports to Laxmi Netherlands) was ₹ 9,590.25 million, ₹8,998.72 million, and ₹ 5,187.54 million respectively, comprising of 34.29%, 29.18% and 29.33%, respectively, of our total revenue from operations, on a consolidated basis. For quarter ended June 30,2023 our specialties business revenue was ₹ 2,352.80 million which constituted 32.07 % of our total revenue from operations, on a consolidated basis.

We believe that we are well poised to capture the growing demand for diketene derivatives globally. In view of investments that we made in technology and expertise in diketene chemistry, relationships with customers and track record in commercialization of products across the value chain.

Diversified customer base across high growth industries and long-standing relationships with marquee customers

Our products find application in a number of high growth industries including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. Amongst the industries to which we cater, the global active pharmaceutical ingredients market size is estimated to be USD 215 – 230 Bn in CY 2022 and is projected to reach ~USD 355 Bn by CY 2028 at a CAGR of 9-10% during the forecast period, the global Agrochemicals & Fertilizer Market is estimated to be around USD 240-250 Bn in CY 2022 and is expected to garner revenue of ~USD 360-370 Bn by CY 2028 with a CAGR of 8-9% during the forecast period of CY 2022-28 *(Source: Frost & Sullivan Report).*

Our top ten customers basis revenue from manufactured products on a standalone basis, for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, constituted 26.28%, 30.25%, 37.21% and 37.00% respectively of the total revenue from manufactured products on a standalone basis. A majority of our Company's top ten customers in the three months ended June 30, 2023, have been our customers since Fiscal 2021.

We believe that the diversification of our customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business. The key industries to which we cater to and the corresponding revenue from sales of manufactured products and services by our Company to customers in such industry is set forth below:

(₹ in million)

- [1] Estimates based on average price and basic derivatives only

Industry	Three months ended June 30, 2023	Fiscal 2023
Pharmaceuticals	1,804.25	5,618.99
Agrochemicals	444.64	1,457.25
Colour and pigments	233.95	1,320.84
Printing and packaging	464.94	1,496.06
Other Industrial applications	3,834.40	15,807.47
Distributors	147.24	1,166.64
Total	**6,929.42**	**26,867.23**

Further, we have low customer concentration and no single customer contributed to more than 10% of our revenues from operations during the three-month period ended June 30, 2023 and Fiscals 2023, 2022 and 2021. We have adopted a diversified sales model wherein we sell on spot, through short term contracts (typically two or three months), annual contracts and multi-year contracts based on customers preference and value proposition. To obtain greater assurance of demand and visibility in our manufacturing operations, we have entered into off-take arrangements with some of our customers which involve multi-year agreements, for certain specific products to give the necessary supply assurance to the customer.

We believe our speedy execution and timely response to customer needs, coupled with our high-quality products and innovation have enabled us to successfully establish our market presence and nurtured our customer relationships. Further, our long-term relationships with marquee customers provides us with steady revenue flows.

Strategically located manufacturing facilities, ample land available for expansion, vertical integration and supply chain efficiencies

We currently have three strategically located Manufacturing Facilities located in Mahad, Maharashtra, in close proximity to several ports including the Jawaharlal Nehru (Nhava Sheva) Port, JSW port and Mumbai port which ensures that we have ready access to port facilities and are able to expediently import our raw materials and export our products; thereby providing us with a cost and logistical advantage. The proximity of the facilities to one another adds to logistics and operational efficiencies. Our Manufacturing Facilities are located close to the southern and western regions of India, where some of the major pharmaceutical manufacturers are located. Our Manufacturing Facilities have received a number of accreditations such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. Further, we are one of the few Indian chemical companies to be recognized with Responsible Care certification by the Indian Chemical Council ("**ICC**"). This certificate was renewed third time in a row by the ICC in January 2023.

Our new fluorospecialty facility being set up at Lote Parshuram is on a 30 acre plot and post the completion of the current installation of all Miteni assets there will still be ample land available for expansion. To add expansion capacity and provide geographic de-risking, we acquired a new land parcel in Dahej, Gujarat in Fiscal 2023. The 85 acre plot will see the first expansion being constructed from Fiscal 2024 onwards. This phase will be expanding product capacities across currently produced products.

We also have two Distilleries located in Maharashtra for the manufacturing of ethanol and specially denatured sprit from molasses. These Distilleries and our Manufacturing Facilities are located close to sugar mills in Maharashtra thereby providing us with easy supply for molasses and reducing transportation costs. Ethanol is a basic raw material required for the manufacture of Acetyl Intermediates including acetic acid, acetaldehyde and ethyl acetate. Our Distilleries enable backward integration by acting as feeder plants and provide effective control over raw materials and also reduce our dependence on third parties for ethanol.

Further, acetic acid and ethanol are common raw materials for both essentials and specialties thereby enabling us to procure such raw materials from the same supplier and reducing costs.

As part of our manufacturing operations we require a steady supply of steam (majorly for essentials) and power (for specialties). We have a co-generation power plant within one of the manufacturing units at Mahad, Maharashtra (the "**Captive Power Plant**") with a capacity of 7.5 MW, two windmills located in Maharashtra and Karnataka, with a capacity of approximately 1.25 MW each, and a hydro-electric power project at Yedgaon Maharashtra with a capacity of 4 MW (collectively, the "**Power Facilities**"). We also have solar power started in Fiscal 2023 with 3 MW generation capacity. During Fiscal 2023, 42.16% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 14.89% of the total consumption being met from the renewable Power Facilities (the "**Renewable Power Facilities**"). Our Power Facilities reduce our dependence on the electricity grid and third parties and ensure a regular supply of power and steam. We believe that such vertical integration provides us greater control on the manufacturing process, reduces our manufacturing costs and improves our conversion efficiency, thereby improving our profitability.

In order to further bolster our logistics and cost efficiencies on the import as well as export side, we have strategic arrangements with third parties for usage of storage tanks at ports in *inter alia* Mumbai (Maharashtra) for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products. We also have large storage tanks at our Manufacturing Facilities, which are multi-purpose and can be used for storage of different raw materials (including raw materials of seasonal nature) and products.

In-house research and development capabilities and consistent track record of technology absorption

We believe that research and development of new products is the cornerstone to meet our customers' requirements and the most important growth driver of our business. We have two DSIR recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within one of our units at Mahad, Maharashtra which primarily deals with projects related to the direct application of ketene and diketene and our innovation center located at Rabale, Navi Mumbai, Maharashtra (the "**Rabale Innovation Centre**"), which predominantly works on development of new products for us based on complex chemistries.

Our R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(Source: Frost & Sullivan Report)*. We have demonstrated a track record of concept to commercialization. We acquired the ketene/diketene business and its downstream products from Clariant Chemicals (India) Limited ("**Clariant**") in Fiscal 2010 and successfully relocated the plant and machinery and other assets from Clariant's manufacturing site at the Balkum, Thane, Maharashtra to our then greenfield site at Mahad, Maharashtra, i.e. the SI Manufacturing Facility ("**Clariant Acquisition**"). Pursuant to the Clariant Acquisition, our Company acquired the technology and know-how of 18 products from Clariant of which our Company is currently producing 16 products which form part of our Company's Specialty Intermediates product portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 30 new products (the "**New Products**") to our Specialty Intermediates portfolio over the last decade and expanded our product portfolio to 48 products, as on June 30, 2023. In order to expand our product portfolio, we have also developed five different chemistry platforms on a commercial scale, which include the following chemistries: ethyoxylation, chlorination, amination, methoxylation, thiolation and acylation.

We have consistently invested in R&D and technology and have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years. During the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, we have incurred research and development expenditure aggregating to ₹ 39.21 million, ₹153.51 million ₹176.26 million and ₹127.66 million respectively, including capital expenditure of ₹0.06 million, ₹6.62 million, ₹51.22 million and ₹41.81 million during such periods respectively. We have a dedicated team of research scientists comprising 73 employees, as on June 30, 2023, focused on innovation in chemistries and engineering, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We believe our R&D team has enabled us to unlock the value of various complex chemistries and introduce new products resulting in higher margins and revenues.

Our technology development efforts and execution capabilities have enabled us to not only garner leading position in the domestic Specialty Intermediates market, but also made us a leader in several product groups globally *(Source: Frost & Sullivan Report)*. Further, implementation of the latest technology and built-in-processes enables us to produce high quality products consistently.

We are now constructing a new innovation center at Mahape, Maharashtra which should be operational in the first quarter of Fiscal 2025. This facility will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline.

Global presence and low geographical concentration

In addition to India, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our international operations are supported by our offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). We believe our local presence in such international markets facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. We also have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis. Our revenue from exports has grown at a CAGR of 13.12% between Fiscal 2021 and the three months ended June 30, 2023 (annualized).

Our global operations have demonstrated geographical diversification over the periods mentioned below. A geography-wise break-up of our Company's percentage of revenues from sale of manufactured products and services (on a consolidated basis) is as under:

(% of revenue from sale of manufactured products and services on standalone basis)

Geography	**Three months ended June 30, 2023**	**Fiscal 2023**
India	69.59	63.39
Europe*	8.87	19.10
Middle East**	4.39	4.27
Africa#	3.20	2.01
China	1.06	1.20
Rest of Asia	2.92	2.57
Rest of the World##	9.96	7.46
Total	**100.00**	**100.00**

**Includes Armenia, Austria, Belgium, Cyprus, Czech Republic, France, Germany, Italy, Netherlands, Portugal, Romania, Russia, Spain, Sweden and United Kingdom.*
***Includes Egypt, Iran, Israel, Jordan, Lebanon, Oman, Saudi Arabia, Syria, Turkey and United Arab Emirates.*
#Does not include Egypt.
Includes USA and Oceania countries .

We believe our presence in various markets reduces our dependence on one market and thereby minimizing the risk of any adverse developments or material changes in economic outlook in any one market.

Our differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers

The essentials business that we operate in requires cost competitiveness while the specialties business in which we operate has high entry barriers due to *inter alia* the involvement of complex chemistries in the manufacturing of our products and the requirement to be enlisted as a supplier after due qualification of the products with certain customers, particularly with the customers in the pharmaceutical and agrochemical industries. The specialty chemicals industry is highly knowledge intensive. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, with respect to end products manufactured by certain of our customers, we believe if the usage of our products has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer.

We believe that our customer credit management abilities act as a strong entry barrier for smaller players trying to enter the market which is further augmented by vendor relationships for key raw materials.

We believe that we have achieved a high capital efficiency with high asset turnover and working capital turnover ratios, which enables us to utilise our capital in the optimal manner and remain competitive in the industry we operate in. For the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, our asset turnover ratio was 0.30, 1.21, 1.52 and 1.22 respectively.

Handling of certain hazardous raw materials and products such as those that we produce requires a high degree of technical skill and expertise. We believe that the level of technical skill and expertise that is essential for handling products and raw materials can only be achieved over a period of time, creating a further barrier for new entrants.

We believe that given our diversified product portfolio, investment in technology, and R&D, our working capital management, our Power Facilities and consequent cost efficiencies coupled with our global footprint and customer relationships have helped us create a differentiated position in the markets in which we operate.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

No.	Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Total Revenue	7,375.32	28,086.96	30,990.56	17,730.61
2	EBITDA	812.89	2,565.83	3,825.20	2,213.30
3	*EBITDA Margin(%)*	11.02	9.14	12.34	12.48
4	PAT	383.29	1,246.12	2,574.18	1270.63
5	*PAT Margin(%)*	5.20	4.44	8.31	7.17
6	*ROCE(%)*	3.70	11.64	25.38	16.34
7	*ROE(%)*	2.67	9.22	22.15	17.39
8	*Cash from operations (CFO)*	1,644.40	1,990.58	649.90	1225.29
9	Revenue Contribution of Acetyls Intermediate *(%)* (for three months ended June 30, 2023, Revenue Contribution of Essentials *(%)*)	67.90	65.63	62.12	70.64
10	Revenue Contribution of Specialties Intermediate*(%)* (for three months ended June 30, 2023, Revenue Contribution of Specialities*(%)*)	32.07	34.29	29.18	29.33
11	Total Export Sales as a % of Revenues	25.60	46.17	35.26	29.23

Notes:

1. *EBITDA = Profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation.*
2. *EBITDA Margin = EBITDA / Total Revenue*
3. *PAT Margin = Profit after tax for the respective period / total income for the respective period.*
4. *EBIT = Profit/(Loss) for the respective period (after exceptional item) + tax expenses + finance costs*
5. *Capital Employed = Total assets minus current liabilities*
6. *Return on Capital Employed = EBIT / Capital Employed*
7. *Return on Equity = Profit attributable to owners of the Company / Average shareholders equity*
8. *Shareholders equity = Equity share capital + Other Equity*

Experienced promoter, board of directors and key managerial personnel

We have a strong and well experienced Board, which is supported by highly qualified functional heads and key managerial personnel who actively contribute to and participate in our strategies, operations and business development. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in the development of our business. We believe that we have benefitted significantly from our Promoter's experience and capabilities, as well as our senior management's diverse backgrounds which has enabled us to understand and anticipate market trends, expand our product portfolio, manage our business operations and growth, leverage customer relationships and respond to changes in the business environment and customer preferences.

Our non-independent and Independent Directors are experienced and qualified professionals from varied fields such as the securities market, banking and human resources. Our key managerial personnel are experienced across various functions such as finance, legal and secretarial and business development. For further details in relation to our Board and our Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page *202*.

Our Strategies

Customer centric approach to business steering

We follow a collaborative process of product and chemistry development while working with our potential customers, thereby enabling us to establish long-term relationships with them. We recently developed a new route of synthesis for a product supplied to a customer, which eventually culminated in us entering into a long term supply contract with such customer. This customer centric approach is also the reason that we moved to the business steering via essentials and specialties. The asks from essential (across products) is for lean and reliable supplies where price consciousness is higher. The asks from specialties (across products) is for more product / process innovation, catalog products etc. In these products performance of the product is more important than the cost. These clear asks mean that having customer facing teams where the mindset of the teams is attuned to the customers asks make the relationship more synergistic.

Volume maximisation at our Manufacturing Facilities by expanding installed capacities to support our growth initiatives

As a part of our growth strategy, we intend to maximise production volumes at our Manufacturing Facilities. Further, we also intend to expand the installed capacities at our Manufacturing Facilities via debottlenecking initiatives. These efforts are ongoing on the existing sites in Mahad, Maharashtra and will be our principles for all new sites that are commenced as well.

As the infrastructure at Mahad, Maharashtra is now saturated and we still have market demand that we are not able to cater to across essentials and specialties, the expansion at Dahej Facility will add to the capacity of the Mahad units and provide business continuity to customers.

Expanding and optimising our product portfolio

We intend to diversify our existing product portfolio by adding new products (including downstream and value added products) which are synergistic with our existing products and chemistries. We intend to perform and deliver products pursuant to the long-term contracts already entered into with certain customers. We believe that introduction of such products would increase our profit margins and the long-term contracts would provide us incremental and steady revenues. Further, we also intend to focus on growing our recently launched products in order to grow our customer base and revenues.

We also intend undertaking manufacturing of certain products on a contract manufacturing basis with our customers to ensure efficient utilisation of our Manufacturing Facilities and to increase our cash flows. In the past, we have also undertaken custom-manufacturing of certain products for our customers. Custom-manufacturing involves manufacturing of a new product or customizing our existing products based on customer specifications. We believe that such arrangements would further increase our profit margins, and accordingly, we intend to enter into custom-manufacturing for select customers. Such custom-manufacturing also adds to our existing knowledge of chemistries, thereby aiding product development.

Increasing our global footprint and augmenting growth in current geographies

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic markets. Currently, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and USA. We have recently commenced sales of our products in Vietnam. Further, we have also received orders from new customers in the United States of America and also grown our sales in China during the current fiscal.

We will continue to focus our efforts in select geographies such as United States of America, and establish a greater presence there. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality products and innovation.

Continuing focus on deepening innovation and leveraging chemistries and technology absorption

Given the importance of R&D to our business, we are committed to continuing our investment in innovation to diversify our product portfolio across essentials and specialties. As part of our strategy, we will continue to leverage our know-how in complex chemistries and our experience in engineering to focus on the addition of downstream and value-added products to our product portfolio as well as addition of fluorospecialty products to our portfolio.

It is for this reason that we are setting up a new innovation center in Mahape, Maharashtra. This center is spread across a plot area of 2,100 square meters having built-up construction area of 2,687 square meters will not only enable the current chemistry platform research to be done more efficiently but will also provide ample infrastructure for new platforms and scaling up of existing teams and technologies. As the company and business expand this innovation center is being set up to keep pace with the same growth. The R&D in India, across the group, is envisaged to be housed at this new innovation center.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock – up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 49, 83, 232, 218 and 247, respectively.

Issuer	Laxmi Organic Industries Limited
Face Value	₹2 per Equity Share
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Floor Price	₹283.27 per Equity Share calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price However, our Company may offer a discount of not more than 5.00% on the Floor Price in accordance with the approval of the shareholders of our Company accorded by way of a special resolution through postal ballot passed on June 6, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to ₹ [●] A minimum of 10.00% of the Issue Size, i.e., up to [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs
Date of Board resolution	April 20, 2023
Date of Shareholders' resolution	June 6, 2023
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. FVCIs are not permitted to participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 218, 234 and 241, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs
Equity Shares issued and outstanding immediately prior to the Issue	265,576,954 fully paid-up Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" beginning on page 218
Listing and trading	Our Company has obtained in-principle approvals each dated October 4, 2023 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares to be issued pursuant to the Issue
Lock-up	For details of the lock-up, see "*Placement and Lock – up*" on page 232
Proposed Allottees	See "*Proposed Allottees in the Issue*" on page 479 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. For details in relation to other transfer restrictions, see "*Purchaser Representations and Transfer Restrictions*" on page 241
Use of proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹[●]. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹[●]

	See "*Use of Proceeds*" on page 83 for information regarding the use of net proceeds from the Issue	
Risk factors	See "*Risk Factors*" on page 49 for a discussion of risks you should consider before investing in the Equity Shares	
Indian taxation	See "*Taxation*" on page 251	
Closing Date	The Allotment of the Equity Shares, expected to be made on or about [●], 2023	
Ranking and dividend	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares, including rights in respect of dividends The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. For further details see "*Dividend"* and "*Description of the Equity Share"* on pages 101 and 247, respectively	
Security codes for the Equity Shares	ISIN	INE576O01020
	BSE Code	543277
	NSE Symbol	LXCHEM

SELECTED FINANCIAL INFORMATION OF OUR COMPANY

The following selected financial information is extracted from and should be read in conjunction with the audited consolidated financial statements for Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, and the unaudited consolidated financial results for the three months period ended June 30, 2023, included elsewhere in this Preliminary Placement Document. You should refer to "Management's" Discussion and Analysis of Financial Condition and Results of Operations" on page 102, for further discussion and analysis of the Audited Consolidated Financial Statements.

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Audited Consolidated Financial Statements

Summary consolidated balance sheet

Particulars	As at March 31,		
	2023	2022	2021
	(₹ million)		
ASSETS			
Non-current assets			
Property, plant and equipment	7,056.56	3,715.86	3,152.97
Capital work-in-progress	4,470.62	3,737.76	1,479.28
Goodwill on Consolidation	-	-	-
Other Intangible assets	4.48	7.63	9.55
Right of Use Assets	84.91	62.52	88.06
Financial assets			
Investments	27.62	12.50	12.50
Trade Receivables	-	-	-
Loans	-	-	-
Others	103.54	102.57	139.20
Deferred tax asset	-	-	-
Non-current tax assets (net)	-	-	-
Other non-current assets	206.82	125.73	443.89
Total non-current assets	**11,954.55**	**7,764.57**	**5,325.45**
Current assets			
Inventories	2,942.14	3,738.09	2,033.01
Financial assets			
Investments	200.12	40.00	20.00
Trade receivables	5,702.47	6,684.24	4,346.35
Cash and cash equivalents	810.14	336.12	166.16
Bank balances other than cash and cash equivalents	498.40	1,486.41	5,227.69
Loans	-	12.07	-
Other financial assets	713.58	750.12	320.85
Other current assets	1,300.60	1,682.99	936.69
Total current assets	**12,167.45**	**14,730.04**	**13,050.75**
Total assets	**24,122.00**	**22,494.61**	**18,376.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	530.35	527.33	527.33
Other equity	13,587.35	12,371.17	9,818.56
Non-controlling interest	6.14	3.68	4.54
Total equity	**14,123.84**	**12,902.18**	**10,350.43**
Non-current liabilities			
Financial liabilities			
Borrowings	1,303.40	21.66	98.66
Lease liabilities	81.22	43.69	57.70
Other non-current financial liabilities	-	-	-
Provisions	40.59	39.28	35.43
Other non-current liabilities	-	-	-
Deferred tax liabilities	271.77	167.54	156.44
Total non-current liabilities	**1,696.98**	**272.17**	**348.23**
Current liabilities			
Financial liabilities			
Borrowings	2,666.31	1,311.51	1,312.24
Lease liabilities	6.26	14.42	25.88

Particulars	As at March 31,		
	2023	2022	2021
	(₹ million)		
Trade payables	4,663.34	7,116.63	4,749.60
Other financial liabilities	482.98	481.45	1,270.93
Provisions	129.34	125.54	131.84
Current tax liabilities (net)	-	147.41	24.65
Other current liabilities	352.95	123.30	162.39
Total current liabilities	**8,301.18**	**9,320.26**	**7,677.53**
Total equity and liabilities	**24,122.00**	**22,494.61**	**18,376.19**

Summary consolidated statement of profit and loss

Particulars	As at March 31,		
	2023	2022	2021
	(₹ million, except per share data)		
Income			
Revenue from operations	27,966.43	30,842.66	17,684.48
Other income	120.53	147.90	46.13
Total income	**28,086.96**	**30,990.56**	**17,730.61**
Expenses			
Cost of material consumed	16,677.64	18,416.27	8,092.49
Purchase of stock-in-trade	1,648.23	3,573.31	3,652.56
Changes in inventories of finished goods, stock-in-trade and work-in-progress	226.37	-733.63	-2.47
Employee benefits expense	1,159.01	1,244.37	929.01
Finance costs	112.58	154.83	163.97
Depreciation and amortisation expense	724.12	481.80	465.23
Other expenses	5,809.88	4,665.04	2,845.71
Total expenses	**26,357.83**	**27,801.99**	**16,146.50**
Profit before tax and exceptional items	**1,729.13**	**3,188.57**	**1,584.11**
Exceptional items	-	-	-
Profit before tax	**1,729.13**	**3,188.57**	**1,584.11**
Income tax expense			
Current tax	378.77	655.18	277.13
Tax expenses related to earlier years	-	-54.71	-
Deferred tax (net)	104.24	13.92	36.34
Total income tax expense	**483.01**	**614.39**	**313.47**
Profit for the year	**1,246.12**	**2,574.18**	**1,270.64**
Other comprehensive income (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of the net defined benefit plans (net of tax)	3.85	-11.08	-3.81
Items that will be reclassified to profit or loss			
Fair value gain/(loss) on investments and other financial instruments	-	-	-
Income tax on above item	-	-	-
Exchange differences on translation of foreign operations	-	-	-
Total other comprehensive income/(loss) (net of tax)	**3.85**	**-11.08**	**-3.81**
Total comprehensive income for the year	**1,249.97**	**2,563.10**	**1,266.83**
Profit for the year attributable to:			
Shareholders of the holding company	1,245.72	2,573.34	1,270.34
Non-controlling interest	0.40	0.84	0.30
Other comprehensive income for the year attributable to:			
Shareholders of the holding company	3.85	-11.08	-3.81
Non-controlling interest	-	-	-

Particulars	As at March 31,		
	2023	2022	2021
	(₹ million, except per share data)		
Total comprehensive income for the year attributable to:			
Shareholders of the holding company	1,249.57	2,562.26	1,266.53
Non-controlling interest	0.40	0.84	0.30
Earnings per equity share (face value of ₹ 2 each)	4.70	9.76	5.58
Basic and diluted	4.67	9.62	5.58

Summary consolidated statement of cash flows

Particulars	As at March 31,		
	2023	**2022**	**2021**
		(₹ million)	
A. Cash flow from operating activities			
Profit before tax	**1,729.13**	**3,188.57**	**1,584.11**
Adjustments for:			
Depreciation and amortisation expense	724.12	481.02	465.23
Interest Expense	105.45	53.61	145.07
Unwinding of Lease Liability	5.25	-	
Interest on direct Tax	1.87	9.22	3.35
Amortosation of Upfront Fee	-	11.76	5.51
Advances/balances written off (including bad debts)			
Provision for doubtful receivables	62.21	90.17	-0.15
Bad debts written off			
MTM on Financial Asset held as FVTPL	-0.13	-2.13	
(Profit)/loss on sale of investments (net)	-6.96	-5.62	-4.60
Sundry Balances written back	-15.02	-	-4.04
Unrealised foreign exchange loss/(gain) (net)	-13.23	-	-17.54
Rental income	-	-	
ESOP compensation cost	114.17	231.32	46.36
Interest income	-81.61	-112.90	-36.84
Property, plant & equipment written off (net)	-	-	
(Profit)/loss on sale of property, plant & equipment (net)	-0.33	-0.04	6.85
Operating profit before working capital changes	**2,624.92**	**3,944.98**	**2,193.31**
Changes in working capital:			
(Increase)/Decrease in inventories	795.95	-1,234.26	-514.12
(Increase)/Decrease in loans and trade receivables	919.56	-2,018.74	-746.27
(Increase)/Decrease in other financial and non-financial assets	398.98	789.15	-353.61
(Decrease)/Increase in trade payables	-2,438.17	1,341.13	647.22
(Decrease)/Increase in other financial liabilities, non-financial liabilities and provisions	190.75	-30.44	259.34
Cash generated from operations	**2,491.99**	**1,213.52**	**1,485.87**
Income tax paid (net of refunds)	-501.41	-563.62	-260.57
Net cash (used in)/generated from operating activities (A)	**1,990.58**	**649.90**	**1,225.30**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and change in capital work-in-progress	-4,758.93	-2,891.33	-1,151.12
Proceeds from sales of property, plant and equipment	1.45	8.47	0.23
Payment for Business Purchases	-	-400.10	-200.00
Movement in other bank balances	988.01	3,741.28	-4,921.79
Capital Advances	(163.32)	-	-
Loan Repaid	12.07	-12.07	-
Equity Investment / Contribution in subsidiaries	-15.12	-	-12.50
Purchase of Investments (Investments in bonds, debenturs, Mutual Funds etc)	-10,049.50	-10,355.00	-1,705.00
Sale of Investments	9,896.47	10,340.61	1,689.60
Interest income received	84.42	114.20	29.60
Net cash flow (used in) investing activities (B)	**-3,841.12**	**546.06**	**-6,434.30**

Particulars	As at March 31,		
	2023	2022	2021
	(₹ million)		
C. Cash flow from financing activities			
Payment of dividend during the year	-185.57	-131.83	-78.78
Non Controlling interest	2.46	-3.70	0.37
Proceeds from issue of share capital (including securities premium)	93.75	-	5,000.00
Share issue expenses	-	-	-156.99
Proceeds from long term borrowings	1,400.00	-	650.00
Repayment of long term borrowings	-99.76	-1,365.15	-439.13
Net proceeds from short term borrowings	1,331.93	332.05	470.46
Interest Paid	-188.92	-39.62	-141.62
Payment of lease liabilities (principal and interest)	-29.33	-30.65	-30.97
Net cash (used in)/generated from financing activities (C)	**2,324.56**	**-1,238.90**	**5,273.36**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**474.02**	**-42.94**	**64.36**
Cash and cash equivalents at the beginning of the year	336.12	166.16	241.10
Addition on account of Business Purchase	-	-212.90	-
Cash and cash equivalents at the end of the year	810.14	336.12	305.46
Cash and cash equivalents at the end of the year	474.02	-42.94	**64.36**

Unaudited Consolidated Financial Results

Summary of statement of profit and loss

(₹ million)

Sr. No.	Particulars	Quarter ended	
		30.06.2023	**30.06.2022**
		Reviewed	**Reviewed**
1	**Income**		
	Revenue from operations	7,335.79	7,566.11
	Other income	39.53	21.17
	Total income	7,375.32	7,587.28
2	**Expenses**		
	Cost of materials consumed	4,478.03	4,179.39
	Purchases of stock-in-trade	171.85	875.90
	Change in inventories of finished goods, work in progress and stock-in-trade	128.30	(475.00)
	Employee benefits expense	346.61	283.83
	Finance cost	45.99	24.19
	Depreciation and amortisation expense	209.60	135.87
	Other expenses	1,437.19	1,697.97
	Total expenses	6,817.57	6,722.15
3	**Profit before share of profit/(loss) of associate/ joint venture and exceptional items**	557.31	865.13
	Share of profit/(loss) of joint venture/associates	-	-
	Profit /(loss) before exceptional items and tax	557.31	865.13
	Exceptional items	-	-
	Profit/(loss) before tax	557.31	865.13
4	Tax expense	174.02	220.67
	-Current tax	182.91	232.57
	-Deferred tax	(8.89)	(11.90)
	-Income tax (excess)/short provision of previous year	-	-
5	**Profit for the period**	383.29	644.46
6	**Other comprehensive income (OCI)**		
	Remeasurement of the net defined benefit liability / asset (net of tax)	2.43	6.39
	Other comprehensive income /(loss) for the period	2.43	6.39
7	**Total comprehensive income/(loss) for the period**	385.72	650.85
8	**Profit/(loss) attributable to:**		
	Owners of the company	383.29	644.31
	Non-controlling interest	-	0.15
9	**Other comprehensive income attributable to:**		
	Owners of the company	2.43	6.39
	Non-controlling interest	-	-
10	**Paid up share capital (face value Rs. 2/- per share)**	531.15	530.19
11	**Other equity**		

Sr. No.	Particulars	Quarter ended	
		30.06.2023	30.06.2022
12	**Earnings per equity share (face value Rs. 2/- per share)**		
	Basic (Rs.)	1.44	2.44
	Diluted (Rs.)	1.44	2.42

RELATED PARTY TRANSACTIONS

For details of the related party transactions as per the requirements under Ind AS 24, as notified under Section 133 of the Companies Act read with Ind AS rules, as amended for (i) Fiscal Year ended March 31, 2023, see *"Financial Statements- Audited consolidated financial statements for Fiscal 2023- Note 29"* on page 321 (ii) Fiscal Year ended March 31, 2022, see *"Financial Statements- Audited consolidated financial statements for Fiscal 2022- Note 30"* on page 387; and (iii) Fiscal Year ended March 31, 2021, see *"Financial Statements – Audited consolidated financial statements for Fiscal 2021 – Note 30"* on page 458.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 185, 145 and 102, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for Fiscal 2023, Fiscal 2022 and Fiscal 2021 has been extracted from our Audited Consolidated Financial Statements beginning on page 261. *The financial information included in this section for the three months ended June 30, 2023 and June 30, 2022 has been extracted from our Unaudited Consolidated Financial Results approved by the Board of Directors and limited reviewed by statutory auditors of the Company beginning on page* 262.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to us and our Subsidiaries on a consolidated basis.

The industry-related information contained in this section is derived from the F&S Report. We commissioned and paid for the "Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates" dated September 25, 2023, for the purposes of confirming our understanding of the industry in connection with the Issue.

INTERNAL RISKS

1. ***A large part of our manufacturing facilities are located in one geographic area and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around Mahad, Maharashtra or any disruption in production at, or shutdown of, our Manufacturing Facilities could have material adverse effect on our business and financial condition.***

   As on the date of this Preliminary Placement Document, we presently have three fully operational manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**") which are strategically located in proximity to several ports and each other. We also have one distillery located in Satara district (the "**Jarandeshwar Distillery**") and one distillery located in Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. Further, the upcoming manufacturing facility at Lote Parshuram, Maharashtra is 70 kms away from Mahad where the fluorospecialty assets of Miteni have been rehoused (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024. We have a co-generation power plant within one of the manufacturing units at Mahad (the "**Captive Power Plant**") with a capacity of 7.5 MW, two windmills located in Maharashtra and Karnataka, with a capacity of approximately 1.25 MW each, and a hydro-electric power project at Yedgaon with a capacity of 4 MW (collectively, the "**Power Facilities**"). We also installed a solar power plant and which was commissioned in Fiscal 2023 with 3 MW generation capacity**.** Accordingly, a large part of our current manufacturing operations is concentrated in one geographic area.

   Our manufacturing operations and consequently our business is dependent upon our ability to manage the Manufacturing Facilities, which is subject to operating risks, including those beyond our control. However, we intend to diversify from this geographic risk, to enable further expansion and provide for manufacturing diversification and accordingly, we have acquired a land parcel of 84 acres in Dahej, Gujarat in Fiscal 2023. In the event of any disruptions at our Manufacturing Facilities, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in and around Mahad, Chiplun, Satara and Kolhapur, Maharashtra, our ability to manufacture our products may be adversely affected.

In addition to the loss as a result of a fire, industrial accident or natural calamity, any shutdown of our Manufacturing Facilities could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. For instance, one of the Mahad Manufacturing Facilities suffered unprecedented flooding in July 2021 resulting in the plant being shut down for more than 60 days.

Disruptions in and around our Manufacturing Facilities could delay production or require us to shut down the Manufacturing Facilities. Any contravention of or non-compliance with the terms of various regulatory approvals applicable to the Manufacturing Facilities may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labour involved in our Manufacturing Facilities, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

2. ***We have commissioned first phase of Lote Facility where the fluorospecialty assets of Miteni have been rehoused. Such fluorospecialty chemicals, a new product line, may not be accepted by our customers and/or may not be profitable or achieve the profitability that justifies our investment, which may have an adverse impact on our prospects, growth, results of operations and financial condition.***

We intend to expand our product portfolio by including fluorospecialty chemicals, a new product line, and for this will be operationalizing the entire Lote Facility. The assets acquired from Miteni have been successfully rehoused to Lote Facility. The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the Fluröintermediary products from Lote Facility is expected in Fiscal 2025. The fluorospecialty chemicals we propose to manufacture find application in *inter alia* the pharmaceuticals, agrochemical, aerospace and automobile industries.

While we intend to leverage our relationships with existing customers in agrochemicals and pharmaceutical sectors, we cannot assure you that the fluorospecialty chemicals proposed to be manufactured by us will be accepted by our customers. Certain customers may require us to be specifically empanelled with them for the supply of the fluorospecialty chemicals and may undertake a detailed examination of our Lote Facility and samples of our products prior to empanelling us as suppliers of the fluorospecialty chemicals. Our fluorospecialty chemicals may not meet the specification, requirements or standards of potential customers and we may not be able to compete with established fluorospecialty chemical manufacturers. Our proposed fluorospecialty chemicals business will involve complex chemistries and existing manufacturers of such products will be more experienced and have established relationships with customers in this space.

Further, there can be no assurance that we will be able to sell sufficient quantities of fluorospecialty chemicals at the prices required for it to be profitable or to achieve the profitability that justifies our investment. If the fluorospecialty chemicals proposed to be manufactured by us are not profitable, we may be required to incur additional expenditure to support it. The failure of the fluorospecialty chemical business to be profitable or to achieve the profitability that justifies our investment, may have an adverse impact on our prospects, growth, results of operations and financial condition.

3. ***Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.***

We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand our operations. Our growth strategies are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategies or growth plans or complete them within the budgeted cost and timelines.

Expansion of operations increases the challenges involved in *inter alia* making accurate assessments of the resources we require, acquiring new customers and increasing or maintaining contribution from existing customers, procuring raw materials at cheap cost, recruiting, training and retaining sufficient skilled personnel, maintaining high levels of customer satisfaction and adhering to expected performance and quality standards.

Pursuant to changes in market conditions, industry dynamics, technological improvements, changes in regulatory or trading policies or changes therein and other relevant factors, our growth strategies and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Additionally, there can be no assurance that debt or equity financing or our internal accruals will be available or sufficient to meet the funding of our growth plans in the future.

Further, as we grow, we may encounter additional challenges to our global network supply chain, internal processes, financing capabilities and regulatory compliance. Our existing operations, personnel, systems and internal controls may not be adequate to support our growth and may require us to make additional unanticipated investments in our infrastructure. To manage the future growth of our operations, we will be required to improve our administrative, operational and financial systems, procedures and controls, and expand, train and manage our growing employee base.

Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

4. ***If our development and/or innovation efforts do not succeed, we may not be able to improve our existing products and/or introduce new products, which could adversely affect our results of operations, growth and prospects. Further, any failure to commercialize our new products may adversely impact our business, operating results and future prospectus.***

We believe that our focus on product innovation and newer technologies through continuous development has been critical to the growth of our business and has improved our ability to customize our products for our customer. We review the performance of our existing products and the manufacturing processes and take necessary actions to improve functionality and/or efficiency and also identify potential products based on inputs from the business development teams. To accomplish this, we commit substantial effort, funds and other resources towards our research and development activities and have currently set- up two DSIR recognized research and development facilities which is supported by our in-house research and development team. However, we cannot assure you that in the future, we will be able to successfully make timely and cost-effective enhancements and additions to our current research and development team and technological infrastructures. Further, for three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, we have incurred research and development expenditure on a consolidated basis aggregating to ₹39.21 million, ₹153.51 million ₹176.26 million and ₹127.66 million, respectively, including capital expenditure on a consolidated basis of ₹0.06 million,₹6.62 million, ₹51.22 million and ₹41.81 million respectively. For further details, see "*Our Business – Research and Development*" on page 197.

While we have an existing track record of concept to commercialization, the process of developing new products takes a significant amount of time and investment from the stage of identification till the launch of the product. Research and development in the specialty chemicals industry may be expensive and prolonged and entails considerable uncertainty as to its returns and results. At any point in time due to either failure of a particular step or commercial unviability of our product, the research and development activities related to such product may be suspended or discontinued. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. There can be no assurance that our expenditure on research and development activities will yield proportionate results of substantial commercial value or commercially viable products may be developed or launched as a result of such research and development activities.

Further, products developed as a result of our research and development activities will only be profitable if they can be commercialized. Before we can commercialize a new product, we must also simultaneously scale up our production to increase or change our production capacity. Our ability to successfully introduce new and innovative products also depends on our ability to adapt and invest in new technologies. There can be no assurance that we will be able to scale up our production or make timely investments in technological improvements in order to commercialize new products in a timely manner. Failure to predict and respond effectively to this competition could render our existing, new or candidate products less competitive in terms of price and quality. Delays or failure in developing new or commercially viable products could adversely affect our business, financial condition and results of operations.

5. ***Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. In the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, our cost of raw materials consumed constituted 63.27%, 66.24%, 50.12% and 65.69%, respectively, of our total expenses on a consolidated basis. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemics, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

We seek to source our raw materials from reputed suppliers and typically seek quotations from multiple suppliers. However, due to volatility in supply and prices, we do not typically enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations. Acetic acid, a major raw material for most of our products has historically witnessed significant volatility in prices. Further, availability of ethanol, which is the next most important raw material across products, is dependent on monsoons and consequently, depicts seasonality in availability as well as prices.

In the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, purchases of raw materials made by us represented 86.18%, 61.52%, 68.22% and 53.12%, respectively, of our total expenses on a consolidated basis for such period/financial years. Given we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price.

81.61% and 72.22% of our Company's total purchases on a consolidated basis, for the three months ended June 30, 2023 and Fiscal 2023, was incurred on imported raw materials and coal and if there are any disruptions in the geographies from which we import raw materials and coal or our ability to import raw materials from such geographies may be adversely impacted and we may not be able to source such raw materials from local suppliers at similar commercial terms or quantities.

Further, there can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms. For additional details of the raw materials, see "*Our Business- Raw Materials*" on page 196.

Further, any increase in raw material prices may result in corresponding increases in our product costs. While we typically sell our products to our customers on short-term contracts, given that we have long term relationships with many of our customers, our ability to pass on increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial conditions.

6. ***A significant portion of our revenues and expenses and certain of our borrowings are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks which may adversely impact our results of operations.***

We have material exposure to foreign exchange related risks since a significant portion of our raw materials are imported and we have revenue from operations are in foreign currencies albeit lower than the spend in foreign currency. In the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, expenses in foreign currency accounted for 62.02%, 38.54%, 57.14% and 47.62%, respectively of our total expenses in such periods on a consolidated basis. We have customers in over 52 countries including China, Russia, Singapore, Hongkong, United Arab Emirates and few other Asian Countries, Netherlands, France, Spain, Germany and few other European Countries, United Kingdom, Australia, African Countries, Argentine, Brazil, Canada and United States of America. Further, we have offices in Leiden (Netherlands), Shanghai (China) and Rome (Italy) In the three months ended June 30, 2023, and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 30.16%, 36.35%, 31.05% and 29.09%, respectively, of our Company's revenue from operations on a standalone basis. We may, suffer losses on account of foreign currency fluctuations in our exports, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our consumers. Further, we import machinery from other countries and the prices of which will be impacted by the foreign currency exchange rate fluctuations.

Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we selectively enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

7. ***Our profitability largely depends upon the global prices of our products. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.***

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers.

We leverage our global footprint to sell our products globally. In the three months ended June 30, 2023, and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 30.16%, 36.35%, 31.05% and 29.09%, respectively, of our Company's revenue from operations on a standalone basis. We have been the largest exporter of ethyl acetate from India in the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021(*Source: Frost & Sullivan Report*). Our sale of products in foreign jurisdictions is subject to the global prices of the products. Since we currently manufacture all our products at the Manufacturing Facilities and the Distilleries in Maharashtra, India, we may be unable to provide the products at competitive prices as against suppliers able to implement more cost-effective distribution facilities and local suppliers in such foreign jurisdictions. Accordingly, we may be more exposed to the volatility to the global prices of our products as against competitors whose manufacturing operations are less centralised.

Our competitors in the Indian acetyl market comprise of foreign suppliers and local players, while our competitors in the Indian diketene derivatives market are foreign suppliers. Accordingly, even our sales in India are subject to global pricing pressures. The foreign suppliers of our products may be able to supply our products at lower prices than us due to *inter alia* greater financial resources, larger scale of operations and export benefits provided in their respective countries.

Our inability to price our products at the global prices, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.

8. ***Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. As at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, our trade receivables on a consolidated basis were ₹ 5,544.25 million, ₹ 5,702.47 million, ₹ 6,684.24 million and ₹ 4,343.74 million, respectively. Trade receivables written off, on a consolidated basis, as a percentage of the total trade receivables for the three month period ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 were Nil, 1.09 %, 1.35% and Nil respectively. As on June 30, 2023, trade receivables due for over a year, on a standalone basis aggregated to ₹22.90 million. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

9. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

We sell our products in more than 52 countries including China, Russia, Singapore, Hongkong, United Arab Emirates and few other Asian Countries, Netherlands, France, Spain, Germany and few other European Countries, United Kingdom, Australia, African Countries, Argentine, Brazil, Canada and United States of America. Further, we have offices in Leiden (Netherlands), Shanghai (China) and Rome (Italy) as part of our global footprint. We have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products.

Our revenue from exports has been increasing steadily. In the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 30.16 %, 36.35 %, 31.05 % and 29.09 %, respectively, of our Company's revenue from operations on a standalone basis. Our Company's revenue from exports on a standalone basis have grown at a CAGR of 13.12 % between Fiscal 2021 and the three months ended June 30, 2023 (annualized). We intend to increase our global footprint and augment our sales in existing geographies.

Consequently, our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally, including, without limitation:

- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- currency exchange rate fluctuations
- difficulties in organizing a skilled workforce for efficient operations including processing visas or entry permits quickly and repeatedly for our personnel; and
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

10. ***We rely on third-party transportation and logistics service providers for the storage and procurement of raw materials and the storage and supply of our products. Significant increases in the charges of these entities could adversely affect our business, results of operations and financial conditions. Further, disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.***

We believe that our success depends on the sustained supply and transportation of the various raw materials required by our Manufacturing Facilities and Distilleries and our products from the Manufacturing Facilities and Distilleries to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We do not own any trucks or ships, and therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. Freight and forwarding charges represented 1.49%, 3.53%, 3.07% and 2.20% of our revenue from operations on a consolidated basis for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, respectively. We are subject to the risk of increases in freight costs since the pricing for freight is negotiated on a shipment basis. If we cannot fully offset any significant increases in freight costs, through increases in the prices for our products, we may experience lower margins. This would have an adverse effect on our business, results of operations and financial conditions.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. Furthermore, in the event that our selected third party transportation and logistics providers are unable to perform their services, given the expertise required for handling our finished products and raw materials including due to their hazardous nature, there is no guarantee that suitable alternative transportation services will be secured at all or at favourable rates.

Even though our Manufacturing Facilities and Distilleries are strategically located, we cannot guarantee that weather-related problems, strikes, or other events could not impair our ability to procure raw materials from our suppliers or the ability of our suppliers to deliver raw materials to us. Our raw materials and finished products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Such occurrences may in turn delay the process of manufacturing and supplying our products to our customers, leading to cancellation or non-renewal of purchase orders, and this could materially and adversely affect our business, results of operations and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers.

Separately, we have arrangements with third parties for usage of warehouse, tanks for storage of raw materials in *inter alia* Bhiwandi, Maharashtra & Mumbai, Maharashtra and storage of our finished products in Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy). If these arrangements are terminated or we are unable to utilise such tanks for any reason, we may not be able to identify substitute operators of tanks or warehouses for storage of our finished products and raw materials. Given that our manufacturing operations are currently concentrated in Maharashtra, the failure to store our raw materials and products in strategic locations may result in a disruption of our supply chain. Such disruption in our supply chain may have a material adverse effect our business, results of operations and cash flows.

11. ***Our revenue from operations and profit after tax have fluctuated in the past and may fluctuate in the future.***

Our revenue from operation and profit after tax have fluctuated in the past and may fluctuate in the future. The details of our revenue from operations and profit for the period for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 are provided below:

Particulars	Revenue from operations (₹) in million	Profit After Tax for the period (₹) in million
Three months ended June 30, 2023	7,335.79	383.29
Fiscal 2023	27,966.43	1,246.12
Fiscal 2022	30,842.66	2,574.18

Particulars	Revenue from operations (₹) in million	Profit After Tax for the period (₹) in million
Fiscal 2021	17,684.48	1,270.64

If demand for our products fluctuates as a result of economic conditions or for other reasons, our revenue and profitability could be impacted. Our future operating results will depend on many factors, including the following:

- business, political, and macroeconomic changes;
- seasonality in our business segments;
- changes in consumer confidence caused by many factors, including changes in interest rates, credit markets, expectations for inflation, unemployment levels, and energy or other commodity prices;
- fluctuations in demand for our customers' and their customers' products;
- our ability to forecast our customers' demand for our products accurately;
- our ability to anticipate secular trends that affect demand for our products and the degree to which those trends materialize;
- our customers' ability to manage the inventory that they hold and to forecast accurately their demand for our products;
- our ability to achieve cost savings and improve yields and margins on our new and existing products; and
- our ability to utilize our capacity efficiently or acquire additional capacity in response to customer demand.

It is likely that our future operating results could be adversely affected by one or more of the factors set forth above or other similar factors. If our future operating results are below the expectations of stock market analysts or our investors, our stock price may decline.

12. ***Any adverse change in regulatory requirements governing our products and the products of our customers, may adversely impact our business, prospects, results of operations and financial condition.***

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the laws governing the manufacturing of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. We may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements.

If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Further, changes in regulatory requirements, may result in our customers being unable to utilise our products for manufacturing their respective products. There is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, prospects, results of operations and financial condition.

13. ***Our Registered Office, Manufacturing Facilities, Lote Facility, Distilleries and most of our offices are located on lease or licensed premises. Our failure to continue to use such premises may have an adverse impact on our operations.***

Our Manufacturing Facilities are located in Mahad, Maharashtra on premises held by us on 95-year leases from MIDC. Our Registered Office and Captive Power Plant are located within the AI Manufacturing Facility. The Jarandeshwar Distillery is located on leased premises and is currently utilised by us on a build, operate and transfer basis, while we utilise the Panchganga Distillery on a leasehold basis. Most of our other offices and our renewable power facilities are located on leased or licensed premises. Additionally, we have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Genoa (Italy) and Antwerp (Italy). Further, the premises underlying the Lote Facility are currently licensed to us by MIDC for a period of three years. For further details, see "*Our Business – Properties*" on page 199.

While the leasehold or licensing arrangements are typically entered into on a long-term basis, these agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such arrangements could adversely affect our operations. We may enter into disputes with the relevant lessor/licensor, which may adversely impact our ability to continue to use such premises. For instance, Shree Jarandeshwar Sahakari Sakhar Karkhana Limited (through its administrator), has filed a complaint against our Company before the Civil Court Junior Division, Koregaon, Maharashtra in relation to the Jarandeshwar Distillery. For further details, see "*Legal Proceedings"* on page 254.

There can be no assurance that we will be able to retain or renew such arrangements on same or similar terms, or that we will find alternate locations for the existing offices on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

14. ***Our business may expose us to potential product liability claims and recalls, which could adversely affect our results of operation, goodwill and the marketability of our products.***

We may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Our products make up a small proportion of the finished products manufactured by our customers. As such, any defect in our products would result in a disproportionately large amount of finished products being defective.

While we maintain adequate comprehensive general liability insurance, product liability claims, regardless of their merits or the ultimate success of the defense against them, may be expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

In addition, insurance coverage for product liability may become prohibitively expensive in the future. As a result, it is possible that, in the future, we may not be able to obtain the type and amount of coverage we desire at an acceptable price and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business. In addition, insurance coverage for product liability may become prohibitively expensive in the future. As a result, it is possible that, in the future, we may not be able to obtain the type and amount of coverage we desire at an acceptable price and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business.

15. ***We derive a majority of our income from the erstwhile Acetyl Intermediates and the newly christened Essentials product portfolio and our business, results of operations and financial condition may be adversely affected if these products do not continue to perform as expected or if competitors gain wider market acceptance.***

Till the end of Fiscal 2023, our products were divided into two broad categories, namely the Acetyl Intermediates and the Specialty Intermediates. Since Fiscal 2024, the erstwhile Acetyl Intermediates portfolio including ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents along with Acetic Anhydride (which till the end of Fiscal 2023 was a part of the Specialty Intermediates portfolio) is rechristened 'Essentials', while the erstwhile Specialty Intermediates including ketene and diketene derivatives sans Acetic Anhydride, certain other specialty chemicals and the products that will come from the Flurospecialty segment have been rechristened 'Specialties'. During the Fiscals 2023, 2022 and 2021, the Acetyl Intermediates manufactured by us (including exports to Laxmi Netherlands) contributed 65.63%, 62.12% and 70.64 %, respectively, of our total revenue from sale of manufactured products and services on a consolidated basis. For the three months ended June 30, 2023, Essentials contributed 67.90% of our total revenue from sale of manufactured products and services on a consolidated basis.

The demand for our erstwhile Acetyl Intermediates and now Essentials may decline due to the emergence or increase in competition, as the case may be, regulatory action, pricing pressures and/or fluctuations of demand and supply. If our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their products at lower price, we may be unable to adequately react by reducing our gross margin to retain customers by offering our products at lower prices or losing customers to competitors offering similar products at prices lower than us.

If our Essentials portfolio does not continue to perform as expected or if competitor(s) are able to achieve greater market acceptance, our business, results of operations and financial condition may be adversely impacted.

16. ***We may experience implementation risks in undertaking any future expansion plans which are based on estimates which may prove to be incorrect. Any time and cost overruns in implementing such plans could adversely affect our business and results of operations.***

Our Company currently operates through three manufacturing facilities situated in Mahad, Maharashtra. In order to enable further expansion and provide for manufacturing diversification, we acquired a land parcel of 84 acres in Dahej, Gujarat in Fiscal 2023. The board has approved a capex spend of about ₹ 7,100 million to develop the first phase of the Dahej Facility. In past, we have experienced cost overruns, owing to a variety of reasons including but not limited to market conditions, geopolitical conflicts, increasing inflation rates, COVID–19 pandemic, competitive environment, interest rate or exchange rate fluctuations and other external factors which were beyond the control of the management of our Company. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in a number of factors, including general economic and business conditions, and other factors beyond our control such as increasing regulations or changes in government policies as well as general factors affecting our business, results of operations, financial condition and access to capital such as credit availability and interest rate levels. While the time or cost expenses required for undertaking any such expansions may be based on management estimates or certified by project consultants, there can be no assurance that we will not experience any time or cost overruns should we intend to undertake any further expansion of our existing facilities or intend to set up new facilities. Moreover, any decision to undertake expansion plans shall be based on our understanding of the demand in the markets of the products that we manufacture and operate in, globally and in India. In the event our estimates prove to be incorrect, or we are unable to market such products in a commercially successful manner or in the event we are unable to operate our manufacturing facilities successfully, our investments would suffer and so would our results of operations.

17. ***Our operations involve the operation of machinery. These activities can be dangerous and any accident, including any mechanical and operational failures could cause serious injury to people or property and in certain circumstances, even death, and this may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our operations require individuals to work under potentially dangerous circumstances and exposes them, among others, to the risk of mechanical and operational failures of machines that they may work with. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including:

- explosions;
- fires;
- mechanical failures and other operational problems;
- inclement weather and natural disasters;
- discharges or releases of hazardous substances, chemicals or gases; and
- other environmental risks.

Although we employ safety procedures during our operations and maintain what we believe to be adequate insurance, there is a risk that any hazard including an accident during manufacturing operations, may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation, in India filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and lawsuits, individually or in the aggregate, may be resolved against us inflicting negative publicity and consequently, our business, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

18. ***Failure to adhere to the terms of the contracts entered into by us with our customers and suppliers, may have an adverse effect on our, business, results of operations and financial condition.***

We typically enter into short-term contracts with our customers and suppliers which *inter alia* stipulate minimum purchase commitments during the term of such agreements. If we fail to purchase the requisite quantum of raw materials from suppliers or supply the requisite quantum of products to our customers under such agreements, for any reason, including disruption of manufacturing operations and natural or man-made disasters, our customers or suppliers may consider us to be in breach of such contracts and initiate action against us. We may be unable to continue purchasing raw materials from such suppliers or selling our products to such customers, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain of the agreements entered into by us with customers, the customers have specified certain stipulations and guidelines with respect to the products purchased by them under such agreements. Our failure to adhere to such stipulations and guidelines may result in our customers refusing to continue to purchase the products manufactured by us, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain agreements we manufacture product(s) for customers on an exclusive basis. Irrespective of whether new applications and greater demand emerges for such products, we may be constrained from selling such products. Further, the terms of such products stipulate the price ranges of such products. Our failure to supply such products at the prices agreed to may result in us being in breach of such contractual arrangements, which may have an adverse effect on our business, results of operations and financial conditions.

19. ***We need significant and continuous power, water, fuel and steam and any disruption to power, water, fuel or steam sources, including our power facilities could increase our production costs and adversely affect our results of operations.***

Our manufacturing operations require a significant amount and continuous supply of power, steam and water and any shortage or non-availability may adversely affect our manufacturing operations.

We have a co-generation power plant within one of the manufacturing units in Mahad (the "**Captive Power Plant**"), two windmills located in Maharashtra and Karnataka and a hydro-electric power project at Yedgaon (collectively, the "**Power Facilities**"). During the three months ended June 30, 2023, 42.16% of our Manufacturing Facilities' power consumption was met from the Power Facilities. Our Manufacturing Facilities were dependent on the grid for 58.73 % of our power consumption during the three months ended June 30, 2023. Our power and fuel expenses accounted for 9.29 %, 9.55 %, 6.28 % and 5.96 %, respectively, of our total expenses on a consolidated basis in the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021. If we fail to continue to utilise the Power Facilities or if any or all of the Power Facilities are disrupted, we may have to incur additional costs towards sourcing additional power and steam, which may result in an increase in our production costs and adversely affect our results of operations.

We currently source our water requirements from MIDC. There is no assurance that we will at all times receive a continued supply of water on the scale required by us or at all, which may have an adverse impact on our operations.

20. ***Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.***

The chemicals manufacturing industry is generally hazardous in nature. We have received a number of quality assurance certifications and accreditations which have certified that our research, development, manufacturing and supply of our chemical products are in compliance with globally accepted manufacturing practices and quality standards. For instance, we have received certifications for compliance with ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. If we are unable to renew the ISO accreditations, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have a material adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

21. ***We have not entered into any definitive agreements with respect to (i) funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at Dahej, Gujarat and (ii) funding capital expenditure requirements for setting up of the new innovation centre at Mahape, Maharashtra.***

We intend to use the Net Proceeds of the Issue, inter alia, towards (i) funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at Dahej, Gujarat and (ii) funding capital expenditure requirements for setting up of the new innovation centre at Mahape, Maharashtra as set forth in the section "*Use of Proceeds*" on page 83. We have not entered into any definitive agreements to utilize the Net Proceeds towards the proposed abovementioned capital expenditure. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on equipment and machinery. We cannot confirm whether we will be able to purchase the equipment at the same price at which we obtained the quotations. Consequently, we may require additional funds towards such capital expenditure.

22. ***Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents.***

Our Company is unable to trace certain corporate records and regulatory filings made by us. These include corporate records and regulatory filings made in relation to certain allotments by our Company and certain transfers involving Ravi Goenka, our individual Promoter.

Due to the unavailability of such corporate records (including resolutions) and regulatory filings we are unable to ascertain the nature of allotment (for allotments on February 12, 1990, March 6, 1990, September 20, 1990, March 27, 1991, June 19, 1991, November 27, 1991, March 17, 1992, April 22, 1992, February 2, 1993 and September 15, 1994) and the price at which the allotment was made (for the allotment made on March 6, 1990).

Further, the names of allottees for some of these issuances have been determined on the basis of the register of members maintained by our Company and issue price for certain allotments have been ascertained from the audited balance sheet of the respective financial years. After conducting a detailed search of our records, we have, through a practicing company secretary, conducted a search at the office of the RoC to trace records and filings available with them. However, such practicing company secretary was unable to locate these documents at the office of the RoC.

Further, we were also unable to trace certain filings made with the RBI pursuant to allotment of shares to certain NRI in 1991. We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future or that the information gathered in this regard is correct. Further, we cannot assure you that the regulatory filings were done at all or in timely manner and that we shall not be subject to penalties on this account. Additionally, while no disputes have arisen in connection with these corporate records and other documents as on the date of this Preliminary Placement Document, we cannot assure you that no dispute shall arise in the future.

23. ***We are involved in certain legal proceedings any adverse developments related to which, could adversely affect our reputation, business and cash flows.***

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various courts and tribunals. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigation that have been initiated by and against our Company, our Directors and our Subsidiaries, as applicable, are set forth below:

(in ₹ million)

Type of proceedings	Number of cases	Amount
Legal proceedings against our Company		
Material civil litigation	1	-
Tax matters	14	322.99
Actions and proceedings initiated by statutory and regulatory authorities	Nil	-
Criminal matters	1	-
Legal proceedings by our Company		
Material civil litigation	Nil	-
Criminal matters	3	89.00
Legal proceedings against our Subsidiaries		
Material civil litigation	Nil	-
Tax matters	Nil	-
Actions and proceedings initiated by statutory and regulatory authorities	Nil	-
Criminal matters	Nil	-
Legal proceedings by our Subsidiaries		
Material civil litigation	Nil	-
Criminal matters	Nil	-
Legal proceedings against our Directors		
Material civil litigation	Nil	-
Actions and proceedings initiated by statutory and regulatory authorities	Nil	-
Criminal matters	2	-
Legal proceedings by our Directors		
Material civil litigation	Nil	-
Criminal matters	Nil	-

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur significant expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition. For further information, see "*Legal Proceedings*" on page 254.

24. ***We do not have long-term agreements with most of our customers. Our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.***

We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability. We maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our Manufacturing Facilities and Distilleries as well as at certain storage tanks. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to *inter alia* the international scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We do not have long-term agreements with most of our customers. Customers with whom we do not have long-term agreements may choose to cease sourcing our products. We cannot assure that we will receive repeat orders from our customers in the future. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required.

Similarly, if we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory in the storage tanks abroad, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers.

Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

25. ***We are required to obtain, renew or maintain certain material statutory and regulatory permits and approvals required to operate our business, and if we fail to do so in a timely manner or at all, we may be unable to fully or partially operate our business and our results of operations may be adversely affected.***

- Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities and Distilleries.

- A majority of these approvals are granted for a limited duration and require timely renewal. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. We are also required to make payments pursuant to statutory requirements. In the recent past, there were certain delays by our Company in making such payments. There can be no assurance that such delays will not occur in the future and that the relevant authority will not initiate actions against us for such delays.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

26. ***Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.***

As of June 30, 2023, our total outstanding borrowings on a consolidated basis was ₹ 2,814.51 million. Our indebtedness could have several important consequences, including but not limited to the following: a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be restricted;

- fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates; and

- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulator and economic conditions.

Our financing agreements governing our borrowings include conditions and restrictive covenants that require us to obtain consents, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions. Such restrictive covenants, among other things, require our Company to obtain the approval of the relevant lender for inter alia making any amendments in the Memorandum of Association or Articles of Association, investing by way of share capital or lending or advancing funds to or placing deposits with other concern (with the exception of normal trade credit or security deposit in the ordinary course of business), repaying or paying any principal or interest on any loans availed by our Company, changing our Company's constitution/composition, undertaking or permitting any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with our Company's creditors or shareholders and/or effecting any scheme of amalgamation or reconstruction or dissolution or reconstitution including creating any subsidiary or permitting any company to become our Company's subsidiary. While we have obtained necessary consents from our lenders as required under our loan/financing documentation, for undertaking the Offer and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Further, we are required to create charge over our present and future current assets and certain of our movable and immovable fixed assets and furnish guarantees from Ravi Goenka, our individual Promoter and certain members of our Promoter Group. Further, our financing agreements also stipulate *inter alia* financial covenants required to be maintained by us during the duration of the facilities. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to a termination of one or more of our credit facilities or incur penalties, acceleration of payments under such credit facilities and enforcement of the security created, which may adversely affect our business and financial condition.

Any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, default, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

27. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our Manufacturing Facilities and Distilleries for the performance of non-core tasks. Further, contractors and contract labourers will also be engaged in the construction of the Dahej facility. Our dependence on contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled and unskilled workmen at reasonable rates. For instance, our manufacturing process is dependent on a technology driven production system and any inability of our labour to successfully familiarise with such technology will adversely affect our business, financial condition, result of operations and cash flows.

Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

28. ***Some of the raw materials that we use as well as our finished products are corrosive and flammable and require expert handling and storage. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our Manufacturing Facilities, Distilleries, and storage tanks. Any accidents may result in loss of property of our Company and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Certain of the raw materials such as acetic acid and methanol that we use as well as certain of our finished goods such as acetic anhydride are corrosive and/or flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

In addition to the loss as a result of such fire or industrial accident, any shutdown of our Manufacturing Facilities and/or Distilleries could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition.

Further, any fire or industrial accident, any shutdown of any of our Manufacturing Facilities and/or Distilleries or any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

We cannot assure you that despite our best efforts we will not face similar situations at our Manufacturing Facilities or Distilleries which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company may or may not be recoverable through insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

29. ***We are subject to safety, health, environmental, labour, workplace and related laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on our business, financial condition and results of operations.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations.

Manufacturing sites by nature may be hazardous. Our Manufacturing Facilities and Distilleries often put our employees and others in close proximity with hazardous chemical and manufacturing processes. These processes may result in *inter alia* air emissions, waste water discharges, the use, handling and disposal of hazardous materials. As a result, we are subject to a variety of health and safety laws and regulations dealing with occupational health and safety. Unsafe work sites have the potential to increase employee turnover and raise our operating costs. Further, any accidents at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment that could result in the suspension of operations. Any of the foregoing could subject us to litigation, which may subject us to penalties, increase our expenses in the event we are found liable, and could adversely affect our reputation.

Additionally, the government or the relevant regulatory bodies may require us to shut down our facilities which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. If we fail to maintain safe work sites or violate applicable laws, it could expose us to civil and criminal liabilities and harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations.

30. ***Our operations could be adversely affected by strikes, work stoppages, demands for increased wages or any other kind of employee dispute.***

Although we believe that we enjoy a good relationship with our workforce and we have not experienced any major labour disruptions in the past and most of our employees are not unionized, there can be no assurance that our employees will not unionize or that we will not experience any strike, work stoppage or other industrial action in the future due to disputes or other problems with our work force due to *inter alia* wage demands. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have an adverse effect on our business, financial condition and results of operations. Such situations may have an adverse impact on our business, financial condition and results of operation.

31. ***If we do not continue to attract, motivate, and retain members of our senior management team and qualified employees, we may not be able to support our operations.***

The completion and execution of our strategies depend on the continued service and performance of our senior management team. If we lose key members of our senior management team, we may not be able to effectively manage our transition to a public company or our current and future operations.

In addition, our business depends on our ability to continue to attract, motivate, and retain many skilled employees across all of our business lines. There is a limited pool of employees who have the requisite skills, training, and education. We compete with many businesses and organizations that are seeking skilled individuals, particularly those with experience in technology and the sciences and those with doctorate degrees in technical fields. Competition for professionals across our entire business can be intense, as other companies seek to enhance their positions in the markets we serve. As competition for experienced talent grows, we may be forced to increase spending on employee salaries which could have a material adverse effect on our business, financial condition, and results of operations.

Future organizational changes and the implementation of our cost savings initiatives could also cause our employee attrition to increase and may result in significant costs to us in connection with implementing such initiatives. If we are unable to continue to identify or be successful in attracting, motivating, and retaining appropriately qualified personnel, there could be a material adverse effect on our business, financial condition, and results of operations.

32. ***Our Manufacturing Facilities are subject to client inspections and quality audits and any failure on our part to meet their expectations or to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and adversely affect our business, results of operations, financial condition and cash flows.***

Our products find application in *inter alia* the pharmaceutical, agrochemical, inks, coatings, adhesives, pigments and packaging industries. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and technical specifications. Prior to the placement of orders with us, new customers may undertake a detailed inspection of our manufacturing facilities and review our manufacturing processes. The products may be subject to laboratory validation by certain customers. We are required to be enlisted with certain customers as suppliers of certain products. We may also be subject to regular audits by customers to assess our manufacturing operations, process and quality standards. Pursuant to certain agreements entered into by us with our customers, we are required to ensure that our products conform with the technical specifications or guidelines of such customers.

We are therefore subject to a stringent quality control mechanism at each stage of the manufacturing process and are required to maintain the quality and precision level for each product. As a result, we are required to incur expenses to maintain our quality assurance systems. We will continue to spend a portion of our future revenues to manage our product quality and to maintain our quality control, a failure of which may negatively impact our profitability.

Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and our customers may choose to source their requirements from our competitors. We may also be required to reimburse our customer for any losses suffered as a result of our non-compliance. The occurrence of such events could have an adverse effect on our business, results of operations, financial condition and cash flows.

33. ***Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.***

Our operations are subject to various risks inherent in the chemical manufacturing industry including defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. Our total insurance coverage as of June 30, 2023 was ₹ 11,497.00 million and our insurance coverage in relation to fixed assets, as a percentage of our total net fixed assets on a consolidated basis was 97.00%. Our Company has obtained various insurance policies including a public liability insurance policy, an industrial all risk insurance policies with respect to our Manufacturing Facilities, Jarandeshwar Distillery and Rabale Innovation Centre, marine export import insurance open policy, cyber and data protection, commercial crime and commercial general liability insurance policies and a directors and officers liability insurance policy with respect to the Directors and officers of our Company and our Subsidiaries incorporated in India. For further details of the insurance policies availed by our Company, see "*Our Business- Insurance*" on page 198.

While we have taken insurance coverage to the best of our abilities, our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Accordingly, our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies. To the extent that we suffer loss or damage as a result of events for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or the amount received pursuant to an insurance claim, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

34. *Employee misconduct could harm us and is difficult to detect and deter.*

Although we closely monitor our employees, misconduct, including acts of theft and fraud by employees or executives, such acts could include binding us to transactions that exceed authorized limits or present unacceptable risks or they may hide unauthorized or unlawful activities from us, which may result in substantial financial losses and damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand. It is not always possible to deter employee or executive misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Any instances of such misconduct could adversely affect our reputation.

35. *Certain of our Subsidiaries have incurred losses in the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 due to which our consolidated results of operations and financial condition may be adversely affected.*

Certain of our Subsidiaries have incurred losses in the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 as provided below:

(₹ in million)

Name of the Subsidiary	Profit/(loss) in the three months ended June 30, 2023	Profit/(loss) in Fiscal 2023	Profit/(loss) in Fiscal 2022	Profit/(loss) in Fiscal 2021
Viva Lifesciences Private Limited	3.25	(2.77)	5.44	0.13
Cellbion Lifesciences Private Limited	(0.01)	(0.45)	(1.39)	(7.53)
Saideep Traders	(3.72)	12.99	17.65	4.74
Yellowstone Fine Chemicals Private Limited	(8.70)	(52.70)	(0.04)	(0.72)
Yellowstone Speciality Chemicals Private Limited	-	(0.89)	(0.07)	(0.04)
Laxmi Petrochem Middle East FZE	-	30.11	(31.94)	34.33
Laxmi Organic Industries (Europe) B.V.	(40.59)	(22.55)	380.73	121.69
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	7.29	7.03	(5.81)	(0.38)

We cannot assure you that our Subsidiaries will be able to achieve profitability in the near future or at all. If our Subsidiaries continue to incur losses and/or the losses incurred by such Subsidiaries increase, such continued losses could adversely impact the loans/advances/guarantees given by our Company to/on behalf of our Subsidiaries, and our consolidated results of operations and financial condition may be adversely affected.

36. *Our failure to keep our technical knowledge confidential could erode our competitive advantage.*

We possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences and through our research and development. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may get leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development with our key employees, we cannot guarantee that we will be able to successfully enforce such agreements. In the event that the confidential technical information in respect of our processes and products or business becomes available to third parties or to the general public, any competitive advantage we may have over our peers could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

Further, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of our engagements with our customers. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

37. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.***

We intend to use the Net Proceeds for the purposes described in the section titled "*Use of Proceeds*" on page 83. The funding requirements mentioned as a part of the "Use of Proceeds" have not been appraised by any bank or financial institution. While a monitoring agency will be appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of the Net Proceeds is based on current conditions, internal management estimates, estimates received from the third party agencies and are subject to changes in the external circumstances or costs, or in other financial condition, business or strategy as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimate from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. Further, pending utilisation of Net Proceeds towards the "Use of Proceeds", our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1939. Accordingly, prospective investors will need to rely on our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilisation of the Net Proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the Net Proceeds and our business and financial results may suffer.

38. ***A significant portion of our revenue from the erstwhile Speciality Intermediates has been generated from new products developed by us over the last decade. Our failure to continue to introduce new products and/or effectively commercialise such products may have an adverse effect on our revenue from operations, growth and prospects.***

In Fiscal 2010, we commenced manufacturing the Specialty Intermediates by acquiring Clariant's diketene business which included the technology and know-how of 18 products of which our Company is currently producing 16 products which form part of our Company's Specialty Intermediates product portfolio. While till Fiscal 2023 all the ketene and diketene derivatives along with other chemical derivatives were addressed as Specialty Intermediaries, from Fiscal 2024 the Acetic Anhydride product has been removed from this portfolio and moved to the erstwhile Acetyls Intermediary portfolio. Sans Acetic Anhydride, the erstwhile Specialty Intermediates portfolio along with upcoming Fluro Specialty has been rechristened Specialties portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 30 new products (the "**New Products**") to our Specialties portfolio over the last decade. While we believe we have been able to achieve a consistent track record of concept to commercialisation, there can be no assurance that our new products will receive the response we expect from the market in the absence of which, our R&D efforts could result in higher costs without a proportionate increase in revenues. Our failure to continue to introduce new products and/or effectively commercialise such products may have an adverse effect on our revenue from operations, growth and prospects.

39. ***If we are unable to protect our intellectual property and technical know-how against third party infringement or breaches of confidentiality, or are found to infringe on the intellectual property rights of***

others, it could have a material adverse effect on our business, results of operations and financial condition.

Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to "Laxmi" (under classes 1, 2,3,4,5,9,35 and 42) "Laxmisolv" (under classes 1,2,3,4 and 5). We hold patents in Italy, Japan, Netherlands, and United States of America. We have additionally, filed applications for the grant of five process patents in India and PCT application for two its process for national phase in Europe and USA and have filed applications for two process patents in India which are currently pending. Our Company has also obtained a copyright registration under the Copyrights Act, 1957 with respect to our logo. We do not however hold the trademark for our logo. For details of our intellectual property, see "*Our Business–Intellectual Property*" on page 198.

We believe that our success depends on our ability to protect our intellectual property, which includes patented processes. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. In the event that the confidential technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the generic injectables industry could be compromised. Moreover, our existing trademarks and patents may expire, and there can be no assurance that we will renew them after expiry.

We also rely on technical knowledge, product information, industry data, manufacturing expertise and market "knowhow" that cannot be registered and is not subject to any confidentiality or nondisclosure clauses or agreements. If such know-how is leaked to third parties, this could erode our competitive advantage. Our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

While we may enter into confidentiality agreements, we cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged. We also cannot guarantee that each application filed with respect to our brand names or any new products or inventions will be approved. To the extent that our innovations, products and name are not protected by intellectual property rights, third parties, including competitors, may be able to commercialise our innovations or products or use our know-how.

Additionally, we may face claims that we are infringing the intellectual property rights of others. If we are subject to any adverse rulings or decisions, our manufacture and sale of such products could be significantly restricted or prohibited and we may be required to pay substantial damages or on-going licensing fees.

If we are unable to protect our intellectual property and technical know-how against third party infringement or breaches of confidentiality, or are found to infringe on the intellectual property rights of others, it could have a material adverse effect on our business, results of operations and financial condition.

40. ***Any failure of our information technology systems could adversely affect our business and our operations. Further, changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. For details, please see "*Our Business- Information technology*" on page 198. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses and these systems may be susceptible to outages due to fire, power loss, telecommunications failures, natural disasters, break-ins and similar events. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. While we have obtained cyber insurance and carry out periodic security tests, security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Accordingly, any such security breaches could have an adverse effect on our business and reputation.

41. ***We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations***

We have entered, and are likely to continue to enter, into transactions with related parties, including our Promoters, members of our Promoter Group and our group companies on an arm's length basis. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations. Further, any future transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

42. ***As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. During the last three preceding years from the date of this Preliminary Placement Document, our Company has complied with SEBI Listing Regulation except two instances where (i) for the Financial Year 2021 -22 for the delay in furnishing prior intimation about meeting of the Board of Directors for approval of quarterly results; and (ii) for the Financial Year 2021 -22 for delay in filing of related party transaction statement for the half year ended March 31, 2022, for which necessary fine was levied by the Stock Exchanges to the Company and the same was paid. Though our Company endeavour to comply with all such obligations/reporting requirements, there may be instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the stock exchanges or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements,

43. ***This Preliminary Placement Document contains information from an industry report which we have commissioned from Frost & Sullivan. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

This Preliminary Placement Document includes industry-related information that is derived from an industry report dated September 25, 2023 titled "*Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates*", prepared by Frost & Sullivan, pursuant to an engagement with the Company. Frost & Sullivan was appointed by our Company by way of a letter of agreement dated August 11, 2023. We commissioned and paid for this report for the purpose of confirming our understanding of the specialty chemicals manufacturing industry in India. Our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management and our Subsidiaries are not related to F&S. Neither we nor the Book Running Lead Manager, nor any other person connected with the Issue has verified such information in the commissioned report. Frost & Sullivan has advised that while it has taken reasonable care to ensure the accuracy and completeness of the commissioned report, it believes that the F&S Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters / conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan' assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Preliminary Placement Document. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

44. ***We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, if our competitors are able to improve the efficiency of their manufacturing processes and thereby offer their products at lower prices, our revenues and profitability may decline.***

We are required to compete both in the domestic and international markets. We may be unable to compete with the prices and products offered by our competitors (local as well as international). We may have to compete with new players in India and abroad who enter the market and are able to offer competing products. Our competitors may have access to greater financial, manufacturing, research and development, marketing, distribution and other resources and more experience in obtaining the relevant regulatory approvals. Increasing competition may result in pricing pressures and decreasing profit margins or loss of market share or failure to improve our market position, any of which could substantially harm our business and results of operations. For instance, petrochemical manufacturing companies with larger scale operations than us may commence manufacturing the products manufactured by us.

We cannot assure you that we shall be able to compete with our existing as well as future competitors as well as the price and services offered by them. In addition, our customers may enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. Our failure to successfully face existing and future competition may have an adverse impact on our business, growth and development.

45. ***Certain of our Directors, Promoters and members of our Promoter Group have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Promoters and Directors may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Promoters, Directors and members of the Promoter Group may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares Certain of our Promoters and Directors may also hold positions as directors on the board of directors of our Subsidiary. In consideration for these services, they may be paid managerial remuneration in accordance with the provisions of the applicable law. Additionally, we have, in the course of our business, entered into, and will continue to enter into, transactions with related parties. All the Promoters and Directors may also be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favourable than if the transaction had been conducted on an arms' length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise. For more information on our related party transactions, see "*Financial Statements*" on page 261.

46. ***Our Company's ability to pay dividends in the future will depend on a number of factors, including but not limited to our Company's earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We have adopted a dividend distribution policy which lays down the principles for distribution of dividend by our Company to our shareholders and sets out *inter alia* the financial parameters and/or internal and external factors to be considered by our Company before declaring or recommending dividend to shareholders and the circumstances under which shareholders may or may not expect dividend. For details, see "*Dividends*" on page 101.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

47. ***We benefit from certain export incentives from the Government of India and certain other benefits, which if withdrawn or modified may have an adverse impact on our results operations. Further, export authorities in countries to which we export our products may impose varying duties on our products and any increase in such duties may adversely affect our competitiveness, sales and results of operations.***

As on the date of this Preliminary Placement Document, our Company receives certain export benefits from the Government of India. Such export benefits include benefits through advance authorisation (based on prevailing input-output norms), the Merchandise Exports from India Scheme and duty drawback. In the three months ended June 30, 2023 and Fiscal 2023, 2022 and 2021, our export incentives income received/receivable by us on a consolidated basis aggregated to ₹8.50 million, ₹21.97 million, ₹7.70 million and ₹53.60 million. respectively. The withdrawal or modification of such export incentives may have an adverse effect on the revenue from exports, thereby having an adverse impact on our results of operations.

Further we have also received certain other benefits and government grants by way of multiple interest free sales tax loans which are repayable in five instalments from their due date. As at March 31, 2023, March 31, 2022 and March 31, 2021, government grants outstanding on a consolidated basis was ₹3.24 million, ₹ 6.48 million and ₹9.72 million respectively. We also avail certain benefits granted by the Government of Maharashtra including refund of VAT and CST and exemption from payment of electricity duty. The withdrawal of such benefits may result in an increase in our finance and power expenses respectively, thereby adversely impacting our results of operations.

Further, we cannot assure you that the countries where we currently export our products will not impose additional duties on our products, including the imposition of non-tariff barriers. The imposition of such duties may require us to raise the prices of our products in such countries and adversely affect our competitiveness, sales and results of operations.

48. ***Our Promoters and members of the Promoter Group will continue to retain significant shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters and members of the Promoter Group will hold approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoters and members of the Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and members of the Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoter, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders.

49. ***Any downward revision of our credit ratings could result in an increase in the interest rates we would pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business.***

The cost and availability of capital, among other factors, depends on our credit rating. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Set forth below is the instrument-wise of credit ratings assigned to our debt facilities by India Ratings & Research Private Limited (last revalidated on December 26, 2022). There has been no downward revision in the credit ratings assigned to our Company since such date.

Instrument	Rating
Term Loans	IND AA-/Positive
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+

Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

50. ***We have working capital requirements, and the actual amount and timing of our working capital requirements may differ from our estimates for the same. We may require additional financing to meet those requirements, which could have an adverse effect on our business, results of operations and financial condition.***

Our Company requires working capital to finance the purchase of materials and for manufacture and other related work before payment is received from customers. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather-related delays, technological changes and additional market developments. All of these factors may result, or have resulted, in increases in our working capital needs. As at the end of Fiscals 2023, 2022 and 2021, the funded and non-funded working capital limits utilised by us were ₹ 4,302.10 million, ₹ 3,000.39 million and ₹ 2,071.68 million, respectively.

Our sources of additional financing, required to meet our working capital requirements and capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

51. ***Our failure to comply with trade restrictions such as economic sanctions and export controls could negatively impact our reputation and results of operations.***

We are subject to trade restrictions, including economic sanctions and export controls, imposed by governments around the world with jurisdiction over our operations, which prohibit or restrict transactions involving certain designated persons and certain designated countries or territories. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts, and other remedial measures. Investigations of alleged violations can be expensive and disruptive. As part of our business, we may, from time to time, engage in limited sales and transactions involving certain countries that are targets of economic sanctions, provided that such sales and transactions are authorized pursuant to applicable economic sanctions laws and regulations. However, we cannot predict the nature, scope, or effect of future regulatory requirements, including changes that may affect existing regulatory authorizations, and we cannot predict the manner in which existing laws and regulations might be administered or interpreted.

In addition, any perceived or actual breach of compliance by us with respect to applicable laws, rules, and regulations could have a significant impact on our reputation and could cause us to lose existing customers, prevent us from obtaining new customers, negatively impact investor sentiment about our Company, require us to expend significant funds to remedy problems caused by violations and to avert further violations, and expose us to legal risk and potential liability, all of which may have a material adverse effect on our reputation, business, financial condition, and results of operations.

52. ***If we fail to retain and attract additional skilled employees, particularly science and technical personnel, it could have a material adverse effect on our business, financial condition and results of operations.***

Our success depends in part on our ability to retain and attract additional skilled employees, particularly our scientists and skilled equipment operators. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our ability to successfully carry out research and development depends on our ability to attract and retain skilled scientists and equipment operators. Our experienced sales team has also developed a number of meaningful customer relationships that would be difficult to replace.

Our manufacturing operations are primarily concentrated in the Manufacturing Facilities at Mahad, Maharashtra and in Lote Parshuram, Maharashtra. We accordingly require substantial skilled and semi-skilled personnel in such areas for efficient functioning of the Manufacturing Facilities and Lote Facility. Our inability to employ or retain skilled and semi-skilled personnel in such areas, may result in a disruption in our operations and we may be required to pay higher wages to the skilled and semi-skilled personnel in such areas.

Competition for qualified technical personnel and operators as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. Any failure to retain and attract additional skilled scientists, equipment operators or sales personnel could have a material adverse effect on our business, financial condition and results of operations.

53. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we have or may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

54. ***There are certain amounts which remain unspent by our Company towards CSR expenditure. Any failure to spend these amounts in accordance with Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder) may adversely impact our cash flows and reputation.***

Pursuant to the provisions of the Companies Act, 2013, our Company is required to spend at least 2% of the average net profits in the preceding three years, towards CSR activities, in the manner prescribed under Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder). In the event such amounts remain unspent, the same are required to be dealt with in the manner prescribed. We incurred an expenditure of ₹ 36.50 million, ₹ 22.80 million and ₹ 41.88 million in Fiscals 2023, 2022 and 2021 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013. The unspent amount relating to Fiscal 2023 and 2022 has been transferred to separate Unspent CSR Account maintained with Bank as prescribed under the Companies Act, 2013.In the event we are unable to spend such unspent amounts in the manner and within the timeline prescribed under the Companies Act, 2013, we may attract penalties under the Companies Act, 2013. Any such non-compliance as well as any penalties imposed in this regard may adversely impact our cash flows and reputation.

Risks Relating to Doing Business in India

55. ***A slowdown in economic growth in India could adversely affect our business, results of operations and financial condition and the trading price of the Equity Shares.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or the Indian telecommunications industry could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the

COVID-19 pandemic caused an economic downturn in India and globally following which there is a global trend of rising inflation and interest rates. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations and financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly market fluctuations resulting out of war between Russia and Ukraine. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions; and other significant regulatory or economic developments in or affecting India or its telecommunications sector.

56. *Political instability or changes in the economic policies by the GoI could impact our business, results of operations and financial condition.*

We are incorporated in India and derive substantial majority of our revenues from our operations in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our business, the telecommunications industry and the market price and liquidity of our Equity Shares, may be affected by changes in the GoI's policies, including taxation.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. However, there can be no assurance that such policies will be continued and any significant change in the GoI's policies in the future could affect our business and economic conditions in India in general. As economic liberalisation policies have been a major force in encouraging private funding in the Indian economy, any change in these policies could have a significant impact on business and economic conditions in India, which could adversely affect our business, financial condition and results of operations. In addition, any geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could affect the price of our Equity Shares.

57. *Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, results of operations and financial condition. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.*

India has experienced natural calamities, such as earthquakes, floods and drought in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries. Any of these natural calamities could adversely affect our business, results of operations and financial condition.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See "*The impact of the COVID-19 pandemic is uncertain and could adversely affect our business, results of operations and financial condition.*"

58. ***Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document.***

Our Financial Statements for the three months ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 in this Preliminary Placement Document are prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Preliminary Placement Document. Accordingly, the degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is dependent on the Investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

59. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, results of operations and financial condition.

60. ***Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business and the trading price of the Equity Shares.***

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

61. ***The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, results of operations and financial condition.***

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, results of operations and financial condition.

62. ***Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, results of operations and financial condition.***

The Competition Act, 2002 (the "**Competition Act**") regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, results of operations and financial condition. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, results of operations and financial condition may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

63. ***There may be difficulty in enforcing a judgment obtained outside India against our Company.***

Our Company is a public limited company incorporated under the laws of India. Our Board of Directors comprises of nine Directors, seven of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**").

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except:

(a) where it has not been pronounced by a court of competent jurisdiction;

(b) where it has not been given on the merits of the case;

(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where it has been obtained by fraud; or

(f) where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 20.

Risks relating to our Equity Shares and the Issue

64. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue may be subject to the rules and regulations that are applicable to them, including in relation to any lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

65. ***Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of the Equity Shares.***

A future issuance of Equity Shares by us may dilute your shareholding in the Company. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Company.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Company, which could lead to a negative sentiment in the market regarding the Company that could in turn impact the value of the Equity Shares.

66. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

67. *The price of the Equity Shares may be volatile.*

The Issue Price, which may include a discount of not more than 5% of the Floor Price in accordance with the SEBI ICDR Regulations, will be determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- adverse media reports about our Company or the Indian banking sector;
- a comparatively less active or illiquid market for the Equity Shares;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal regulations; and
- any other political or economic factors;

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

68. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

69. *Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.*

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline

70. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect our Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

71. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

72. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since March 25, 2021. As on the date of this Preliminary Placement Document, 265,576,954 Equity Shares have been issued, subscribed and paid up.

As of October 4, 2023, the closing price of the Equity Shares on BSE and NSE was ₹280.50 and ₹279.40 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the following periods:

(i) 12 months period commencing from April 1, 2022 and ending on March 31, 2023;
(ii) 12 months period commencing from April 1, 2021 and ending on March 31, 2022; and
(iii) 12 months period commencing from April 1, 2020 and ending on March 31, 2021.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (₹)**	**Average price for the year (₹)**
2023	493.30	April 7, 2022	319,800	152,111,489.00	220.70	March 29, 2023	116,132	26,054,132.00	317.91
2022	628.05	September 16, 2021	2,586,661	1,549,084,098.00	171.50	April 1, 2021	506,816	90,779,077.00	368.79
2021*	194.35	March 26, 2021	3,152,840	587,768,652.00	143.00	March 25, 2021	5,235,089	832,795,807.00	175.10

(Source: www.bseindia.com)
* *The Equity Shares of the Company commenced trading on the Stock Exchanges from March 25, 2021.*

Note:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low (₹)**	**Average price for the year (₹)**
2023	493.95	April 7, 2022	5,787,104	2,759,163,684.70	220.50	March 29, 2023	764,919	171,570,694.00	317.91
2022	628.00	September 16, 2021	2,708,951	1,617,373,298.55	171.45	April 1, 2021	4,813,541	862,779,922.35	368.75
2021*	194.40	March 26, 2021	30,116,742	5,616,652,584.70	143.25	March 25, 2021	68,702,462	10,991,907,015.75	175.15

(Source: www.nseindia.com)
* *The Equity Shares of the Company commenced trading on the Stock Exchanges from March 25, 2021.*

Note:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(ii) The following tables set forth the reported high, low and average closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹)**
September 2023	320.70	September 6, 2023	262,180	82,966,209	277.00	September 29, 2023	64,553	18,038,773.00	295.10	1,878,867	568,168,937.00
August 2023	307.65	August 30, 2023	555,240	168,692,385.00	253.20	August 18, 2023	53,019	13,660,277.00	268.38	3,067,863	877,353,772.00
July 2023	274.00	July 31, 2023	192,999	51,854,514.00	246.10	July 13, 2023	94,755	23,471,780.00	256.35	1,612,433	416,762,125.00
June 2023	277.35	June 7, 2023	91,447	25,022,565.00	253.05	June 26, 2023	50,181	12,866,754.00	264.08	1,089,791	289,674,827.00
May 2023	287.80	May 10, 2023	30,733	8,726,941.00	243.20	May 19, 2023	35,066	8,637,476.00	264.98	1,305,205	344,804,171.00
April 2023	301.55	April 20, 2023	358,969	103,844,298.00	225.90	April 3, 2023	274,405	65,149,519.00	266.78	1,834,896	487,973,154.00

(Source: www.bseindia.com)

Note:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹)**
September 2023	320.95	September 6, 2023	2,088,366	661,727,218.65	276.05	September 29, 2023	504,529	140,937,615.75	295.18	20,355,827	6,140,527,244.15
August 2023	307.75	August 30, 2023	5,380,459	1,634,870,588.85	254.00	August 21, 2023	339,877	86,788,910.20	268.43	39,723,066	11,355,115,510.30
July 2023	274.20	July 31, 2023	3,888,980	1,043,420,561.65	246.00	July 13, 2023	449,958	111,600,695.60	256.28	14,327,117	3,726,679,922.40
June 2023	277.65	June 7, 2023	629,635	172,451,986.85	253.90	June 1, 2023	239,383	61,579,999.30	264.02	10,368,696	2,755,926,228.80
May 2023	287.65	May 10, 2023	464,601	132,042,454.10	243.00	May 19, 2023	453,576	111,818,020.65	264.98	10,304,413	2,744,890,984.00
April 2023	301.50	April 20, 2023	4,317,045	1,248,295,255.95	226.55	April 3, 2023	4,087,882	973,073,472.60	266.66	23,205,735	6,184,280,353.95

(Source: www.nseindia.com)
Note:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(iii) The following tables set forth the market price on the Stock Exchanges on April 21, 2023 the first working day following the approval of the Board for the Issue:

BSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹)**
280.00	280.05	269.55	271.25	51,586	14,125,279.00

(Source: www.bseindia.com)

NSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Turnover (₹)**
280.05	281.00	269.30	271.50	1,096,771	300,028,582.25

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [•] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million (the "**Net Proceeds**").

Objects of the Issue

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following ("**Objects**"):

(₹ in million)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Funding the capital expenditure requirements for setting up of the new innovation centre at plot bearing number A-309 located at Mahape, MIDC ("**Mahape**")	360.01
2.	Funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at village Jolve and Vadadla, Bharuch, Gujarat ("Dahej")	2,340.92
3.	General corporate purposes*	[•]
4.	**Total Net Proceeds**	**[•]**

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in million)

Sr. No.	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
				Fiscals 2024	Fiscal 2025
1.	Funding the capital expenditure requirements for setting up of the new innovation centre at Mahape	595.59	360.01	358.91	1.10
2.	Funding the capital expenditure requirements of our Company for setting up of the new manufacturing facility at Dahej	7,100.00	2,340.92	1,124.93	1,215.99
3.	General corporate purposes*		[•]		
4.	Total Net Proceeds		[•]		

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "Risk Factors – "*Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds*" on page 67.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. Funding capital expenditure requirements for setting up of the new innovation centre at Mahape

Given the importance of R&D to our business, we are committed to continuing our investment in innovation to diversify our product portfolio across essentials and specialties. As part of our strategy, we will continue to leverage our know-how in complex chemistries and our experience in engineering to focus on the addition of downstream and value-added products to our product portfolio as well as addition of fluorospecialty products to our portfolio. For further details of our strategy, please see the section titled, "Our Business" on page 185.

It is for this reason that we are currently in the process of setting up a new innovation center in Mahape. The innovation centre will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline. This center spread across 2100 square meters will not only enable the current chemistry platform research to be done more efficiently but will also provide ample infrastructure for new platforms and scaling up of existing technologies and building new teams. As the company and business expand this innovation center is being set up to keep pace with the same growth. The R&D in India, across the group, is envisaged to be housed at this new innovation center.

As part of setting up the innovation centre we will incur expenditure towards site development, civil work, electrical works, interior work, logistics and will require various equipment such as (i) breathing compressed air system (ii) process water system etc.

Land and Utilities

We have obtained regular electricity and water supply for construction purpose at the new innovation centre at Mahape. Further, the land on which the new innovation centre is to be set up is on a plot bearing number A-309 located at Mahape MIDC admeasuring 2100 square meters which has been leased by our Company for a period of 95 years from MIDC, beginning from September 1, 2004.

Means of finance

The total estimated cost for setting up of the new innovation centre at Mahape is ₹ 595.59 million. We intend to fund the estimated cost for the Proposed Expansion as follows:

(₹ in million)

Particulars	Amount
Total estimated cost for setting up of the new innovation centre at Mahape (A)	595.59[(1)]
(less) Amount deployed as of June 30, 2023 (B)	84.96[(2)]
Balance amount to be incurred (C) = (A-B)	510.62
Amount to be funded from Net Proceeds (D)	360.01
Funding required excluding the Net Proceeds (E) = (C– D)	150.60

(1) *Total estimated cost as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.*
(2) *As certified by Natvarlal Vepari & Co., Chartered Accountant by way of their certificate dated October 4, 2023, the amount already deployed as on June 30, 2023 was funded from internal accruals of our Company.*

The remaining funds of ₹ 150.60 million for setting up of the innovation centre at Mahape shall be raised through internal accruals or other sources.

Estimated Cost

The total estimated cost for setting up of the new innovation centre at Mahape is ₹ 595.59 million, as certified by D.K. Maheshwari, an independent chartered engineer pursuant to a certificate dated October 4, 2023. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for setting up of the new innovation centre at Mahape, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost comprises the following:

(₹ in million)

Sr. No.	Particulars	Total estimated cost[(1)(2)]	Amount deployed as on June 30, 2023[(3)]	Amount proposed to be funded from the Net Proceeds
1.	Civil work	116.20	14.73	101.47
2.	Electricals	17.02	7.87	9.15
3.	Equipment	267.91	9.31	160.42
4.	Interior	105.19	4.01	87.14
5.	Logistics	48.26	48.26	-
6.	Consultancy	2.62	0.78	1.84
7.	Contingency	38.39	-	-
	Total	**595.59**	**84.96**	**360.01**

(1) *Total estimated cost as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.*
(2) *All above costs are inclusive of applicable GST.*
(3) *As certified by Natvarlal Vepari & Co., Chartered Accountant by way of their certificate dated October 4, 2023, the amount already deployed as on June 30, 2023 was funded from internal accruals of our Company.*

Break-up of the estimated cost

The total estimated cost for setting up of the new innovation centre at Mahape is ₹ 595.97 million, includes the expenses for civil work, electricals, equipments, interior, logistics, consultancy.

Civil work: Civil work for setting up of the new innovation centre at Mahape includes, repair, renovation (with additional floor space) of existing building and engineering related work for utilities and other equipment. It also includes costs of fabrication and pre-fabricated material in addition to cement and steel required for the civil work. The total estimated cost for civil work is ₹ 116.20 million, out of which ₹ 101.47 million is proposed to be utilised from the Net Proceeds

Equipment: The equipment cost relating to laboratory and admin office equipment in the setting up of the new innovation centre at Mahape is estimated to be ₹ 267.91 million, out of which ₹ 160.42 million is proposed to be utilised from the Net Proceeds. These include lab equipments, tanks, columns, pumps, uninterrupted power supply, scrubber, transformer, genset, fume hoods, information technology infrastructure and other equipment.

Interior: In addition to above, the setting up of the new innovation centre at Mahape requires interior work such as laboratory and admin office designing, furniture and equipments, the cost of which is estimated to be ₹ 105.19 million, out of which ₹ 87.14 million is proposed to be utilised from the Net Proceeds.

Electricals: The equipment in lab and admin office would require electrical equipment, accessories, utilities and cables. The cost towards such electricals is estimated to be ₹ 17.02 million, out of which ₹ 9.15 million is proposed to be utilised from the Net Proceeds. This includes expenses towards, panels, cables, light fitting and services, etc.

Logistics: The logistics cost includes the cost of laboratory equipments which was imported from Italy and in custom and ground clearance charges and transport cost. The cost of logistics was estimated to be ₹ 48.26 million, which was spent by the Company from its internal accruals.

Consultancy: The consultancy cost includes the cost relating to lab related designing and project monitoring. The cost of consultancy is estimated to be ₹ 2.62 million, out of which ₹ 1.84 million is proposed to be utilised from the Net Proceeds.

A detailed break-up of such estimated cost towards Proposed Expansion which is proposed to be funded from the Net Proceeds is set forth below:

sr. No.	Particulars	Estimated cost (in ₹ million) (1)	Name of supplier/vendor	Date of quotation/purchase order
1.	Civil work (including cost of materials)	101.47(2)	Maitri Interior Projects Private Limited, BRYS Infra	Different dates
2.	Electrical work	9.15(2)	R N Industrial Electricals Private Limited	June 27, 2023
3.	Equipment	160. 42(2)	Swami Samarth Consultancy, Abrado Trading Co., Sai Airconditioning Services, Blue Star Limited, R N Industrial Electricals Private Limited, Sewtech Industries Private Limited, Voltamp Transformers Limited, PCI Analytics Private Limited, BRYS Infra, Fuji Electric India Private Limited, Canter Engineers Private Limited.	Different dates
4.	Interior	87.14(2)	Maitri Interior Projects Private Limited, Prowork Engineering And Technical Services Private Limited, Swami Samarth Consultancy, Labgurd	Different dates
5.	Consultancy	1.84(2)	Swami Samarth Consultancy	Different dates
	Total	**360.01** (3)		

(1) *Total estimated cost as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *All above costs are inclusive of applicable GST.*

(3) *As certified Natvarlal Vepari & Co., Chartered Accountants, by way of their certificate dated October 4, 2023, the amount already deployed by our Company as on June 30, 2023 was ₹ 84.96 million, which was funded from our internal accruals.*

Other Expenses

Further, any additional costs incurred in relation to setting up of the new innovation centre at Mahape will be met from internal accruals.

Our Company may hire contractors to execute and complete the civil work in relation to the setting up of the new innovation centre at Mahape. Further, we shall purchase TOR steel, structure steel and other construction materials such as cement, metal, sand, admixtures etc. for civil works as per requirement. Further, our Company may continue to place orders or make scheduled payments in relation to the orders which have been placed with vendors for various plant, machinery and equipment, materials, civil work and any other requirements (including services) in relation to the setting up of the new innovation centre at Mahape. Accordingly, details of the estimated cost for setting up of the new innovation centre at Mahape, may be subject to change in the future.

We have placed orders for approximately 26.44% of the plant and machinery required for setting up of the new innovation centre at Mahape, in terms of the aggregate estimated cost of plant and machinery for setting up of the new innovation centre at Mahape (net of contingency). Further, the quotations received from vendors in relation to the above-mentioned Object are valid as on the date of this Preliminary Placement Document.

Further, while we have issued purchase orders to some of the vendors, there can be no assurance that such vendors will deliver the equipment and material on time or that there will be no delay in provision of services by such vendors. We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates and could be subject to change in the future. Further, the estimated cost quoted in the quotations are non-negotiated costs and could be subject to change in the future. In the event of any change in the price or breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the project cost-heads to adjust any decrease or increase in cost under any of the headings stated above.

Governmental approvals

We have obtained the material government approvals in relation to setting up of the new innovation centre at Mahape which are valid as on date of this Preliminary Placement Document. Further, applications for building and construction related approvals from MIDC for the setting up of the new innovation centre at Mahape shall be applied for by our Company, based on the schedule of implementation.

Authority	Initial approvals		Final approvals	
	Nature of approval	Stage at which approval is required and status	Nature of approval	Stage at which approval is required
MIDC	Approval for building plans for the proposed factory	Obtained on September 13, 2022	Building completion certificate, / occupational certificate and draining completion certificate	Upon completion of construction and before commissioning
	Commencement Certificate	Obtained on September 13, 2022		
MIDC (Chief fire officer)	Provisional no-objection certificate for proposed construction	Obtained on August 30, 2022	Final no-objection certificate	Upon completion of construction and before commissioning
Inspector of Lifts	Permission to Install lift	To be applied before installation of Lift. Not yet applied	Lift Installation Certificate	Before commissioning
MPCB	Consent to establish	Obtained on December 8, 2022	Consent to operate under the Air Act, Water Act and HW Rules	Before commissioning
Labour Department	Shop & Establishment License	Not Applicable	Approval for conditions of work and employment and other conditions of service of workers to be employed in Proposed Facility	Before commissioning

Note: The aforesaid table is as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.

2. Funding capital expenditure requirements for setting up of the new manufacturing facilities at Dahej

The Mahad facilities, spread over 40 acres are almost fully occupied. Thus to enable, further expansion and to provide for manufacturing diversification and geographic de-risking, we acquired a land parcel of 84.71 acres in Dahej in Fiscal 2023. The expansion at Dahej will add to the capacity of the manufacturing facility at Mahad and also provide business continuity to customers. The Board, has approved a capex spend of about ₹ 7,100.00 million to develop the first phase of the Dahej facility. The Dahej facility will see the first expansion work commencing from Fiscal 2024 onwards. This phase will be expanding product capacities across currently produced products.

As part of setting up of the new manufacturing facilities at Dahej, we will incur, expenditure towards land and site development, building and civil work, plant and machineries (mechanical, electrical and instrumentation), environment protection measures and others.

Land and Utilities

The land on which the new manufacturing facilities at Dahej is to be set up is a private non-agricultural land admeasuring 84.17 acres, which the Company has acquired in Fiscal 2023 from Welspun Corp Limited. Water and Electricity for the construction purpose will be applied before the start of the construction work, which is expected to be commended in December 2023. For commercial purpose, same will be applied after the commissioning of the project.

Means of finance

The total estimated cost for setting up of the new manufacturing facilities at Dahej, is ₹ 7,100.00 million.

We intend to fund the estimated cost for the Proposed Expansion as follows:

(₹ in million)

Particulars	Amount
Total estimated cost for setting up of the new manufacturing facilities at Dahej (A)	7,100.00[(1)]
(less) Amount deployed as of June 30, 2023 (B)	NIL
Balance amount to be incurred (C) = (A-B)	7,100.00
Amount to be funded from Net Proceeds (D)	2,340.92
Funding required excluding the Net Proceeds (E) = (C– D)	4,759.08

(1) *Total estimated cost as per certificate dated October 4, 2023, issued by D.K. Maheshwari, Chartered Engineer..*

The remaining funds of ₹ 4,759.08 million for setting up of the new manufacturing facilities at Dahej shall be raised through internal accruals or other sources.

Estimated Cost

The total estimated cost for setting up of the new the new manufacturing facilities at Dahej is ₹ 7,100.00 million, as certified by D.K. Maheshwari, an independent chartered engineer pursuant to a certificate dated October 4, 2023. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for setting up of the new the new manufacturing facilities at Dahej, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost comprises the following:

(₹ in million)

Sr. No.	Particulars	Total estimated cost[(1)(2)]	Amount deployed as on June 30, 2023	Amount proposed to be funded from the Net Proceeds
1.	Additional land and site development	300.00	NIL	-
2.	Building and civil work	1023.70	NIL	828.17
3.	Plant and machineries (Mechanical, Electrical, Utilities, QA/QC, Instrumentation, IT Infra, Consultancy)	5,062.10	NIL	1,479.37
4.	Environment, health and safety	359.70	NIL	33.38
5.	Others (Contingency and Pre-operative)	354.50	NIL	-
	Total	**7,100.00**	**NIL**	**2,340.92**

(1) *Total estimated cost as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.*
(2) *All above costs are exclusive of applicable GST.*

Break-up of the estimated cost

The total estimated cost for setting up of the new manufacturing facilities at Dahej is ₹ 7,100.00 million, includes the expenses for civil work, electricals, equipment, interior, logistics, consultancy.

Land and Site Development: Land and site development for acquiring the additional land from GIDC which is adjoining the existing land parcel of 84.17 acres, which was acquired by the Company from Welspun Corp Limited in Fiscal 2023. This additional land will be utilised for setting up of the additional utilities, admin building and other facilities. The total estimated cost for land and site development is ₹ 300.00 million, which will be funded by the Company from Identifiable internal accruals.

Building and Civil work: Civil work for setting up of the new manufacturing facilities at Dahej includes, foundation of the plant, construction of sheds, building and engineering related work for erection of plant, utilities and other equipment. It also includes costs of fabrication and pre-fabricated material in addition to cement and steel required for the civil work. The total estimated cost for civil work is ₹ 1,023.70 million, out of which ₹ 828.17 million is proposed to be utilised from the Net Proceeds.

Plant and machineries: The total estimated cost for the Plant & Machinery includes the expenses for reactors, tanks, columns, vessels, pumps and other equipment, mechanical equipments, electrical equipments, accessories, utilities and cables utilities, QA/QC equipments, IT infrastructure and consultancy cost relating to designing and installation of the plant and machineries. The plant and machineries cost to set up of the new manufacturing facilities at Dahej is estimated to be ₹ 5,062.10 million, out of which ₹ 1,479.37 million is proposed to be utilised from the Net Proceeds.

Environment protection measures: In addition to above, setting up of the new manufacturing facilities at Dahej requires environment protection measures such as includes cost of ETP, Tree Plantation, Evaporator System and Rainwater Harvesting etc., the cost of which is estimated to be ₹ 359.70 million, out of which ₹ 33.38 million is proposed to be utilised from the Net Proceeds.

Others: The cost of others is estimated to be ₹ 354.50 million and includes contingency and pre-operative cost, which will be funded by the Company from Identifiable internal accruals.

A detailed break-up of such estimated cost towards for setting up of the new manufacturing facilities at Dahej is proposed to be funded from the Net Proceeds is set forth below:

Sr. No.	Particulars	Estimated cost (in ₹ million) (1) (2)	Name of supplier/vendor	Date of quotation/purchase order
1.	Land and site development	-	GIDC	NA
2.	Building and Civil work	828.17	Laxmi Tubular, Willys Construction, Nureen Paints	Different dates
3.	Plant and machineries	1,479.37	Voltas, Himgiri*, Atlas Copco, Nuberg, Manish Engicorp Private Limited, Hitachi Energy, Zenith Engineering Corporation, TEGH Cables (India) Private Limited, Omkareshwar Engineering, Vijay Electrical & Mechanical Corporation, Transpower Switchgear Industries, Samudra Electronic System Private Limited, Emerson Automation Solution, Shroff & Associates (Engineers) Private Limited, Renu Bhumi Engineering, Choudhary Multispeciality Engineers Private Limited, Gurudev Engineering Works, Chemdist Process Solutions, Jobby Engineers Private Limited	Different dates
4.	Environment protection measures	33.38	Atharva Multi Speciality Services	September 21, 2023
5.	Others	-	NA	NA
	Total	**2,340.92**		

(1) *Total estimated cost as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.*

(2) *Inclusive of applicable GST.*

** The total price in the quotation is in Euro and the same has been converted into rupee INR considering the exchange rate as on the date of this Preliminary Placement Document.*

Other Expenses

Further, any additional costs incurred in relation to setting up of the new manufacturing facilities at Dahej will be met from internal accruals.

Our Company may hire contractors to execute and complete the civil work in relation to the setting up of the new manufacturing facilities at Dahej**.** Further, we shall purchase TOR steel, structure steel and other construction materials such as cement, metal, sand, admixtures etc. for civil works as per requirement. Further, our Company may continue to place orders or make scheduled payments in relation to the orders which have been placed with vendors for various plant, machinery and equipment, materials, civil work and any other requirements (including services) in relation to the setting up of the new manufacturing facilities at Dahej. Accordingly, details of the estimated cost for the setting up of the new manufacturing facilities at Dahej, may be subject to change in the future.

We have not yet placed any orders with respect to any cost-head. Further, the quotations received from vendors in relation to the above-mentioned Object are valid as on the date of this Preliminary Placement Document. Further, while we have issued purchase orders to some of the vendors, there can be no assurance that such vendors will deliver the equipment and material on time or that there will be no delay in provision of services by such vendors. We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the machinery and equipment or we will get the machinery at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates and could be subject to change in the future. Further, the estimated cost quoted in the quotations are non-negotiated costs and could be subject to change in the future. In the event of any change in the prices or breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the project cost-heads to adjust any decrease or increase in cost under any of the headings stated above.

Governmental approvals

We have obtained the material government approvals in relation to setting up of the new manufacturing facilities at Dahej**.** which are valid as on date of this Preliminary Placement Document. Further, applications for building and construction related approvals from MIDC for the setting up of the new manufacturing facilities at Dahej shall be applied for by our Company, based on the schedule of implementation.

Authority	**Initial approvals**		**Final approvals**	
	Nature of approval	**Stage at which approval is required and status**	**Nature of approval**	**Stage at which approval is required**
GIDC / PCPIR	Approval for building plans for the proposed factory	Before commencement of construction of plant and machinery (January, 2024)	Building completion certificate, / occupational certificate and draining completion certificate	Upon completion of construction and before commissioning (October, 2024)
GIDC /PCPIR (Chief fire officer)	Provisional no-objection certificate for proposed construction	Before commencement of construction of plant and machinery (January, 2024)	Final no-objection certificate (Final fire NOC)	Upon completion of construction and before commissioning (October, 2024)
State Environment Impact Assessment Authority	Environmental clearance including public Hearing	Documentation and approval of TOR committee, EIA and Public Hearing (November, 2023)	-	Approval from SEIAA (Grant of EC) June, 2024
GPCB	Consent to Establish	Before commencement of construction of plant	Consent to operate under the Air Act,	Before commissioning 1st CTO (Part): October, 2024

Authority	Initial approvals		Final approvals	
	Nature of approval	Stage at which approval is required and status	Nature of approval	Stage at which approval is required
		and machinery (July,2024).	Water Act and HW Rules	2nd CTO : December2024
Inspector of Factories (DISH)	Approval to construct, extend or take into use any building as a factory and approval of drawings for Proposed Facility	• Before placement of machineries and before commissioning • (July, 2024).	Certificate of stability and final approval	Before commissioning 1st CTO (Part): September, 2024 2nd CTO : December,-2024
Inspector of Factories (DISH)	Factory Licence	Before commissioning September, 2024	-	-
Petroleum and Explosives Safety Organization	• Prior Approval of plans • NOC from District Collector	• Before commencement of construction of license premises (January, 2024) • NOC (December,2024) •	License from Petroleum and Explosives Safety Organization for storage of Petroleum Products of A, B & C Class	Upon completion of construction and before commissioning (January, 2025)

Note: The aforesaid table is as per certificate dated October 4, 2023 issued by D.K. Maheshwari, Chartered Engineer.

3. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any additional capital expenditure, repayment or pre-payment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated October 4, 2023, as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation as at June 30, 2023 which has been derived from the Unaudited Consolidated Financial Results and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue and the application thereof.

You should read this table together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 102 and Audited Consolidated Financial Statements included in "*Financial Statements*" beginning on page 261.

(₹ in million)

Sr. No.	Particulars	Pre-Issue	Post-Issue
		As at June 30, 2023 (Consolidated)	**Amount after considering the Issue (Refer Note-1& 2 below)**
I	**Borrowings:**		
	Current borrowings	1,511.11	[●]
	Non-current borrowings	1,303.40	[●]
	Total borrowings	**2,814.51**	[●]
II	**Total equity**		
	Share capital	531.15	[●]
	Other equity (excluding securities premium account)	8,963.67	[●]
	Securities premium account	5,105.57	[●]
	Total capital	**14,600.39**	[●]
III	**Total capitalization (I+II)**	**17,419.20**	[●]
IV	**Total borrowings / Total equity**	**0.19**	[●]

Notes:

1. *The figures to be included under Post-Issue column relating to the shareholder's fund shall be derived after considering the impact due to the issue of the Equity Shares only through the qualified institutions placement assuming that the Issue will be fully subscribed and does not include any other transactions or movements/ issue related expenses.*
2. *To be updated after Issue Price is finalized.*

CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Preliminary Placement Document is set forth below:

(₹ million, except share data)

	Particulars	Aggregate value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	380,000,000 Equity Shares (having a face value of ₹2 each)	760
B	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL BEFORE THE ISSUE**	
	265,576,954 fully paid up Equity Shares	531.15
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating to up to ₹[●] million(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares(1)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue(2)	5,105.59
	After the Issue(3)	[●]

(1) The Issue has been authorised by the Board of Directors pursuant to its resolution passed on April 20, 2023. The Shareholders have authorised and approved the Issue by way of a special resolution through postal ballot passed on June 6, 2023.
(2) As on date of the Preliminary Placement Memorandum
(3) To be determined upon finalization of the Issue Price. The amount has been calculated on the basis of Gross Proceeds from the Issue.
 # Except for securities premium account

Equity share capital history of our Company

The following table sets forth the history of Equity Share capital of our Company since incorporation:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative No. of equity shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason/Nature of allotment
February 12, 1990#	70	10	10	70	700	Cash	Initial subscription to the MOA(1)
February 12, 1990#	153,500	10	10	153,570	1,535,700	Cash	Further issue (2)
March 6, 1990#	72,950	10	10##	226,520	2,265,200	Cash	Further issue (3)
September 20, 1990#	430,890	10	10	657,410	6,574,100	Cash	Further issue(4)
March 27, 1991#	359,000	10	10	1,016,410	10,164,100	Cash	Further issue (5)
June 19, 1991#	339,000	10	10	1,355,410	13,554,100	Cash	Further issue (6)
November 27, 1991#	960,000	10	10	2,315,410	23,154,100	Cash	Further issue (7)
March 17, 1992#	120,000	10	10	2,435,410	24,354,100	Cash	Further issue (8)
April 22, 1992#	200,000	10	10	2,635,410	26,354,100	Cash	Further issue (9)
February 2, 1993#	250,000	10	10	2,885,410	28,854,100	Cash	Further issue (10)
September 15, 1994#	1,750,000	10	10$$	4,635,410	46,354,100	Cash	Further issue (11)
March 28, 2007	4,171,869	10	10$$$	8,807,279	88,072,790	Cash	Rights issue in the ratio of 9 new equity shares for every 10 existing equity shares (12)
October 9, 2009	192,000	10	193	8,999,279	89,992,790	Cash	Preferential allotment (13)
March 30, 2012	1,005,802	10	472.26	10,005,081	100,050,810	Cash	Preferential allotment (14)
July 20, 2016	4,000	10	10	10,009,081	100,090,810	Cash	Exercise of ESOP granted under ESOP-2014 (15)

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative No. of equity shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason/Nature of allotment
January 30, 2019	40,036,324	10	Not applicable	50,045,405	500,454,050	Not applicable	Bonus issue in the ratio of four Equity Shares for every one Equity Share held (16)
January 1, 2020	(5,029,010)	10	Not applicable	45,016,395	450,163,950	Not applicable	Buyback of equity shares (17)
Pursuant to a resolution of our shareholders dated November 24, 2020, each equity share of our Company of face value of ₹ 10 was sub-divided into 5 equity shares of face value of ₹ 2 each and accordingly 45,016,395 equity shares of ₹ 10 each were sub-divided into 225,081,975 equity shares of face value of ₹ 2 each.							
February 27, 2021	10,077,519	2	129.00	235,159,494	470,318,988	Cash	Pre-IPO Placement(18)
March 1, 2021	5,426,356	2	129.00	240,585,850	481,171,700	Cash	Pre-IPO Placement(19)
March 23, 2021	23,076,923	2	130.00	263,662,773	527,325,546	Cash	Initial public offering
May 4, 2022	597,121	2	100	264,259,894	528,519,788	Cash	Allotment under ESOP-2020 (20)
May 4, 2022	255,013	2	2	26,45,14,907	52,90,29,814	Cash	Allotment under ESOP-2020 (20)
May 4, 2022	268,076	2	2	26,47,82,983	52,95,65,966	Cash	Allotment under Employee Stock Option Plan -2020(20)
June 1, 2022	279,062	2	100	265,062,045	530,124,090	Cash	Allotment under ESOP-2020 (21)
June 1, 2022	27,784	2	2	265,089,829	530,179,658	Cash	Allotment under ESOP-2020 (21)
June 1, 2022	5,249	2	2	265,095,078	530,190,156	Cash	Allotment under ESOP-2020 (21)
September 1, 2022	49,540	2	10	265,144,618	530,289,236	Cash	Allotment under ESOP-2020 (22)
September 1, 2022	14,154	2	2	265,158,772	530,317,544	Cash	Allotment under ESOP-2020 (22)
September 1, 2022	2,201	2	2	265,160,973	530,321,946	Cash	Allotment under ESOP-2020 (22)
October 17, 2022	5,451	2	2	265,166,424	530,332,848	Cash	Allotment under ESOP-2020 (23)
March 9, 2023	9,784	2	2	265,176,208	530,352,416	Cash	Allotment under ESOP-2020 (24)
June 2, 2023	317,456	2	100	265,493,754	530,987,508	Cash	Allotment under ESOP-2020 (25)
June 2, 2023	83,200	2	2	265,576,954	531,153,908	Cash	Allotment under ESOP-2020 (25)

#We have been unable to trace filings with the RoC and corporate resolutions for these issuances and consequently, are unable to ascertain the nature of allotment (for allotments on February 12, 1990, March 6, 1990, September 20, 1990, March 27, 1991, June 19, 1991, November 27, 1991 March 17, 1992, April 22, 1992, February 2, 1993 and September 15, 1994) and the price at which the allotment was made (for the allotment made on March 6, 1990). Further, the names of allottees for some of these issuances have been determined on the basis of the register of members maintained by our Company and issue price for certain allotments have been ascertained from the audited balance sheet of the respective financial years. Also see, "Risk Factors – Certain documents filed by us with the RoC and RBI and certain corporate records and other documents, are not traceable. While we have conducted a search with the RoC, in respect of the unavailability of such forms and other records, we cannot assure you that such forms or records will be available at all or any time in the future and that that no dispute shall arise in the future in relation to these corporate records and documents" on page 60*.*

Some of the equity shares allotted pursuant to such allotment were partly paid-up at the time of allotment. We have been unable to trace the corporate resolutions in relation to the capital calls made by the Board with respect to such equity shares and the date on which the Equity Shares were fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1991, such equity shares were made fully paid-up as on March 31, 1991.

$$The Board through its resolution dated September 1, 1995 made a call for ₹ 2 per equity share of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before October 31, 1995. We have been unable to trace the corporate resolutions for further capital calls made by the Board in relation to such equity shares and the date on which the equity shares were made fully paid up by each Shareholder. Based on the audited balance sheet of the Company for Fiscal 1997, such equity shares were made fully paid-up as on March 31, 1997.

$$$The Board through its resolution dated October 1, 2011 made a call for ₹ 9 per equity share having face value of ₹ 10 each from the allottees requesting the allottees to make the payment of the call money on or before December 31, 2011. Accordingly, 4,171,869 equity shares of ₹ 10 each were made fully paid-up during Fiscal 2012 and were fully paid-up as on March 31, 2012.

Please note that all references to equity shares in the notes below refer to allotments of equity shares of ₹ 10 each which were sub-divided into equity shares of ₹ 2 each pursuant to a resolution of the Shareholders of the Company dated November 24, 2020.

(1) Allotment of 10 equity shares each to Vasudeo Goenka, Ravi Goenka, Rajeev Goenka, Desh Verma, Uma Shankar Modi, Manisha Goenka and Vimladevi Goenka pursuant to subscription to the MoA.

(2) Allotment of 50,000 equity shares to Warden Hyforce Private Limited, 95,000 equity shares to Telycom Industries Private Limited, 3,000 equity shares to Anil Lohia, 2,500 equity shares to Sudhir Lohia, 1,000 equity shares to Amita Lohia, 1,500 equity shares to Satyabhama Lohia, 100 equity shares each to Deokinandan Ruia jointly with Sandeep Ruia, Sandeep Ruia jointly with Deokinandan Ruia, Seema Ruia jointly with Sanjay Ruia, Sanjay Ruia jointly with Seema Ruia; and Pushpadevi Ruia jointly with Sandeep Ruia.

(3) Allotment of 14,990 equity shares to Vasudeo Goenka, 4,990 equity shares to Ravi Goenka, 6,990 equity shares to Rajeev Goenka, 30,990 equity shares to Manisha Goenka, 9,990 equity shares to Vimladevi Goenka and 5,000 equity shares to Telycom Industries Private Limited.

(4) Allotment of 4,010 equity shares to Manisha Goenka, 100,000 equity shares to India Products Trading Company Private Limited, 32,610 equity shares to Ravi Goenka, 7,500 equity shares to Satyabhama Lohia, 20,150 equity shares to Vasudeo Goenka, 13,500 equity shares to Mukut Gupta, 10,000 equity shares to Smash Trading and Finance Limited, 10,000 equity shares to Singal Brothers and Finance Limited, 3,000 equity shares to Nishi Boonlia, 6,000 equity shares to Shiv Kumar Mishra, 29,620 equity shares to Vimladevi Goenka, 10,000 equity shares to V.R Chowdhury, 1,500 equity shares to Kirit Boonlia, 13,000 equity shares to Govind Prasad Lohia, 4,000 equity shares to Narendra M. Goyal, 3,000 equity shares to Rajesh Lohia, 35,000 equity shares to Rajeev Goenka, 2,500 equity shares to Sudhir Lohia, 3,500 equity shares to Manju Gupta, 8,000 equity shares to Lalit Gupta, 5,000 equity shares to Meena V. Lohia, 5,000 equity shares to Vinod Lohia, 4,000 equity shares to Banwarilal Chowdhury and 100,000 equity shares to Desh Verma.

(5) Allotment of 20,000 equity shares to Desh Verma, 47,500 equity shares to Bharat C. Naik jointly with Purnima Naik, 10,000 equity shares to C.M. Naik jointly with Pratima Naik, 10,000 equity shares to C.M. Naik jointly with Radhika Mehta, 20,000 equity shares to C.M. Naik jointly with Bharat C. Naik, 1,500 equity shares to Kanaiyalal Kothari, 15,000 equity shares to Kailash C. Sharma, 15,000 equity shares to Savitri Sharma, 10,000 equity shares to Ridha Sharma, 10,000 equity shares to Anchal Sharma, 12,500 equity shares to Nilesh Ruparel, 12,500 equity shares to Lilavati Ruparel, 12,500 equity shares to Abhoybabu Ruparel, 12,500 equity shares to Damyanti Ruparel, 100,000 equity shares to Brijmohan Mishra and 50,000 equity shares to Suman Mishra

(6) Allotment of 2,500 equity shares to Sunil Lohia, 100,000 equity shares to Ramtech Industries Private Limited, 1,000 equity shares to Kanaiyalal Kothari, 150,000 equity shares to India Products Trading Company Private Limited, 1,000 equity shares to Hiramani Lohia, 4,000 equity shares to Vishwanath Lohia, 1,000 equity shares to Satyabhama Lohia, 10,000 equity shares to Gitadevi Modi, 50,000 equity shares to Overseas Packaging Industries Private Limited, 10,000 equity shares to Kaushal Kumar Modi and 9,500 equity shares to Modi Investments

(7) Allotment of 300,000 equity shares to IDBI Bank Limited, 150,000 equity shares to ICICI Bank Limited, 150,000 equity shares to IFCI Limited and 360,000 equity shares to Canara Bank Trustee – Canbank Mutual Fund

(8) Allotment of 60,000 equity shares to IDBI Bank Limited, 30,000 equity shares to IFCI Limited and 30,000 equity shares to ICICI Bank Limited.

(9) Allotment of 5,000 equity shares to Surajdevi Laddha, 5,000 equity shares to Jodh Raj Laddha, 10,000 equity shares to Jodh Raj Arun Kumar Laddha (HUF), 7,500 equity shares to Roop Chand Laddha, 2,500 equity shares to Ratan Lal Laddha, 2,500 equity shares to Arun Kumar Laddha, 2,500 equity shares to Manoj Kumar Laddha, 2,500 equity shares to Ajay Kumar Laddha, 100,000 equity shares to Ramtech Industries Private Limited, 2,500 equity shares to Sudhir Kumar Parikh, 2,500 equity shares to K.K. Agarwal, 2,500 equity shares to Sunil Kumar Parikh, 5,000 equity shares to Sanjay Kumar Laddha and 50,000 equity shares to Composit Enterprises Private Limited.

(10) Allotment of 250,000 equity shares to Ramtech Industries Private Limited

(11) Allotment of 70,000 equity shares to Vasudeo Goenka, 125,000 equity shares to Ravi Goenka (HUF), 635,000 equity shares each to Ravi Goenka and Rajeev Goenka and 285,000 equity shares to Manisha Goenka.

(12) Allotment of 752,069 equity shares to V.D. Goenka, 250,000 equity shares to Brady Investments Private Limited, 270,400 equity shares to Ravi Goenka, 200,000 equity shares to Ravi Goenka (HUF), 185,000 equity shares to Harshvardhan Goenka, 370,000 equity shares to Niharika Goenka, 320,400 equity shares to Rajeev Goenka, 720,000 equity shares to Avantika Goenka, 345,000 equity shares to Manisha Goenka, 125,000 equity shares to Vimladevi Goenka, 310,000 equity shares to Aditi Goenka and 324,000 equity shares to Industrial Development Bank of India Limited.

(13) Allotment of 192,000 equity shares to Hansa K. Agarwal and Kailash K. Agarwal

*(14) Allotment of 1,005,802 equity shares to International Finance Corporation (“**IFC**”).*

(15) Allotment of 4,000 equity shares to Arun Keshav Dudhane.

(16) Allotment of 752,000 equity shares to Brady Investments Private Limited, 4,023,308 equity shares to International Finance Corporation, 150,000 equity shares to Aryavrat Goenka, 400 equity shares to Deokinandan Ruia jointly with Mr. Sandeep Ruia, 40,040 equity shares to Desh Verma, 20 equity shares to Harshvardhan Goenka, 77,020 equity shares to Rajeev Goenka, 25,020 equity shares to Ravi Goenka, 400 equity shares to Sandeep Ruia jointly with Deokinandan Ruia, 400 equity shares to Sanjay Ruia jointly with Seema Ruia, 20 equity shares to Vasudeo Goenka, 46,000 equity shares to Vishwas Kunte, 40,000 equity shares to Vishwas Kunte jointly with Aparna V. Kunte, 20 equity shares to Aditi Goenka, 768,000 equity shares to Hansa K. Agarwal jointly with Kailash K. Agarwal, 20 equity shares to Manisha Goenka, 400 equity shares to Pushpadevi Ruia jointly with Sandeep Ruia, 400 equity shares to Seema Ruia jointly with Sanjay Ruia, 200,000 equity shares to Suman Mishra , 20 equity shares to Niharika Goenka, 1,700,000 equity shares to Ravi Goenka (HUF), 8,000 equity shares to Vibha Bhandari, 10,000 equity shares to Satwik Mishra 10,000 equity shares to Sukruti Mishra, 10,000 equity shares to Satyakam Mishra, 10,000 equity shares to Meenu Satyakam Mishra, 16,000 equity shares to Arun Keshav Dudhane, 40 equity shares to Uma Shankar Modi and 32,148,896 equity shares to Yellow Stone Trust (through its trustee, Ravi Goenka).

(17) Buyback of 5,029,010 equity shares at a price of ₹ 163.08 per equity share, from the existing Shareholders of the Company through tender offer on a proportionate basis, wherein IFC tendered the equity shares held by it.

(18) Allotment of 3,100,775 Equity Shares to IIFL Special Opportunities Fund – Series 7; 387,598 Equity Shares to One Up Financial Consultants Pvt Ltd, 2,713,178 Equity Shares to Ashoka India Equity Investment Trust PLC, 3,255,814 Equity Shares to Malabar India Fund and 620,154 Equity Shares to Malabar Value Fund.

(19) Allotment of 1,094,319 Equity Shares to GMO Emerging Domestic Opportunities Fund; 2,403,100 Equity Shares to IIFL Special Opportunities Fund – Series 7; 387,595 Equity Shares to One Up Financial Consultants Pvt Ltd; 968,992 Equity Shares to Malabar India Fund; 193,799 Equity Shares to Malabar Value Fund and 378,551 Equity Shares to Nishant Agarwal.

(20) Allotment of 1,803 Equity Shares to Abhijit Kulkarni, 66,186 Equity Shares to Ajay Audi, 33, 340 Equity Shares to Ajinkya Khaiwale, 14,531 Equity Shares to Alka Sanjeetkumar Singh, 1,936 Equity Shares to Amit Mhatre, 27,835 Equity Shares to Aniket Hirpara, 16,264 Equity Shares to Ankit Gandhi, 48,292 Equity Shares to B K Soni, 77,711 Equity Shares to B P Pant, 9,808 Equity Shares to Babasahb Patil, 2,180 Equity Shares to Dattaray Kosbe, 13,404 Equity Shares to Digambar Patil, 28,050 Equity Shares to Jitendra Agarwal,

33,246 Equity Shares to Jotyajirao Pandurang Suryawanshi, 19,958 Equity Shares to Kiran Wadke, 13,901 Equity Shares to Mandar Yogi, 1,877 Equity Shares to Megha Bhayani, 2,238 Equity Shares to Mukesh Jagtap, 3,144 Equity Shares to Nitin Mhamane, 206,833 Equity Shares to Partha Roy Chowdhury, 4,928 Equity Shares to Prakash Kudekar, 35,873 Equity Shares to Pramod Sanap, 36,360 Equity Shares to Prashant Patil, 9,713 Equity Shares to Pravin Deshmukh, 22,629 Equity Shares to Rachna Gupta, 2,557 Equity Shares to Rajesh Deshmukh, 2,854 Equity Shares to Ravindra Patankar, 2,290 Equity Shares to Sandesh Butala, 2,105 Equity Shares to Sanjay Herle, 2,007 Equity Shares to Sanjay Tembe, 2,950 Equity Shares to Santosh Mahadik, 150,000 Equity Shares to Satej Nabar, 31,300 Equity Shares to Satish Bhandary, 11,619 Equity Shares to Sharad Kadam, 44,629 Equity Shares to Sruti Bora, 21,825 Equity Shares to Sudhir Wadkar, 19,117 Equity Shares to Sunil Awate, 49,597 Equity Shares to Sunil Gupta, 17,088 Equity Shares to Swapna Korde, 18,382 Equity Shares to Vikram Shinde, 9,850 Equity Shares to Vishram Agane.

(21) Allotment of 177,929 Equity Shares to Satej Nabar, 83,176 Equity Shares to Jitendra Agarwal, 2,749 Equity Shares to Mahendra C Gujar, 18,145 Equity Shares to Sameer Anant Telavane, 27,596 Equity Shares to Biradar Abhijit Mahadeo and 2,500 Equity Shares to Amrish Girdharlal Rajdev.

(22) Allotment of 2,201 Equity Shares to Manish G Saraf, 63,694 Equity Shares to Virag Sureshchandra Shah.

(23) Allotment of 5,451 Equity Shares to Pradyot Sumant.

(24) Allotment of 3,151 Equity Shares to Sandip Ranaware, 3,415 Equity Shares to Amrish Girdharlal Rajdev, 1,829 Equity Shares to Sinhasanamatam Sharat Kumar and 1,389 Equity Shares to Siddu Raghu Vamshi Reddy.

(25) Allotment of 33,340 Equity Shares to Ajinkya Khaiwale, 11,619 Equity Shares to Sharad Kadam, 9,173 Equity Shares to Pravin Deshmukh, 18,145 Equity Shares to Sameer Telavane and 327,929 Equity Shares to Sated Nabar.

Preference shares

As on the date of this Preliminary Placement Document, there are no outstanding preference shares.

Warrants

As on the date of this Preliminary Placement Document, there are no outstanding warrants.

Employee stock option schemes

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

Pursuant to the resolutions passed by our Board on October 30, 2020 and by our Shareholders on November 24, 2020, our Company approved the Laxmi – Employee Stock Option Plan 2020 ("**ESOP-2020**") for issue of employee stock options ("**ESOPs**") or thank you grants or restricted stock units ("**RSUs**") to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The ESOP-2020 is in compliance with the SEBI SBEB Regulations.

Our Nomination and Remuneration Committee had on January 27, 2021 granted 5,690,467 options (comprising of 4,245,540 employee stock options, 1,143,263 RSUs and 301,664 thank you grants) to eligible employees pursuant to the ESOP-2020. Subsequently, Nomination and Remuneration Committee had on May 04, 2022 granted 276,855 options (comprising of 276,855 employee stock options) and thereafter on February 27, 2023 granted 1,406,250 options (comprising of 1,406,250 employee stock options) to eligible employees pursuant to the ESOP-2020. As of the date of this Preliminary Placement Document, 1,914,181 Equity Shares have been issued pursuant to the ESOP-2020.

The following table sets forth details in respect of the ESOP Scheme as on September 29,2023:

Particulars	ESOP-2020
Maximum number of Equity Shares which may be issued under the scheme	6,750,000
Total number of options granted	7,373,575
Options lapsed or forfeited	1,553,875
Options vested	2,984,866
Options exercised	1,914,181
Option exercisable	1,070,685
Option vested and outstanding	2,834,834
Total number of options outstanding	3,905,519
Available Pool Balance	930,300

Pre-Issue and post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue as of June 30, 2023		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding#**				
1.	Indian				
	Individual	187,562,806	70.6247	[●]	[●]
	Corporate	4,700,000	1.7697	[●]	[●]
	Others	Nil	Nil	[●]	[●]
2.	Foreign promoter	Nil	Nil	[●]	[●]
	Sub-total (A)	**192,262,806**	**72.39**	[●]	[●]
B.	**Non - Promoter's holding**				
3.	Institutional investors				
a.	Indian	Nil	Nil	[●]	[●]
b.	Foreign	Nil	Nil	[●]	[●]
4.	Non-institutional investors				
a.	Private corporate bodies	Nil	Nil	[●]	[●]
b.	Directors and relatives (other than promoters)	Nil	Nil	[●]	[●]
c.	Indian public	73,314,148	27.61	[●]	[●]
d.	Others including Non-resident Indians (NRIs)	Nil	Nil	[●]	[●]
	Sub-total (B)	**73,314,148**	**27.61**	[●]	[●]
C.	**Non-Promoter- Non Public shareholder (C)**	**Nil**	**Nil**	[●]	[●]
	Total (A+B+C)	**265,576,954**	**100.00**	**[●]**	**[●]**

* *Note: The details of the post-Issue shareholding pattern have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.*
\# *Includes shareholding of the members of the Promoter Group.*

The Shareholders vide their resolution dated Augst 3, 2023, in the annual general meeting, have subject to the necessary approval from the statutory authorities, approved the reclassification of Prashant Sarawgi HUF, Vijaykumar Sarawgi, Shobha Vijaykumar Sarawgi, Prashant Sarawgi, S R Artefacts Private Limited, Silver Quest (India) LLP, Vijaykumar Satyanarayan LLP, Vijaykumar Sarawgi HUF and S. N. Sarawgi HUF (collectively the "**Sarawgi group"**) from "Promoter and Promoter Group" category to "Public" category. Post approval of the Stock Exchange(s), upon application for reclassification of the aforementioned Sarawgi group, the Company shall effect such reclassification in the statement of shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI Listing Regulations, subject to compliance of SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable provisions.

Other confirmations

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

No change in control in our Company will occur consequent to the Issue.

Our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice for the Shareholders' approval through postal ballot facility on May 4, 2023, to the Shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issu*e" on page 479.

DIVIDENDS

The declaration and payment of dividend (including interim dividend) will be recommended by our Board of Directors and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend for any financial year shall be paid out of our Company's profits for that year or accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act the Articles of Association and our Company's dividend distribution policy. The dividend policy of our Company was adopted and approved by our Board in their meeting held on November 25, 2020, ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include (i) our Company's profits for the current year after providing for depreciation in accordance with the provisions of Section 123 of the 2013 Act read with the Rules issued thereunder; (ii) profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 of the 2013 Act read with the Rules issued thereunder; (iii) funds required for working capital needs of the business; (iv) opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc.; (v) funding requirements for any organic and inorganic growth opportunities to be pursued by the Company; (vi) Optimal free cash to fund any exigencies, if any; and (vii) prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

Following are the details of dividends paid by our Company in the current Fiscal and Fiscals 2023, 2022 and 2021:

Period/Financial Year	Total dividend per Equity Share (in ₹)	Dividend Rate (%)	Total amount of dividend (in ₹ million)
Three months ended June 30, 2023*	Nil	Nil	Nil
2023#	0.50	25%	132.59
2022	0.70	35%	185.58
2021	0.50	25%	131.83

* *As on the date of this Preliminary Placement Document*

\# *The Board has also approved a final dividend of ₹0.50 per Equity Share at its meeting held on May 12, 2023, which is subject to approval by the Shareholders at the ensuing AGM.*

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted. For further information, please see "*Description of the Equity Shares*" on page 247.

The amounts paid as dividend in the past are not necessarily indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations for Fiscals 2023, 2022, 2021 and the three months period ended June 30, 2023 and June 30, 2022. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Consolidated Financial Statements including the schedules, annexures and notes thereto and the reports thereon, beginning on page 261 and our unaudited consolidated financial result for three six months period ended June 30, 2023 and June 30, 2022 beginning on page 262.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" on page 49 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry data in this section has been derived from the Frost & Sullivan Report. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - This Preliminary Placement Document contains information from an industry report which we have commissioned from Frost & Sullivan. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 69 and "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 14.

Overview

Laxmi Organic Industries limited was established almost three decades ago and presently is involved in large scale manufacturing of chemicals. Since our inception in 1989, we have been on a journey of transformation. We initially started manufacturing acetaldehyde and acetic acid in 1992, and soon thereafter moved on to manufacturing ethyl acetate in 1996. We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market (*Source: Frost & Sullivan Report*). We held the top position in 2022 Ethyl Acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (*Source: Frost & Sullivan Report*). In Fiscal 2010, post acquiring Clariant's assets we diversified into manufacturing ketene and diketene derivatives namely esters, amides, arylides and other chemicals. We believe that the diversification of our product portfolio into varied chemistries has enabled us to create a niche for ourselves. We are the only manufacturer of diketene derivatives in India with a market share of approximately 53 % of the Indian diketene derivatives market in terms of revenue in Fiscal 2023 and one of the largest portfolios of diketene products (*Source: Frost & Sullivan Report*). In Fiscal 2020, we acquired the assets (including plant & machinery, design and operating paperwork, REACH registrations and patents) of Miteni SpA, a manufacturer of organic fluorospecialties and electrochemical fluorination. Post the acquisition we have commenced the manufacturing of Fluro Specialty Intermediates in Fiscal 2024.

The business till Fiscal 2023 was steered via three broad products categories, namely the Acetyl Intermediates, the Specialty Intermediates and Fluorine Intermediates. The Acetyl Intermediates included ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents. The Specialty Intermediates comprises of ketene diketene derivatives and other chemicals. The Fluorine Intermediates will only commence meaningful production from Fiscal 2025 onwards. From Fiscal 2024 we have taken the approach of customer interaction models and consolidated our products into two categories, namely Essentials and Specialties. While the Essentials category is the erstwhile Acetyl Intermediaries category along with Acetic Anhydride which was earlier in the Specialty Intermediates category, the Specialties category consists of all other ketene and diketene derivatives, fluorine intermediates and other chemicals. Our products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavors & fragrances, adhesives and other industrial applications. According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Over the years, we have significantly expanded our scale of operations and global footprint with customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. We have established long-standing relationships with marquee players across industry segments and geographies. We have offices in Leiden (Netherlands) and Shanghai (China) which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice. We held the top position in 2022 ethyl acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (source: Frost & Sullivan Report). For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis.

We currently have three fully operational manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**") which are strategically located in proximity to several ports and each other. We also have two distilleries located in Satara district (the "**Jarandeshwar Distillery**") and Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. The ethanol manufactured at the Distilleries is primarily consumed for the manufacturing of fuel-grade ethanol and ethyl acetate. Further, the upcoming manufacturing facility at Lote Parshuram, Maharashtra, 70 kms away from Mahad, Maharashtra is where the fluorospecialty assets of Miteni have been rehoused (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the flurointermediary products from Lote Facility is expected in Fiscal 2025.

The Mahad facilities, spread over 40 acres, are almost fully occupied. Thus, to enable further expansion and provide for manufacturing diversification, we acquired a land parcel of 84 acres in Dahej, Gujarat in Fiscal 2023 ("**Dahej Facility**"). The Board has approved a capex spend of about ₹ 7,100.00 million to develop the first phase of the Dahej Facility. For further details in this regard, see "*Use of Proceeds*" on page 83.

We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities, with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(source: Frost & Sullivan Report)*.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our consolidated revenue from operations was ₹7,335.79 million, ₹27,966.43 million, ₹30,842.66 million and ₹17,684.48 million, respectively. Our consolidated EBITDA for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 812.89 million, ₹ 2,565.83 million, ₹ 3,825.20 million and ₹ 2,213.30 million respectively, while our consolidated profit after tax for the period from continuing operations for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 383.29 million, ₹1,246.12 million, ₹ 2,574.18 million and ₹1,270.63 million respectively.

We have strong and well experienced Board and Key Managerial Personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Ravi Goenka, who is also our Executive Chairman has extensive experience in the chemicals industry and has played a significant role in our development and growth. For further, details in relation to Ravi Goenka and our other Directors and Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page *202*.

Our strengths

Cost Competitiveness

One of the key focus areas for the Company has been ensuring cost competitiveness, which is also the reason we have invested in data and technology services. Proximity to the ports further strengthens our cost competitiveness as the time and money spent on logistics is efficient. Both the essentials and the specialty products have common raw materials and that further adds to our cost competitive advantage along with the cogeneration power plant that we operate. Lastly, given the large capacity that we operate, we have significant economies of scale. All these factors, and our focus on operational excellence enable us to be cost competitive in the markets in which we operate.

In the erstwhile Acetyl Intermediates and the now Essentials business, our conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles *(source: Frost & Sullivan Report)*. This has also ensured robust Return on Capital Employed over business cycles.

Lean and Reliable Large Scale Operations of Essentials

The global acetyl market is expected to grow at a CAGR of more than 5.9% over the next decade in terms of volume and is projected to grow from 16 MMT in calendar year 2022 to 22.6 MMT in calendar year 2028 *(Source: Frost & Sullivan Report)*. In terms of revenue, the global acetyl market stands approximately at USD 27.3 billion globally and is expected to grow at 3.2% CAGR over the next half decade *(Source: Frost & Sullivan Report)*. The scale that we have along with our quality control that we have, has enabled us to provide our essentials customers with a differentiated experience in that they can rely on one supplier for timely, quality based supplies in volumes that are relevant. These capabilities will help us cater to the growing markets as well.

We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market *(Source: Frost & Sullivan Report)*. Further, we have the single largest ethyl acetate manufacturing site in India. *(Source: Frost & Sullivan Report)*. We were also among the top ten producers of Ethyl Acetate globally in fiscal 2022. *(Source: Frost & Sullivan Report).*

For the Fiscals 2023, 2022 and 2021, our Company's revenue, on a consolidated basis from manufactured Acetyl Intermediates (including exports to Laxmi Netherlands) was ₹ 18,354.46 million, ₹ 19,157.88 million, and ₹ 12,492.41 million, comprising of 65.63%, 62.12%,and 70.64%, respectively, of our total revenue from operations, on a consolidated basis. The revenue from essentials, on a consolidated basis for quarter ended June 30, 2023 was ₹ 4,981.04 million which constituted 67.90 % of our total revenue from operations, on a consolidated basis.

In addition to our large manufacturing sites, we also have significant storage *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) to ensure reliable and in time supplies for customer. We believe that our large manufacturing capacity, consistent growth, experienced management, global footprint and high-quality products makes us a reliable supplier across various industries.

Only large scale Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products

According to Frost & Sullivan, the global market for diketene and ketene derivatives was estimated to be around USD 1.5-1.6 Bn for the year 2022 and the volume was estimated to be between 1.0-1.1* MMT in 2022 and is expected to grow to 1.4 -1.5 MMT[2] by 2028 growing at a CAGR of ~4.5%. The market in India was valued at USD 160-165 Mn and is expected to reach ~USD 250 Mn by 2028F. The overall growth will be driven by new applications and locking in the value chains.

Our Specialties portfolio is amongst the top five most comprehensive globally as we are amongst the handful of producers who have a backward integrated site that manufactures derivatives right from diketene to the downstream product *(Source: Frost & Sullivan Report).* The current portfolio has 48 products of which two products came on stream in Fiscal 2023. This portfolio has grown from 18 products in Fiscal 2011 at the time of acquisition to 48 products in Fiscal 2023. Our specialties business caters to pharmaceuticals, colorants and agrochemical industries and also provides substitutes for possible imports. We were one of the largest suppliers of diketene based specialty intermediates in Europe from India in calendar year 2022 *(Source: Frost & Sullivan Report).*

As the Fluorine Intermediaries business comes on stream this specialties product basket will grow. For the Fiscals 2023, 2022 and 2021, our revenue from the sale of manufactured Specialty Intermediates, on a standalone basis (including exports to Laxmi Netherlands) was ₹ 9,590.25 million, ₹8,998.72 million, and ₹ 5,187.54 million respectively, comprising of 34.29%, 29.18% and 29.33%, respectively, of our total revenue from operations, on a consolidated basis. For quarter ended June 30,2023 our specialties business revenue was ₹ 2,352.80 million which constituted 32.07 % of our total revenue from operations, on a consolidated basis.

- [2] Estimates based on average price and basic derivatives only

We believe that we are well poised to capture the growing demand for diketene derivatives globally. In view of investments that we made in technology and expertise in diketene chemistry, relationships with customers and track record in commercialization of products across the value chain.

Diversified customer base across high growth industries and long-standing relationships with marquee customers

Our products find application in a number of high growth industries including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. Amongst the industries to which we cater, the global active pharmaceutical ingredients market size is estimated to be USD 215 – 230 Bn in CY 2022 and is projected to reach ~USD 355 Bn by CY 2028 at a CAGR of 9-10% during the forecast period, the global Agrochemicals & Fertilizer Market is estimated to be around USD 240-250 Bn in CY 2022 and is expected to garner revenue of ~USD 360-370 Bn by CY 2028 with a CAGR of 8-9% during the forecast period of CY 2022-28 *(Source: Frost & Sullivan Report).*

Our top ten customers basis revenue from manufactured products on a standalone basis, for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, constituted 26.28%, 30.25%, 37.21% and 37.00% respectively of the total revenue from manufactured products on a standalone basis. A majority of our Company's top ten customers in the three months ended June 30, 2023, have been our customers since Fiscal 2021.

We believe that the diversification of our customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business. The key industries to which we cater to and the corresponding revenue from sales of manufactured products and services by our Company to customers in such industry is set forth below:

(₹ in million)

Industry	**Three months ended June 30, 2023**	**Fiscal 2023**
Pharmaceuticals	1,804.25	5,618.99
Agrochemicals	444.64	1,457.25
Colour and pigments	233.95	1,320.84
Printing and packaging	464.94	1,496.06
Other Industrial applications	3,834.40	15,807.47
Distributors	147.24	1,166.64
Total	**6,929.42**	**26,867.23**

Further, we have low customer concentration and no single customer contributed to more than 10% of our revenues from operations during the three-month period ended June 30, 2023 and Fiscals 2023, 2022 and 2021. We have adopted a diversified sales model wherein we sell on spot, through short term contracts (typically two or three months), annual contracts and multi-year contracts based on customers preference and value proposition. To obtain greater assurance of demand and visibility in our manufacturing operations, we have entered into off-take arrangements with some of our customers which involve multi-year agreements, for certain specific products to give the necessary supply assurance to the customer.

We believe our speedy execution and timely response to customer needs, coupled with our high-quality products and innovation have enabled us to successfully establish our market presence and nurtured our customer relationships. Further, our long-term relationships with marquee customers provides us with steady revenue flows.

Strategically located manufacturing facilities, ample land available for expansion, vertical integration and supply chain efficiencies

We currently have three strategically located Manufacturing Facilities located in Mahad, Maharashtra, in close proximity to several ports including the Jawaharlal Nehru (Nhava Sheva) Port, JSW port and Mumbai port which ensures that we have ready access to port facilities and are able to expediently import our raw materials and export our products; thereby providing us with a cost and logistical advantage. The proximity of the facilities to one another adds to logistics and operational efficiencies. Our Manufacturing Facilities are located close to the southern and western regions of India, where some of the major pharmaceutical manufacturers are located. Our Manufacturing Facilities have received a number of accreditations such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. Further, we are one of the few Indian chemical companies to be recognized with Responsible

Care certification by the Indian Chemical Council ("**ICC**"). This certificate was renewed third time in a row by the ICC in January 2023.

Our new fluorospecialty facility being set up at Lote Parshuram is on a 30 acre plot and post the completion of the current installation of all Miteni assets there will still be ample land available for expansion. To add expansion capacity and provide geographic de-risking, we acquired a new land parcel in Dahej, Gujarat in Fiscal 2023. The 85 acre plot will see the first expansion being constructed from Fiscal 2024 onwards. This phase will be expanding product capacities across currently produced products.

We also have two Distilleries located in Maharashtra for the manufacturing of ethanol and specially denatured sprit from molasses. These Distilleries and our Manufacturing Facilities are located close to sugar mills in Maharashtra thereby providing us with easy supply for molasses and reducing transportation costs. Ethanol is a basic raw material required for the manufacture of Acetyl Intermediates including acetic acid, acetaldehyde and ethyl acetate. Our Distilleries enable backward integration by acting as feeder plants and provide effective control over raw materials and also reduce our dependence on third parties for ethanol.

Further, acetic acid and ethanol are common raw materials for both essentials and specialties thereby enabling us to procure such raw materials from the same supplier and reducing costs.

As part of our manufacturing operations we require a steady supply of steam (majorly for essentials) and power (for specialties). We have a co-generation power plant within one of the manufacturing units at Mahad, Maharashtra (the "**Captive Power Plant**") with a capacity of 7.5 MW, two windmills located in Maharashtra and Karnataka, with a capacity of approximately 1.25 MW each, and a hydro-electric power project at Yedgaon Maharashtra with a capacity of 4 MW (collectively, the "**Power Facilities**"). We also have solar power started in Fiscal 2023 with 3 MW generation capacity. During Fiscal 2023, 42.16% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 14.89% of the total consumption being met from the renewable Power Facilities (the "**Renewable Power Facilities**"). Our Power Facilities reduce our dependence on the electricity grid and third parties and ensure a regular supply of power and steam. We believe that such vertical integration provides us greater control on the manufacturing process, reduces our manufacturing costs and improves our conversion efficiency, thereby improving our profitability.

In order to further bolster our logistics and cost efficiencies on the import as well as export side, we have strategic arrangements with third parties for usage of storage tanks at ports in *inter alia* Mumbai (Maharashtra) for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products. We also have large storage tanks at our Manufacturing Facilities, which are multi-purpose and can be used for storage of different raw materials (including raw materials of seasonal nature) and products.

In-house research and development capabilities and consistent track record of technology absorption

We believe that research and development of new products is the cornerstone to meet our customers' requirements and the most important growth driver of our business. We have two DSIR recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within one of our units at Mahad, Maharashtra which primarily deals with projects related to the direct application of ketene and diketene and our innovation center located at Rabale, Navi Mumbai, Maharashtra (the "**Rabale Innovation Centre**"), which predominantly works on development of new products for us based on complex chemistries.

Our R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(Source: Frost & Sullivan Report)*. We have demonstrated a track record of concept to commercialization. We acquired the ketene/diketene business and its downstream products from Clariant Chemicals (India) Limited ("**Clariant**") in Fiscal 2010 and successfully relocated the plant and machinery and other assets from Clariant's manufacturing site at the Balkum, Thane, Maharashtra to our then greenfield site at Mahad, Maharashtra, i.e. the SI Manufacturing Facility ("**Clariant Acquisition**"). Pursuant to the Clariant Acquisition, our Company acquired the technology and know-how of 18 products from Clariant of which our Company is currently producing 16 products which form part of our Company's Specialty Intermediates product portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 30 new products (the "**New Products**") to our Specialty Intermediates portfolio over the last decade and expanded our product portfolio to 48 products, as on June 30, 2023. In order to expand our product portfolio, we have also developed five different chemistry platforms on a commercial scale, which include the following chemistries: ethyoxylation, chlorination, amination, methoxylation, thiolation and acylation.

We have consistently invested in R&D and technology and have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years. During the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, we have incurred research and development expenditure aggregating to ₹ 39.21 million, ₹153.51 million ₹176.26 million and ₹127.66 million respectively, including capital expenditure of ₹0.06 million, ₹6.62 million, ₹51.22 million and ₹41.81 million during such periods respectively. We have a dedicated team of research scientists comprising 73 employees, as on June 30, 2023, focused on innovation in chemistries and engineering, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We believe our R&D team has enabled us to unlock the value of various complex chemistries and introduce new products resulting in higher margins and revenues.

Our technology development efforts and execution capabilities have enabled us to not only garner leading position in the domestic Specialty Intermediates market, but also made us a leader in several product groups globally *(Source: Frost & Sullivan Report)*. Further, implementation of the latest technology and built-in-processes enables us to produce high quality products consistently.

We are now constructing a new innovation center at Mahape, Maharashtra which should be operational in the first quarter of Fiscal 2025. This facility will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline.

Global presence and low geographical concentration

In addition to India, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our international operations are supported by our offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). We believe our local presence in such international markets facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. We also have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis. Our revenue from exports has grown at a CAGR of 13.12% between Fiscal 2021 and the three months ended June 30, 2023 (annualized).

Our global operations have demonstrated geographical diversification over the periods mentioned below. A geography-wise break-up of our Company's percentage of revenues from sale of manufactured products and services (on a consolidated basis) is as under:

(% of revenue from sale of manufactured products and services on standalone basis)

Geography	**Three months ended June 30, 2023**	**Fiscal 2023**
India	69.59	63.39
Europe*	8.87	19.10
Middle East**	4.39	4.27
Africa#	3.20	2.01
China	1.06	1.20
Rest of Asia	2.92	2.57
Rest of the World##	9.96	7.46
Total	**100.00**	**100.00**

**Includes Armenia, Austria, Belgium, Cyprus, Czech Republic, France, Germany, Italy, Netherlands, Portugal, Romania, Russia, Spain, Sweden and United Kingdom.*
***Includes Egypt, Iran, Israel, Jordan, Lebanon, Oman, Saudi Arabia, Syria, Turkey and United Arab Emirates.*
#Does not include Egypt.
Includes USA and Oceania countries .

We believe our presence in various markets reduces our dependence on one market and thereby minimizing the risk of any adverse developments or material changes in economic outlook in any one market.

Our differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers

The essentials business that we operate in requires cost competitiveness while the specialties business in which we operate has high entry barriers due to *inter alia* the involvement of complex chemistries in the manufacturing of our products and the requirement to be enlisted as a supplier after due qualification of the products with certain customers, particularly with the customers in the pharmaceutical and agrochemical industries. The specialty chemicals industry is highly knowledge intensive. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, with respect to end products manufactured by certain of our customers, we believe if the usage of our products has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer.

We believe that our customer credit management abilities act as a strong entry barrier for smaller players trying to enter the market which is further augmented by vendor relationships for key raw materials.

We believe that we have achieved a high capital efficiency with high asset turnover and working capital turnover ratios, which enables us to utilise our capital in the optimal manner and remain competitive in the industry we operate in. For the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, our asset turnover ratio was 0.30, 1.21, 1.52 and 1.22 respectively.

Handling of certain hazardous raw materials and products such as those that we produce requires a high degree of technical skill and expertise. We believe that the level of technical skill and expertise that is essential for handling products and raw materials can only be achieved over a period of time, creating a further barrier for new entrants.

We believe that given our diversified product portfolio, investment in technology, and R&D, our working capital management, our Power Facilities and consequent cost efficiencies coupled with our global footprint and customer relationships have helped us create a differentiated position in the markets in which we operate.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

No.	Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Total Revenue	7,375.32	28,086.96	30,990.56	17,730.61
2	EBITDA	812.89	2,565.83	3,825.20	2,213.30
3	*EBITDA Margin(%)*	11.02	9.14	12.34	12.48
4	PAT	383.29	1,246.12	2,574.18	1270.63
5	*PAT Margin(%)*	5.20	4.44	8.31	7.17
6	*ROCE(%)*	3.70	11.64	25.38	16.34
7	*ROE(%)*	2.67	9.22	22.15	17.39
8	*Cash from operations (CFO)*	1,644.40	1,990.58	649.90	1225.29
9	Revenue Contribution of Acetyls Intermediate *(%)* (for three months ended June 30, 2023, Revenue Contribution of Essentials *(%)*)	67.90	65.63	62.12	70.64
10	Revenue Contribution of Specialties Intermediate*(%)* (for three months ended June 30, 2023, Revenue Contribution of Specialities*(%)*)	32.07	34.29	29.18	29.33
11	Total Export Sales as a % of Revenues	25.60	46.17	35.26	29.23

Notes:

1. *EBITDA = Profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation.*
2. *EBITDA Margin = EBITDA / Total Revenue*

3. *PAT Margin = Profit after tax for the respective period / total income for the respective period.*
4. *EBIT = Profit/(Loss) for the respective period (after exceptional item) + tax expenses + finance costs*
5. *Capital Employed = Total assets minus current liabilities*
6. *Return on Capital Employed = EBIT / Capital Employed*
7. *Return on Equity = Profit attributable to owners of the Company / Average shareholders equity*
8. *Shareholders equity = Equity share capital + Other Equity*

Experienced promoter, board of directors and key managerial personnel

We have a strong and well experienced Board, which is supported by highly qualified functional heads and key managerial personnel who actively contribute to and participate in our strategies, operations and business development. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in the development of our business. We believe that we have benefitted significantly from our Promoter's experience and capabilities, as well as our senior management's diverse backgrounds which has enabled us to understand and anticipate market trends, expand our product portfolio, manage our business operations and growth, leverage customer relationships and respond to changes in the business environment and customer preferences.

Our non-independent and Independent Directors are experienced and qualified professionals from varied fields such as the securities market, banking and human resources. Our key managerial personnel are experienced across various functions such as finance, legal and secretarial and business development. For further details in relation to our Board and our Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page 202.

Our Strategies

Customer centric approach to business steering

We follow a collaborative process of product and chemistry development while working with our potential customers, thereby enabling us to establish long-term relationships with them. We recently developed a new route of synthesis for a product supplied to a customer, which eventually culminated in us entering into a long term supply contract with such customer. This customer centric approach is also the reason that we moved to the business steering via essentials and specialties. The asks from essential (across products) is for lean and reliable supplies where price consciousness is higher. The asks from specialties (across products) is for more product / process innovation, catalog products etc. In these products performance of the product is more important than the cost. These clear asks mean that having customer facing teams where the mindset of the teams is attuned to the customers asks make the relationship more synergistic.

Volume maximisation at our Manufacturing Facilities by expanding installed capacities to support our growth initiatives

As a part of our growth strategy, we intend to maximise production volumes at our Manufacturing Facilities. Further, we also intend to expand the installed capacities at our Manufacturing Facilities via debottlenecking initiatives. These efforts are ongoing on the existing sites in Mahad, Maharashtra and will be our principles for all new sites that are commenced as well.

As the infrastructure at Mahad, Maharashtra is now saturated and we still have market demand that we are not able to cater to across essentials and specialties, the expansion at Dahej Facility will add to the capacity of the Mahad units and provide business continuity to customers.

Expanding and optimising our product portfolio

We intend to diversify our existing product portfolio by adding new products (including downstream and value added products) which are synergistic with our existing products and chemistries. We intend to perform and deliver products pursuant to the long-term contracts already entered into with certain customers. We believe that introduction of such products would increase our profit margins and the long-term contracts would provide us incremental and steady revenues. Further, we also intend to focus on growing our recently launched products in order to grow our customer base and revenues.

We also intend undertaking manufacturing of certain products on a contract manufacturing basis with our customers to ensure efficient utilisation of our Manufacturing Facilities and to increase our cash flows. In the past, we have also undertaken custom-manufacturing of certain products for our customers. Custom-manufacturing involves manufacturing of a new product or customizing our existing products based on customer specifications.

We believe that such arrangements would further increase our profit margins, and accordingly, we intend to enter into custom-manufacturing for select customers. Such custom-manufacturing also adds to our existing knowledge of chemistries, thereby aiding product development.

Increasing our global footprint and augmenting growth in current geographies

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic markets. Currently, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and USA. We have recently commenced sales of our products in Vietnam. Further, we have also received orders from new customers in the United States of America and also grown our sales in China during the current fiscal.

We will continue to focus our efforts in select geographies such as United States of America, and establish a greater presence there. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality products and innovation.

Continuing focus on deepening innovation and leveraging chemistries and technology absorption

Given the importance of R&D to our business, we are committed to continuing our investment in innovation to diversify our product portfolio across essentials and specialties. As part of our strategy, we will continue to leverage our know-how in complex chemistries and our experience in engineering to focus on the addition of downstream and value-added products to our product portfolio as well as addition of fluorospecialty products to our portfolio.

It is for this reason that we are setting up a new innovation center in Mahape, Maharashtra. This center is spread across a plot area of 2,100 square meters having built-up construction area of 2,687 square meters will not only enable the current chemistry platform research to be done more efficiently but will also provide ample infrastructure for new platforms and scaling up of existing teams and technologies. As the company and business expand this innovation center is being set up to keep pace with the same growth. The R&D in India, across the group, is envisaged to be housed at this new innovation center.

Significant Factors Affecting our Results of Operations

Availability and cost of raw materials

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices. Availability and prices of raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand and changes in government policies and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use.

Acetic acid, which is one of our key raw materials has historically witnessed significant volatility in prices. Acetic acid is a common raw material for both our existing product categories, namely, Acetyl Intermediates and Specialty Intermediates. Further, availability of ethanol, which is also a common raw material across our existing product categories, is dependent on monsoons and consequently, depicts seasonality in availability as well as prices.

We typically do not enter into long term supply contracts with any of our vendors and instead place purchase orders with them from time to time. However, we have entered into volume-based contracts with our vendors in order to ensure availability of raw materials. As we continue to expand our product portfolio and increase our production capacities, we would need to procure additional volumes of raw materials. Any increase in raw material prices may result in corresponding increases in our product costs. We are thus exposed to fluctuations in availability and prices of our raw materials. Any inability on our part to procure sufficient quantities of raw materials and on commercially acceptable terms, could lead to a change in our manufacturing and sales volumes. If we are unable to purchase the raw materials from such suppliers for any reason and on commercially acceptable terms, or if we are unable to pass on the increased cost of production to our customers, our revenue levels and results of operations may be adversely impacted. In the three months period ended June, 30, 2023, three months period ended June 30, 2022 and Fiscals 2023, 2022 and 2021, purchases of raw materials made by us from our top ten suppliers represented 71.82%, 39.36%, 56.37%,and 53.20%, respectively, of our total expenses on a consolidated basis for such period/financial years. Given we procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. Interruption of, or a shortage in the supply of, raw materials may result in our inability to operate our Manufacturing Facilities at optimal capacities, leading to a decline in production and sales. In addition, while competition for procuring raw material may result in an increase in raw material prices, our ability to pass on such increases in overall operational costs may be limited.

Capacity utilisation of our Manufacturing Facilities and expansion of our installed capacities

One of the key drivers in the growth of our revenue from operations has been our ability to develop differentiated products and also leverage our economies of scale. As on the date of this Preliminary Placement Document, We currently have three fully operational manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**") which are strategically located in proximity to several ports and each other. Further the upcoming manufacturing facility at Lote Parshuram, Maharashtra, 70 kms from Mahad is where the fluorospecialty assets of Miteni have been rehoused (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the flurointermediary products from Lote Facility is expected in Fiscal 2025.

Our revenues and, consequently, our profits are dependent on, *inter alia*, our ability to optimise and maximise our capacity utilisation which has helped us meet the demands of our customers and deliver our products in an efficient, reliable and timely manner.

Our ability to successfully ramp up production and market our flurointermediary products from new Lote Facility

In Fiscal 2020, we acquired the assets (including plant & machinery, design and operating paperwork, REACH registrations and patents) of Miteni SpA, a manufacturer of organic fluorospecialties and electrochemical fluorination. Post the acquisition, we have rehoused the plant and machinery at Lote Parshuram, Maharashtra. (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the flurointermediary products from Lote Facility is expected in Fiscal 2025.

Our future growth is dependent on our ability to manage and execute our expansion into fluorospecialty chemicals business. Our growth in the fluorospecialty chemicals business would also depend on our ability to respond to customer needs, changing market demands as well as our chemistry execution capabilities. While we believe that we have significant experience in large-scale manufacturing operations and necessary know-how to execute new chemistries, there can be no assurance that we will be able to respond to changes in market conditions, requirements for new technologies and products in the fluorospecialty chemicals business or that our products will be successful with our customers.

Currency exchange rate fluctuations

Most of our sales to our overseas customers are denominated in foreign currencies, predominantly USD and Euro. We have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America.

In the last three Fiscals our exports as a percentage of our revenue from operations is increasing thereby exposing us to higher risk of exchange rate fluctuations. The geographic breakup of our revenues from operations in last three Fiscal Years is tabulated below:

(₹ In million)

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount	**% age**	**Amount**	**% age**	**Amount**	**% age**
- In India	15,004.47	53.83	19,938.76	64.74	12,427.76	77.79
- Outside India	12,868.48	46.17	10,857.70	35.26	3,548.50	22.21
Total	**27,872.95**	**100.00**	**30,796.46**	**100.00**	**15,976.26**	**100.00**

A depreciation of the Rupee increases the Rupee amount of revenue from sales in foreign currency, and, conversely, an appreciation of the Rupee decreases the Rupee amount of revenue from sales made in foreign currency. We also import goods, primarily raw materials. 81.61% and 72.22% of total purchases on consolidated basis for the three months period ended June 30, 2023 and Fiscal 2023, was incurred on imported raw materials and coal. In the three months period ended June 30, 2023 and Fiscals 2023, 2022 and 2021, expenses in foreign currency on a standalone basis accounted for 62.02%, 38.54%, 57.15% and 47.62%, respectively of our total expenses in such periods. An appreciation in the Rupee would result in a decrease in the prices of imported goods and conversely a depreciation of the Rupee would result in an increase in the prices of imported goods.

The Rupee has depreciated over the course of last few years. The exchange rate per Euro moved from ₹ 86.099 as on March 31, 2021 to ₹ 89.126 as on June 30, 2023; and per USD moved from ₹ 73.50 as on March 31, 2021 to ₹ 82.04 as on June 30, 2023. *(Source: www.rbi.org.in and www.fbil.org.in).* A devaluation of any of the currencies in which we derive sales revenues against the Rupee may result in a reduction of our margins and, as a result, our results of operations. Further, we are exposed to risks that arise due to any movements in exchange rates in the period between when a purchase order is placed by a customer on us to the time settlement is done of the Indian Rupee equivalent of the relevant foreign currency amount. While we enter into hedging transactions by entering into forward exchange contracts, steps taken by us to hedge the foreign exchange fluctuation risks may not adequately hedge against any losses we incur due to such fluctuations.

R&D and innovation efforts and growth of our new products

Our business depends to a significant degree on the outcome of our R&D and innovation efforts as well as the growth of our new products. We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within our one of our units at Mahad which primarily deals with projects related to the direct application of ketene and diketene and one innovation center at Rabale, Navi Mumbai, Maharashtra. Product development requires significant time and cost investment before a product is commercialised. Our research and development capabilities have enabled us to expand our Specialty Intermediates offerings from more than 34 products as at March 31, 2021 to more than 48 products as at June 30, 2023. For the three months period ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, we have incurred research and development expenditure aggregating to ₹39.15 million, ₹146.89 million ₹125.04 million and ₹85.85 million, respectively, including capital expenditure of ₹39.21 million, ₹153.51 million, ₹176.26 million and ₹127.66 million during such periods respectively.

We are now constructing a new innovation center at Mahape which is likely to be operational by the first quarter of Fiscal 2025. This facility will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline.

In addition, our research scientists are critical to the success of our research and development efforts. As on June 30, 2023, our dedicated team of research scientists comprised 73 employees. Any inability to attract new research scientists or adequately manage attrition may have an adverse impact on our R&D and innovation efforts. During the development period of new products, we will incur costs for raw material related to the development of the products. We also incur costs in marketing such new products. We believe that our profitability and revenues depend on the growth of our new products. There can be no assurance that we will be able to successfully place our new products with customers or be able to scale such products to the extent estimated by our management. The R&D costs could adversely affect our operating results for a particular period leading to shortfall in resulting revenue. Our investment in research and development for future products could result in higher costs without a proportionate increase in revenues.

Competition and pricing pressure

We compete with different companies depending on the market and type of products. We compete with large multinational pharmaceutical companies and smaller regionally based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions Our ability to negotiate price with our customers is also impacted by international and domestic competition.

We believe that our ability to compete as well as offer competitive prices of our manufactured products is highly dependent on our ability to manage conversion efficiencies and optimize our product portfolio. As we continue to expand our operations into new geographies, we are exposed to competition from newer players. There can be no assurance that we will be able to successfully compete with our competitors or be able to sell our products at desired margins.

Significant accounting policies

1. Basis of Preparation, Accounting judgements, estimates and assumptions and significant Accounting Policies:

1.1 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.

1.2 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 31 March 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 31 March 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.

2. 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 Limited.	Subsidiary	100%	India
5.	Laxmi Lifesciences Private Limited. (up to March 20, 2023)	Subsidiary	100%	India
6.	Viva Lifesciences Private Limited.	Subsidiary	100%	India
7.	Yellowstone Fine Chemicals Private Limited.	Subsidiary	100%	India
8.	Yellowstone Speciality Chemicals Private Limited.	Subsidiary	100%	India

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
9.	Saideep Traders (through Cellbion Lifesciences Private Limited.)	Stepdown Partnership firm	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

v **Laxmi USA LLC was incorporated during previous year. However, capital infusion is not yet made in this entity.*

3. 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.

4. Significant accounting judgments, estimates and assumptions

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

Estimates:

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

Judgments:

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

(a) Income taxes:

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

(b) Defined benefit plans (gratuity benefits):

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

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

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

(c) Useful lives of property, plant and equipment

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

(d) Impairment of property, plant and equipment

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the assets 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.

5. 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.

6. Summary of significant accounting policies

(a) Current and non-current classification

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

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The company classifies all other assets as non-current.

A liability is treated as current when:

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

The company classifies all other liabilities as non-current.

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

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

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

- Long-term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

- Capital work-in-progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on property, plant and equipment's are capitalised when the relevant recognition criteria specified in IND AS 23 "Borrowing Costs" is met.

- Decommissioning costs, if any, on property, plant and equipment are estimated at their present value and capitalised as part of such assets.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

- The property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in IND AS 101 "First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

(c) Intangible assets:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets without finite life are tested for impairment at each balance sheet date and impairment provision, if any are debited to profit and loss.
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss.

(d) Depreciation methods, estimated useful lives and residual value

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

Lease hold land is amortized over the period of lease.

(e) Borrowing costs

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

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

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

(f) Impairment of non-financial Assets:

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

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

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

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

(g) Inventories:

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

(i) Raw materials and packing materials:

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

(ii) Work-in-process:

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

(iii) Finished goods & semi-finished goods:

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

(iv) Stores and spares:

Stores and spare parts are valued at lower of purchase costs and net realisable value. The cost is determined based on weighted average method

(v) Traded goods:

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

(h) Cash and cash equivalents

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

(i) Equity investment

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

(j) Foreign currency translation:

The company's financial statements are presented in INR, which is also the company's functional currency.

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

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

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

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

(k) Provisions, contingent liabilities and contingent assets

(a) Provisions

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

(b) Contingent liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be 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.

(d) 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.

(e) 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.

(f) 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:

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.

(g) 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 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

(h) Revenue recognition

Revenue from operations:

The company earns revenue primarily from sale of chemicals. It is a specialty chemical manufacturer, focused on two key areas Acetyl Intermediates and Specialty Intermediates.

Effective April 1, 2018, the company has applied IND AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. IND AS 115 replaces IND AS 18. The company has adopted IND AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under IND AS 18. Significant accounting policies – revenue recognition in the annual report of the company for the year ended March 31, 2018, for the revenue recognition policy as per IND AS 18. The adoption of IND AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to sale of chemicals or rendering of services to the customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of job work services given by the company to the customers.

The company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and customer category.

<u>Use of significant judgements in revenue recognition:</u>

- The company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

- The company uses judgement to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

- The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

(i) 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.

(j) Employee benefits

All employee benefits payable wholly within 12months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
2. Net interest expense or income.
3.

<u>Long-term employee benefits</u>

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.

<u>Termination benefits</u>

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.

(k) 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.

(l) Leases

<u>As a lessee</u>

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain 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.

<u>As a lessor</u>

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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

Summary of results of operations

The following table sets forth select financial data from our consolidated statement of profit and loss for Fiscals 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such periods.

(all amounts in ₹ million except percentages)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	**%age of total income**	**Amount**	**%age of total income**	**Amount**	**%age of total income**
INCOME:						
Revenue from operations (gross)	27,966.43	99.57	30,842.66	99.52	17,684.48	99.74
Other income	120.53	0.43	147.90	0.48	46.13	0.26
Total income	**28,086.96**	100.00	**30,990.56**	100.00	**17,730.61**	100.00
		-		-		-
EXPENSES:		-		-		-
Cost of raw materials consumed	16,677.64	59.38	18,416.27	59.43	8,092.49	45.64
Purchase of traded goods	1,648.23	5.87	3,573.31	11.53	3,652.56	20.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	226.37	0.81	(733.63)	-2.37	-2.47	-0.01
Employee benefits expense	1,159.01	4.13	1,244.37	4.02	929.01	5.24
Finance cost	112.58	0.40	154.83	0.50	163.97	0.92
Depreciation & amortisation	724.12	2.58	481.80	1.55	465.23	2.62
Other expenses	5,809.88	20.69	4,665.04	15.05	2,845.72	16.05
Total expenses	**26,357.83**	93.84	**27,801.99**	89.71	16,146.50	91.07
Profit before share of profit/(loss) of associate/ joint venture and exceptional items	**1,729.13**	6.16	**3,188.57**	10.29	**1,584.11**	8.93
Share of profit/(loss) of joint venture/associates	-	-	-	-	1,584.11	8.93
Profit before exceptional items and tax	**1,729.13**	6.16	**3,188.57**	10.29	**1,584.11**	8.93
Exceptional items	-	-	-	-		-
Profit before tax	**1,729.13**	6.16	**3,188.57**	10.29	**1,584.10**	8.93
Tax expense	**483.01**	1.72	**614.39**	1.98	**313.47**	1.77
1. Current tax	378.77	1.35	655.18	2.11	277.13	1.56
2. Deferred tax liability / (asset)	104.24	0.37	13.92	0.04	36.34	0.20
3. Income tax (excess)/short provision of previous year	-	-	(54.71)	-0.18		-
Profit for the period from continuing operations	**1,246.12**	4.44	**2,574.18**	8.31	**1,270.64**	7.17
		-		-		-
Other comprehensive income		-		-		-
Items that will not be reclassified subsequently to profit or loss		-		-		-
Remeasurement of the defined benefit (net of tax)	3.85	0.01	(11.08)	-0.04	-3.81	-0.02
		-		-		-
Total other comprehensive income, net of tax	**3.85**	0.01	**(11.08)**	-0.04	**-3.81**	-0.02
		-		-		-
Total comprehensive income for the year	**1,249.97**	4.45	**2,563.10**	8.27	**1,266.83**	7.14
		-		-		-
Profit/(loss) attributable to:		-		-		-
Owners of the Company	1,245.72	4.44	2,573.34	8.30	**1,270.34**	7.16

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	%age of total income	Amount	%age of total income	Amount	%age of total income
Non-controlling interest	0.40	0.00	0.84	0.00	**0.30**	0.00
		-		-		-
Other comprehensive income attributable to:		-		-		-
Owners of the Company	3.85	0.01	(11.08)	-0.04	**-3.81**	-0.02
Non-controlling interest	**-**	-	**-**	-		-

The following table set forth data from Unaudited Consolidated Financial Results for the three months period ended June 30, 2023 and three months period ended June 30, 2022, the components of which are also expressed in as a percentage of total income for such period.

(all amounts in ₹ million except percentages)

Particulars	Three months period ended June 30, 2023 (Unaudited)		Three months period ended June 30, 2022 (Unaudited)	
	Amount	% of total income	Amount	% of total income
Income				
Revenue from operations	7,335.79	99.46	7,566.11	99.72
Other income	39.53	0.54	21.17	0.27
Total income	**7,375.32**	**100.00**	**7,587.28**	**100**
		-		
Expenses		-		
Cost of materials consumed	4,478.47	60.72	4,179.39	55.08
Purchases of stock-in-trade	171.85	2.33	875.90	11.54
Change in inventories of finished goods, work in progress and stock-in-trade	128.30	1.74	(475.00)	-6.26
Employee benefits expense	346.61	4.70	283.83	3.74
Finance cost	45.99	0.62	24.19	0.31
Depreciation and amortisation expense	209.60	2.84	135.87	1.79
Other expenses	1,437.19	19.49	1,697.97	22.37
Total expenses	**6,818.01**	**92.44**	**6,722.15**	**88.59**
Profit before share of profit/(loss) of associate/ joint venture and exceptional items	**557.31**	**7.56**	**865.13**	**11.40**
Share of profit/(loss) of joint venture/associates	-	-	-	
Profit /(loss) before exceptional items and tax	**557.31**	**7.56**	**865.13**	**11.40**
Exceptional items	-	-	-	-
Profit/(loss) before tax	**557.31**	**7.56**	**865.13**	**11.40**
Tax expense	174.02	2.36	220.67	2.90
-Current tax	182.91	2.48	232.57	3.06
-Deferred tax	(8.89)	-0.12	(11.90)	-0.15
-Income tax (excess)/short provision of previous year	-	-	-	-
Profit for the period	**383.29**	**5.20**	**644.46**	**8.49**
Other comprehensive income (OCI)		-		
Remeasurement of the net defined benefit liability / asset (net of tax)	2.43	0.03	6.39	0.08
Other comprehensive income /(loss) for the period	**2.43**	**0.03**	**6.39**	**0.08**
		-		
Total comprehensive income/(loss) for the period	**385.72**	**5.23**	**650.85**	**8.57**
		-		
Profit/(loss) attributable to:		-		
Owners of the company	383.29	5.20	644.31	8.49
Non-controlling interest	-	-	0.15	0.00
		-		
Other comprehensive income attributable to:		-		
Owners of the company	2.43	0.03	6.39	0.08

Particulars	Three months period ended June 30, 2023 (Unaudited)		Three months period ended June 30, 2022 (Unaudited)	
	Amount	% of total income	Amount	% of total income
Non-controlling interest	-	-	-	-

Principal Components of Statement of Profit and Loss

Income:

Our income comprises of our revenue from operations and other income. Our revenue from operations comprises of (i) revenue generated from sale of own manufactured products including chemicals and other traded products (both in India and overseas); and rendering of services in the form of job work and other services; and (ii) other operating revenue comprises of revenue from sale of scrap, export incentives and insurance claims, if any.

Our other income primarily includes interest income on financial assets, sundry balances written back, reversal of provisions of impairment, miscellaneous income, profit on sale of investments, mark to mark on financial assets held as FVTPL and profit on sale of fixed assets.

The following table sets forth certain information with respect to our revenue from operations as per our Consolidated Financial Statements for the periods indicated:

(all amounts in ₹ million except percentages)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	%*	Amount	%*	Amount	%*
Revenue from operations						
Sales/Rendering:						
Products	27,745.08	99.21	30,681.89	99.48	17,508.40	99.00
Services	127.87	0.46	114.57	0.37	91.24	0.52
	27,872.95	99.67	30,796.46	99.85	17,599.64	99.52
Other Operating Revenue		-		-		-
Sale of scrap	54.74	0.20	22.24	0.07	9.67	0.05
Export incentives	33.38	0.12	15.37	0.05	53.61	0.30
Insurance claim	5.35	0.02	8.59	0.03	0.19	0.00
Income from DEPB purchase at discount	-	-	-	-	0.02	0.00
VAT incentives	-	-	-	-	21.35	0.12
	93.48	0.33	46.20	0.15	84.84	0.48
Total	**27,966.43**	**100.00**	**30,842.66**	**100.00**	**17,684.48**	**100.00**

**Expressed as a percentage of revenue from operations for the respective period.*

Expenses:

Our expenses include the following:

1. Cost of raw materials consumed which comprises of the cost of the raw materials (indigenous and imported) consumed.

2. Purchase of stock in trade which comprises purchase of chemicals and coal which are traded.

3. Changes in inventories of finished goods and work-in progress and traded goods .

4. Employee benefit expenses which include salaries, wages, bonus, contributions to employees' gratuity, leave encashment and other funds, directors' remuneration, ESOP compensation cost and staff welfare expenses.

5. Finance costs comprise of: (a) interest on financial liabilities (at amortized cost); unwinding of lease liability, (b) interest on direct and indirect taxes; (c) other borrowing costs; and (d) amortisation of upfront fees.

6. Depreciation and amortisation expenses comprise of depreciation on fixed assets including property, plant and equipment and other assets including amortisation of right of use assets and amortisation.

7. Other expenses primarily comprise of expenditure on (a) power and fuels; (b) consumption of consumables stores and spares; (c) consumption of packing materials; (d) labour charges, water charges; (e) inward freight

charges and outward freight including export freight charges; (f) repair and maintenance of buildings, machinery and others; (g) transportation charges; (h) commission on sales; (i) insurance charges; (j) professional and legal expenses; (k) travelling and vehicle expenses; (l) exchange losses; and (m) other miscellaneous expenditure, professional and legal expenses, foreign exchange loss, travelling expenses.

Three months period ended June 30, 2023 compared to three months period ended June 30, 2022

Total income

Our total income reduced by 2.79% to ₹ 7,375.32 million for the three months period ended June 30, 2023 from ₹ 7,587.28 million for the three months period ended June 30, 2022 primarily due to decrease in revenue from operations.

Revenue from operations

Our revenue from operations reduced by 3.04% to ₹ 7,335.79 million for the three months period ended June 30, 2023 from ₹ 7,566.11 million for the three months period ended June 30, 2022 primarily due to downward movement in commodity prices which has impacted our revenue on a YoY basis, while volumes have grown.

Other income

Our other income increased by 86.73% to ₹ 39.53 million for the three months period ended June 30, 2023 from ₹ 21.17 million for the three months period ended June 30, 2022 primarily due to increase in the interest income.

Expenses

Our total expenses increased by 1.43% to ₹ 6,818.01 million for the three months period ended June 30, 2023 from ₹ 6,722.15 million for the three months period ended June 30, 2022 primarily due to movement in inventory of finished goods and work in progress

Cost of raw materials consumed

Our cost of materials consumed increased by 7.16% to ₹ 4,478.47 million for the three months period ended June 30, 2023 from ₹ 4,179.39 million for the three months period ended June 30, 2022 primarily due to higher volumes of manufactured products sold vs trading goods.

Purchase of stock-in trade

Our purchase of stock-in trade decreased by 80.38% to ₹ 171.85 million for the three months period ended June 30, 2023 from ₹ 875.90 million for the three months period ended June 30, 2022 primarily due to primarily due to lower volumes moving through the trading sales route.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade was ₹ 128.30 million for the three months period ended June 30, 2023 as compared to ₹ (475.00) million for the three months period ended June 30, 2022.

Employee benefit expenses

Our employee benefit expenses increased by 22.12% to ₹ 346.61 million for the three months period ended June 30, 2023 from ₹ 283.83 million for the three months period ended June 30, 2022 primarily due to investments in talent acquisition, increments as well as cost of ESOPs

Finance costs

Our finance costs increased by 90.13% to ₹ 45.99 million for the three months period ended June 30, 2023 from ₹ 24.19 million for the three months period ended June 30, 2022 primarily due to increase in term loans as on June 30 2023 compared to the term loans outstanding as on June 30 2023.

Depreciation and amortisation expenses

Our depreciation and amortisation expense increased by 54.26% to ₹ 209.60 million for the three months period ended June 30, 2023 from ₹ 135.87 million for the three months period ended June 30, 2022 primarily due to investments in assets towards new product lines which were commissioned after June 30, 2022; thereby increasing the depreciation.

Other expenses

Our other expenses decreased by 15.36% to ₹ 1,437.19 million for the three months period ended June 30, 2023 from ₹ 1,697.97 million for the three months period ended June 30, 2022 primarily due to decrease in freight costs.

Profit before tax

Our profit before tax decreased by 35.58% to ₹ 557.31 million for the three months period ended June 30, 2023 from ₹ 865.13 million for the three months period ended June 30, 2022 primarily due to downward movement in commodity prices which had an impact on our revenues and profitability

Tax expenses

Our tax expenses decreased by 21.14% to ₹ 174.02 million for the three months period ended June 30, 2023 from ₹ 220.67 million for the three months period ended June 30, 2022 primarily due to lower profit before tax

Profit after tax

Due to reasons stated above our profit after tax decreased by 40.53% to ₹ 383.29 million for the three months ended period June 30, 2023 from ₹ 644.46 million for the three months period ended June 30, 2022.

Fiscal 2023 compared to Fiscal 2022

Total income

Our total income reduced by 9.37% to ₹ 28,086.96 million in Fiscal 2023 from ₹ 30,990.56 million in Fiscal 2022 primarily due to decrease in revenue from operations and other income as explained below.

Revenue from operations

Our revenue from operations reduced by 9.33% to ₹ 27,966.43 million in Fiscal 2023 from ₹ 30,842.66 million in Fiscal 2022 primarily due to reduction in sale price of our products in the Acetlys Intermediates business.

Other income

Our other income reduced by 18.51% to ₹ 120.53 million in Fiscal 2023 from ₹ 147.90 million in Fiscal 2022 primarily due to lower interest income from bank deposits.

Expenses

Our total expenses decreased by 5.19% to ₹ 26,357.83 million in Fiscal 2023 from ₹ 27,801.99 million in Fiscal 2022 primarily due to decrease in inventories of finished goods, work-in-progress and stock in-in-trade, decrease in purchase of traded goods, decrease in cost of raw materials consumed offset by increase in cost of coal impacting power & fuel cost and other expenses.

Cost of raw materials consumed

Our cost of raw materials consumed reduced by 9.44% to ₹ 16,677.64 million in Fiscal 2023 from ₹ 18,416.27 million in Fiscal 2022 primarily due to lower price of Acetic Acid (a key raw material).

Purchase of traded goods

Our purchase of traded goods reduced by 53.87% to ₹ 1,648.23 million in Fiscal 2023 from ₹ 3,573.31 million in Fiscal 2022 primarily due to lower volumes moving through the trading route.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade was ₹ 226.37 million in Fiscal 2023 as compared to ₹ (733.63) million in Fiscal 2022 due to reduction in the overall inventory holding.

Employee benefit expenses

Our employee benefit expenses reduced by 6.86% to ₹ 1,159.01 million in Fiscal 2023 from ₹ 1,244.37 million in Fiscal 2022 primarily due to reduction in directors remuneration and ESOP compensation cost in Fiscal 2022 which was partly offset by increase in salary, wages and bonus due to increase in number of employees due to investments in newer product lines and plants which have been commissioned in the previous year as well as annual increments accorded to the employees.

Finance costs

Our finance costs decreased by 27.29% to ₹ 112.58 million in Fiscal 2023 from ₹ 154.83 million in Fiscal 2022 primarily due to, one-time payment of interest on GST dues in Fiscal 2022, which was not incurred in Fiscal 2023.

Depreciation and amortisation expenses

Our depreciation and amortization expense collectively increased by 50.29% to ₹ 724.12 million in Fiscal 2023 from ₹ 481.80 million in Fiscal 2022 primarily due to increase in net block of Plant, property and equipment investments towards new product lines which were commissioned in Fiscal 2023; thereby resulting in increase in depreciation.

Other expenses

Our other expenses increased by 24.54% to ₹ 5,809.88 million in Fiscal 2023 from ₹ 4,665.04 million in Fiscal 2022 primarily due to increase in cost of coal which has resulted in increase in power and fuel cost and increase in insurance charges.

Further, as a percentage of our total income, other expenses increased to 20.69% in Fiscal 2023 from 15.05% in Fiscal 2022.

Profit before tax

As a result of the foregoing factors, our profit before tax decreased by 45.77 % to ₹ 1,729.13 million in Fiscal 2023 from ₹ 3,188.57 million in Fiscal 2022.

Tax expenses

Our tax expenses decreased by 21.38% to ₹ 483.01 million in Fiscal 2023 from ₹ 614.39 million in Fiscal 2022, due to a decrease in our profit resulting in a decrease in current tax and deferred tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax decreased by 51.59% to ₹ 1,246.12 million in Fiscal 2023 from ₹ 2,574.18 million in Fiscal 2022, comprising 4.44% and 8.31% of our total income in Fiscal 2023 and Fiscal 2022 respectively.

Fiscal 2022 compared to Fiscal 2021

Total income

Our total income increased by 74.79% to ₹ 30,990.56 million in Fiscal 2022 from ₹ 17,730.61 million in Fiscal 2021 primarily due to increase in revenue from operations and other income as mentioned below.

Revenue from operations

Our revenue from operations increased by 74.41% to ₹ 30,842.66 million in Fiscal 2022 from ₹ 17,684.48 million in Fiscal 2021, primarily due to increase in volume of products sold and higher realisation for our products due to increase in commodities prices.

Other income

Our other income increased by 220.62% to ₹ 147.90 million in Fiscal 2022 from ₹ 46.13 million in Fiscal 2021 primarily due to increase in interest from fixed deposits.

Expenses

Our total expenses increased by 72.19% to ₹ 27,801.99 million in Fiscal 2022 from ₹ 16,146.51 million in Fiscal 2021, for the reasons mentioned below.

Cost of raw materials consumed.

Our cost of raw materials consumed increased by 127.57 % to ₹ 18,416.27 million in Fiscal 2022 from ₹ 8,092.49 million in Fiscal 2021. Further, as a percentage of our total income, the cost of raw materials consumed increased to 59.43% in Fiscal 2022 from 45.64 % in Fiscal 2021. This increase in cost of raw materials consumed as well as value of raw materials consumed as a percentage of our total income was primarily due to higher volumes of sales achieved during Fiscal 2022 and higher raw material prices.

Purchase of traded goods

Our purchase of traded goods increased by 2.17 % to ₹ 3,573.31million in Fiscal 2022 from ₹ 3,652.56 million in Fiscal 2021, primarily due higher prices that prevailed in the market at the time.

Changes in inventories of finished goods, work-in progress and stock-in-trade

Change in inventories of finished goods, work-in-progress and stock-in trade was ₹ (733.63) million in Fiscal 2022 as compared to ₹ (2.47) million in Fiscal 2021. The change in inventory of finished goods and work-in-progress was lower for Fiscal 2022 as compared to Fiscal 2021 due to delay in shipment of bulk vessel which has resulted into stock lying at port, which could not be accounted for in sale in Fiscal 2022. Further, there was a price increase in the prices of raw materials in Fiscal 2022 which has also impacted our stock valuation.

Employee benefit expenses

Our employee benefit expenses increased by 33.95% to ₹ 1,244.37 million in Fiscal 2022 from ₹ 929.01 million in Fiscal 2021, primarily due primarily due to increase in ESOP compensation cost in Fiscal 2022 to ₹ 231.32 compared to ₹ 46.36 million in Fiscal 2021 and increase in salaries and wages from ₹ 776.30 million in FY 2022 compared to ₹ 675.45 million in FY 2021.

Finance costs

Our finance costs decreased by 5.57% to ₹ 154.83 million in Fiscal 2022 from ₹ 163.97million in Fiscal 2021, due to lower debt obligations on the balance sheet of the Company.

Depreciation and amortisation expenses

Our depreciation and amortisation expense collectively increased by 3.56 % to ₹ 481.80 million in Fiscal 2022 from ₹ 465.23 million in Fiscal 2021 primarily increase in net block of Plant, property and equipment investments towards new product lines which were commissioned in Fiscal 2022; thereby resulting in increase in depreciation.

Other expenses

Our other expenses increased by 63.93 % to ₹ 4,665.04 million in Fiscal 2022 from ₹ 2,845.72 million in Fiscal 2021, primarily due to increased costs of coal thereby increasing power and fuel cost and increase in outward export freight charges.

Further, as a percentage of our total income, other expenses decreased to 15.05% in Fiscal 2022 from 16.05% in Fiscal 2021.

Profit before tax

As a result of the foregoing factors, our profit before tax increased by 101.29 % to ₹ 3,188.57 million in Fiscal 2022 from ₹ 1,584.12 million in Fiscal 2021.

Tax expenses

Our tax expenses increased by 96.00% to ₹ 614.39 million in Fiscal 2022 from ₹ 313.47 million in Fiscal 2021, due to increase in our profit resulting in an increase in current tax liability.

Profit after tax

As a result of the foregoing factors, our profit after tax increased by 102.59% to ₹2,574.18 million in Fiscal 2022 from ₹ 1,270.65 million in Fiscal 2021, comprising 8.31% and 7.17% of our total income in Fiscal 2022 and Fiscal 2021 respectively.

Liquidity and capital resources

We fund our operations primarily with cash flow from operating activities and borrowings under term loan and working capital facilities from banks and financial institutions as well as government grants. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on debt financing/equity financing activities, subject to market conditions.

Cash Flows

Our cash and cash equivalents on consolidated basis comprising bank balances, cash on hand and fixed deposit as at March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 1,308.55 million, ₹ 1,822.53 million and ₹ 5,393.85 million.

The following table sets out a summary of our cash flows for the periods indicated:

(*in ₹ million*)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from / (used in) operating activities (A)	1,990.58	649.90	1,225.29
Net cash flow from / (used in) investing activities (B)	(3,841.12)	546.06	(6,434.30)
Net cash flow from / (used in) financing activities (C)	2,324.56	(1,238.90)	5,273.36
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	474.02	(42.94)	64.35

Operating activities

Fiscal 2023

During Fiscal 2023, our operating profit before working capital changes was ₹ 2,624.92 million and our net cash generated from operating activities was ₹ 1,990.57 million. The difference between the operating profit before working capital changes and the net cash generated from operating activities was primarily attributable to an decrease in trade payables by ₹ 2,438.17 million, a decrease in non-financial assets by ₹ 322.71million and a decrease in inventories by ₹ 795.95 million, a decrease in trade receivables by ₹ 919.56 million and increase in non financial liabilities by ₹ 229.65 million. Net income tax paid by us during Fiscal 2023 was ₹ 501.41million.

Fiscal 2022

During Fiscal 2022, our operating profit before working capital changes was ₹ 3,944.98 million and our net cash generated from operating activities was ₹ 649.90 million. The difference between the operating profit before working capital changes and the net cash generated from operating activities was primarily attributable to an increase in trade payables by ₹ 1,341.13 million, increase in inventories by ₹ 1,234.26 million increase in trade receivable by ₹ 2,018.74 million, increase in financial assets by ₹ 423.21million and increase in non-financial assets by ₹ 365.94 million. Net income tax paid by us during Fiscal 2022 was ₹ 563.62 million.

Fiscal 2021

During Fiscal 2021, our operating profit before working capital changes was ₹ 2,193.30 million and our net cash from operating activities was ₹ 1,225.29 million. The difference between the operating profit before working capital changes and the net cash used in operating activities was primarily attributable to an increase in inventories by ₹514.12 million, increase in trade receivables by ₹ 746.27 million, increase in non financial assets by ₹ 432.98 million which was partially offset by an increase in trade payables by ₹ 647.2 million and increase in financial liabilities by ₹145.1 million. Net income tax paid by us during Fiscal 2021 was ₹ 260.57 million.

Investing activities

Fiscal 2023

Our net cash used in investing activities in Fiscal 2023, was ₹ 3,841.12 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 4,758.93 million and purchase of investments ₹ 10,049.50, which was partially offset by movement in other bank balances aggregating to ₹ 988.01 million, interest received aggregating to ₹ 84.42 million and sale of investments aggregating to ₹ 9,896.47 million.

Fiscal 2022

Our net cash generated from investing activities in Fiscal 2022, was ₹ 546.06 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 2,891.33 million, payment for Business Purchase of ₹ 400.10 million and movement in other bank balances aggregating to ₹ 3741.28 million, which was partially offset by sale of investments aggregating to ₹ 10,340.61 million and interest received aggregating to ₹ 114.20 million.

Fiscal 2021

Our net cash used in investing activities in Fiscal 2021, was ₹ 6,434.30 million, on account of capital expenditure on property, plant and equipment aggregating to ₹ 1,151.12 million, advance towards purchase of equity of ₹ 200.00 million, capital advances of ₹ 163.32 million, purchase of investments aggregating to ₹ 1,705.00 million, which was partially offset by movement in other bank balances aggregating to ₹ 4,291.79 million, interest received aggregating to ₹ 29.60 million, proceeds from sale of investments of ₹ 1,689.60 million and proceeds from sale of property, plant and equipment aggregating to ₹ 0.23 million.

Financing activities

Fiscal 2023

Our net cash from financing activities in Fiscal 2023 was ₹ 2,324.56 million, primarily on account of proceeds from long term borrowings aggregating to ₹ 1,400 million, net proceeds from short term borrowings of ₹ 1,331.93 million which was partially offset by repayment of long term borrowings aggregating to ₹ 99.76 million, interest paid aggregating to ₹ 188.92 million and dividend paid of ₹ 185.57 million.

Fiscal 2022

Our net cash used in financing activities in Fiscal 2022 was ₹ 1,238.90 million, primarily on account of, repayment of long term borrowings aggregating to ₹ 1,365.15 million and interest paid aggregating to ₹ 39.62 million, payment of dividend aggregating to ₹ 131.83 million, which was partially offset by net proceeds from short term borrowings aggregating to ₹ 332.05 million.

Fiscal 2021

Our net cash generated from financing activities in Fiscal 2021 was ₹ 5,273.36 million, primarily on account of net proceeds from issue of share capital (including securities premium) aggregating to ₹ 5,000.00 million, net proceeds from short term borrowings of ₹ 470.46 million and proceeds from long term borrowings aggregating to ₹ 650.00 million, which were partially offset by repayment of long-term borrowings aggregating to ₹ 439.13 million, share issue expenses of ₹ 156.99 million, interest paid aggregating to ₹ 141.62 million and dividend paid of ₹78.78 million.

Financial Indebtedness

Our total borrowings on consolidated basis as at March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 3,969.71 million, ₹ 1,333.17 million, and ₹ 2,269.72 million respectively.

The following table provides the types and amounts of our outstanding indebtedness as at the dates indicated:

(in ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Long-term borrowings (at amortised cost)			
Term loans	1,303.40	18.42	92.1
Vehicle loans	-	-	0.08
Government grant	-	3.24	6.48
Total long term borrowings (A)	**1,303.40**	**21.66**	**98.66**
Current maturities of long-term borrowings			
Term loans	115.02	73.68	501.14
Vehicle loans	-	18.47	0.95
Government grant	3.24	3.24	3.24
Total current maturities of long-term borrowings (B)	**118.26**	**95.39**	**505.33**
Short term borrowings (at amortised cost)			
Cash credit facilities	2,054.59	1,146.87	296.85
Commercial Papers	486.96	-	-
Short term loans	-	-	393.1
Bill discounting	-	62.42	107.07
Loan from Others	6.50	6.50	6.5
Loans from Directors	-	0.33	3.39
Total short term borrowings (C)	**2,548.05**	**1,216.12**	**806.91**
Total borrowings (A+B+C)	**3,969.71**	**1,333.17**	**1,410.90**

Key performance ratios

Particulars	Year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
EBITDA (₹ in million)	2,565.83	3,825.20	2,213.30
EBITDA/Total Income (%)	9.14	12.34	12.48
PAT Margin (%)	4.44	8.31	7.17
Return on Capital Employed (%)	11.64	25.38	16.34
Return on Equity (%)	9.22	22.15	17.39
Asset turnover ratio	1.20	1.51	1.22
Working capital turnover ratio (no of times)	6.06	5.75	5.48

Notes:

1. *EBITDA = Profit/(Loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation.*
2. *PAT Margin = Profit after tax for the respective period / total income for the respective period.*
3. *EBIT = Profit/(Loss) for the respective period (after exceptional item) + tax expenses + finance costs*
4. *Return on Capital Employed = EBIT / Capital Employed*
5. *Capital Employed = Total assets minus current liabilities*
6. *Return on Equity = Profit attributable to owners of the Company / Average shareholders equity*
7. *Shareholders equity = Equity share capital + Other Equity*
8. *Asset Turnover = Total Income / Average Total Assets*

9. *Working capital turnover ratio = Total Income / Average working capital*
10. *Working Capital = Current assets - Current liabilities*

Contingent liabilities

As on March 31, 2023 we had certain contingent liabilities that have not been provided for in the Consolidated Financial Statements:

(in ₹ million)

	Particulars	2022-23
(i)	**Contingent liabilities**	
	(a) Liabilities Disputed - Appeals filed with respect to:	
	(i) Disputed indirect taxes matters - (Net of Amount paid under protest of ₹ 6.49 million (PY: ₹ 6.49 million)	219.98
	(ii) Disputed Direct Taxes Matters - on account of disallowances/additions and default of TDS	383.02
	(iii) Other Disputed - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (PY: ₹ 2.30 million)	4.53
	(**b) Guarantees**:	
	(i) Given on behalf of wholly owned subsidiaries to their Lenders	-
	(ii) Furnished by banks on behalf of the Group	239.16
(ii)	**Commitments (Net of advances)**:	
	(a) Capital Commitments - - Estimated amount of contracts remaining to be executed on capital account	141.47
	(b) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	100.32
(iii)	**Letters of Credit**	1,521.39

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.

Capital Expenditure

In Fiscal 2023, we acquired property, plant and equipment for ₹ 2,984.08 million, primarily on plant and machinery and factory building. In Fiscal 2022, we acquired property, plant and equipment for ₹ 617.70 million, primarily on plant and machinery and factory building. In Fiscal 2021, we acquired property, plant and equipment for ₹ 328.30 million, primarily on plant and machinery and factory building.

With respect to research and development, we have incurred capital expenditure of ₹ 6.62 million, ₹ 51.22 million and ₹ 41.81 million in Fiscals 2023, 2022 and 2021.

Off-balance sheet arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We have entered into transactions with a number of related parties. For further information regarding our related party transactions, please refer to *"Related Party Transactions"* on page 48.

Quantitative and qualitative analysis of financial risks

In the course of business, amongst others, we are exposed to several financial risks arising from our underlying operations and finance activities. We are primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity 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. Our foreign currency risk is attributable to our operating activities and financing activities. In the operating activities, our exchange rate risk primarily arises when revenue/costs are generated in a currency that is different from the reporting currency (transaction risk). We manage the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. Our foreign currency risk exposure 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

We enter 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 our net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Our exposure to the risk of changes in market interest rates relates primarily to our long term debt obligations with floating interest rates.

We manage our 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 ₹ 1,400 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:

(in ₹ million)

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. We are 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 us through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which we grant credit terms in the normal course of business. We use a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of our customers' financial condition; ageing of trade accounts receivable and our historical loss experience.

Credit risk from balances with banks and financial institutions is managed by our Corporate Treasury function in accordance with our policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in our investment policy. The investment policy is reviewed by our 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:

(in ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	5,702.47	6,684.24
Allowances for credit loss	40.53	86.99

D. Liquidity risk management

Liquidity risk is the risk that we will face in meeting its obligations associated with its financial liabilities. Our approach to managing liquidity is to ensure that we will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

We have 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. We regularly monitor the rolling forecasts to ensure we have sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below analyse our financial liabilities into relevant maturity based on their contractual maturities:

(in ₹ million)

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2023				
Borrowings	2,666.31	331.16	900.48	71.76
Trade payables	4,663.34	-	-	-
Other financial liabilities	482.98	-	-	-
	7,812.63	**331.16**	**900.48**	**71.76**

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2022				
Borrowings	1,293.12	40.05	-	-
Trade payables	7,116.65	-	-	-
Other financial liabilities	481.45	-	-	-
	8,891.22	**40.05**	**-**	**-**

Note: The above maturity profile does not includes contractual maturities of lease liability and the same is given in Note 31(D).

Total turnover of each major industry segment in which our company operated

We are 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 our total revenue.

Significant Developments after June 30, 2023

Except as disclosed below, to our knowledge, no circumstance have arisen after June 30, 2023, the last date of the Consolidated Financial Statements, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

Unless otherwise specified, all of the information and statistics in this section are extracted from the report titled "*Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates*" dated September 25, 2023 (the "**F&S Report**"). While reasonable care has been taken in the extraction, compilation and reproduction of such information and statistics by our Company, neither we, the Promoter, the Managers, or any of our or their respective directors, officers, affiliates or advisors, nor any party involved in the Offer have independently verified such information and statistics, and such parties do not make any representation as to their accuracy. The information and statistics may not be consistent with other information and statistics compiled within or outside India.

The F&S Report, is a report exclusively commissioned and paid for by our Company and prepared by Frost & Sullivan (India) Private Limited pursuant to an engagement letter dated August 11, 2023, in connection with the Issue.

The F&S Report contains the following disclaimer:

"*Independent Market Report (IMR) on Acetyl, Specialty and Fluoro Intermediates'' has been prepared for the proposed qualified institutions placement of equity shares by Laxmi Organic Industries Limited (the "**Company**").*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("**Frost & Sullivan**") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

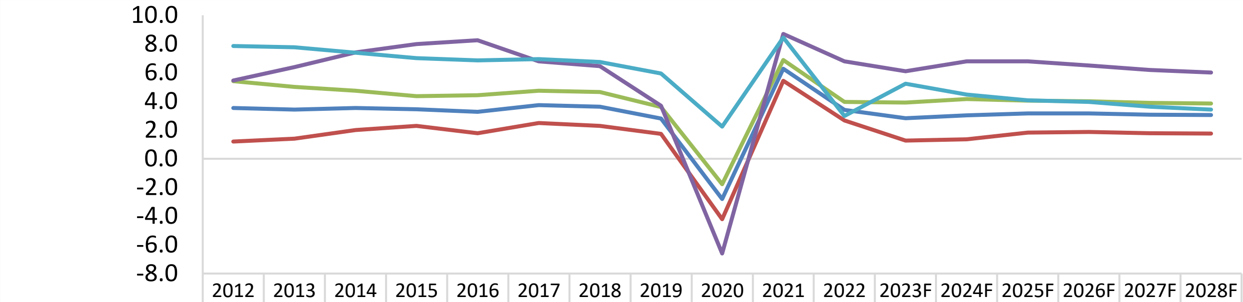
Global Macroeconomic Outlook

Global Gross Domestic Product (GDP) Growth

In CY 2022, post-pandemic realities exacerbated after the onset of the Russo-Ukrainian war. Severe commodity price pressures, steep interest rate hikes amidst soaring inflation, a surge in energy prices weighing on the cost of living and business transport costs, and prolonged lockdowns in China further disrupting global supply chains were driving forces of a tumultuous CY 2022.

As a result, CY 2023 global growth expectations remain low as the United States, and Europe have recessional fears. However, a global recession can be avoided as buoyant emerging market growth from major Asian, Middle Eastern, and African economies insulates the global economy. Frost & Sullivan expects the emerging markets and developing economies GDP to post 3.9% growth in CY 2023, while advanced economies grow by ~1.3%.

Exhibit 1.1: Real GDP Growth (%) CY2012- 2028F



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F
World	3.5	3.4	3.5	3.4	3.3	3.8	3.6	2.8	-2.8	6.3	3.4	2.8	3.0	3.2	3.2	3.1	3.0
Advanced economies	1.2	1.4	2.0	2.3	1.8	2.5	2.3	1.7	-4.2	5.4	2.7	1.3	1.4	1.8	1.9	1.8	1.8
Emerging market and developing economies	5.4	5.0	4.7	4.4	4.4	4.7	4.7	3.6	-1.8	6.9	4.0	3.9	4.2	4.0	4.0	3.9	3.9
India	5.5	6.4	7.4	8.0	8.3	6.8	6.5	3.7	-6.6	8.7	6.8	6.1	6.8	6.8	6.5	6.2	6.0
China	7.8	7.8	7.4	7.0	6.9	6.9	6.8	6.0	2.2	8.5	3.0	5.2	4.5	4.1	4.0	3.6	3.4

Source: GDP estimates for CY 2022 and CY 2023 are based on Frost & Sullivan analysis of World Economic Outlook data

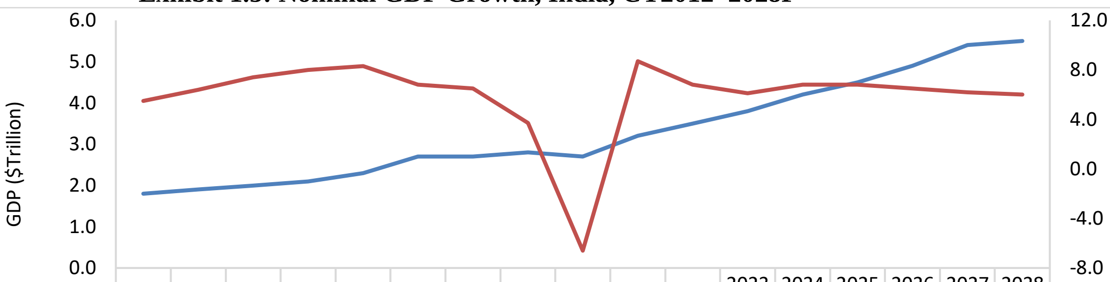
The advanced economies are projected to recover slower than the global average. The United States is likely to experience lower quarter-on-quarter growth in H2 2023, with overall CY 2023 real GDP growth pegged at 1.6%. A pullback in consumer spending, persistent price pressures, and the lagged effect of rapid monetary tightening coupled with a slowdown in key trading partner nations will impact the growth momentum.

India Macroeconomic Trends

India: GDP Growth and Outlook

India's real GDP growth stood at 6.3% for the CY 2021, compared to a contraction of 4.9% seen in CY 2020, as per the IMF. Frost & Sullivan's January 2023 forecasts show India growing at 6.1% in CY 2023 and 6.8% in CY 2024. Pent-up demand, steady fiscal support, large-scale public investments, and export strength bolstered growth in CY 2021 and CY 2022. However, inflation induced monetary policy tightening and slowing global growth will impact Indian growth momentum in H1 2023. Interest rate cuts and a pullback in price levels will support domestic demand and the investment climate in the latter half of 2023. Inflation in India is expected to moderate throughout CY 2023, following its steady upward climb in 2022. Frost & Sullivan forecasts show the year-on-year rate of inflation easing from 5.9% in November 2022 to 4.8% in November 2023, while repo rate is likely to end FY2023-24 at 4.5% compared with FY2022-23's 6.3%.

Exhibit 1.5: Nominal GDP Growth, India, CY2012–2028F[3]



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 F	2024 F	2025 F	2026 F	2027 F	2028 F
GDP	1.8	1.9	2.0	2.1	2.3	2.7	2.7	2.8	2.7	3.2	3.5	3.8	4.2	4.5	4.9	5.4	5.5
GDP Growth (%)	5.5	6.4	7.4	8.0	8.3	6.8	6.5	3.7	-6.6	8.7	6.8	6.1	6.8	6.8	6.5	6.2	6.0

Source: IMF Estimate; Frost & Sullivan Research

India: Strong Growth Path

- [3] 2022 and 2023 are Frost & Sullivan's estimate and forecast for Indian economy as of January 2023.

- The government has taken several measures to revive the economy and to return to a normal to high growth trajectory. As the monetary and fiscal stimuli work their way through, India can expect an economic turnaround soon. In addressing the current slowdown, India has several advantages and comforting factors including the following:

  – **Aatmanirbhar Bharat Abhiyan:** Prime Minister Narendra Modi on May 12, 2020, announced the Aatmanirbhar Bharat Abhiyan which combined relief, policy reforms and fiscal and monetary measures to help businesses and individuals to cope with the situation created by the pandemic and helps transform India into a self-reliant economy.

  – Government announced a production linked incentive ("**PLI**") scheme for the promotion and manufacturing of pharmaceutical raw materials in India. The government's move is aimed to boost domestic manufacturing and cut dependence on imports of critical Active Pharmaceutical Ingredients ("**APIs**").

  – The Government is also in the process of launching a production-linked incentive (PLI) for the chemical sector to increase self-reliance in the country. This move is to reduce country's dependency on imports of basic chemicals. The PLI scheme will help the sector to identify import-dependent chemicals and work towards producing them within the country.

  – Specialty Chemical companies will look at import substitution along with export opportunities to further drive their business. Historically, domestic consumption has been the driving metric for Specialty Chemicals manufacturing in India, with exports playing a much smaller part – owing to reduced raw material availability, higher utility tariffs and a stricter regulatory structure. However, owing to the current geo-political issues, India's focus on being a manufacturing hub for exports of specialty chemicals will increase, subsequently increasing the share of exports in the overall market.

- **Preferred Destination for Foreign Investment:** Lately, India has become an attractive destination for foreign investment owing to its large and rapid growing consumer market in addition to a developed commercial banking network, availability of skilled manpower and a package of fiscal incentives for foreign investors.

- **Strong and Diversified Industrial and Infrastructural Base:** India has established a strong and diversified manufacturing base for the production of a wide variety of basic and capital goods to meet the requirements of various sectors; and systematically rolled out a public-private partnership ("**PPP**") programme for the delivery of high-priority public utilities and infrastructure.

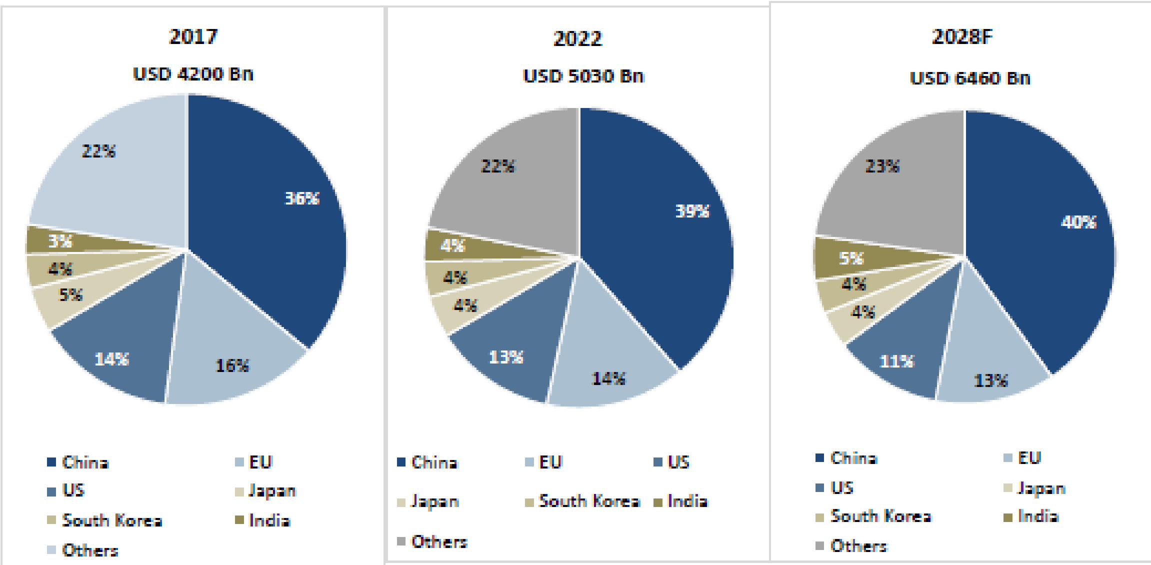
  Demographic Dividend: Presently, India is one of the youngest nations in the world with more than 62% of its population in the working age group (15-59 years), and more than 54% of its total population below 25 years of age. Its population pyramid is expected to bulge around the 15-59 age groups over the next decade. This poses a formidable challenge as well as a huge opportunity.

Overview of Specialty Chemicals

Global Chemicals Market: Market Overview

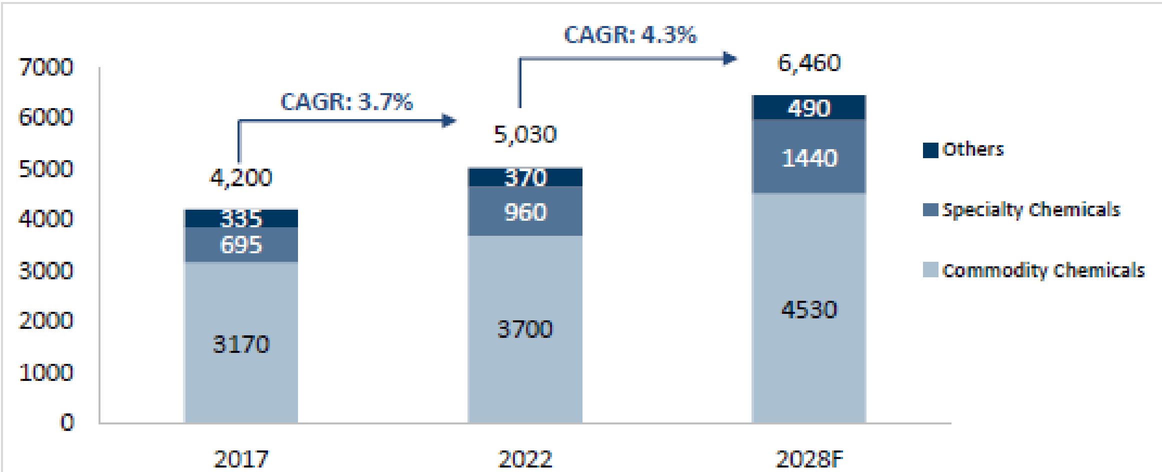
The Global Chemicals market is valued at around USD 5,030 Bn in CY 2022 with China accounting for major market share (39%) in the segment followed by European Union (14.6%) and United States (12.9%). India accounts for ~4% market share in the global chemicals market. The global chemicals market is expected to grow at 4.3% CAGR, reaching USD 6,460 Bn by CY 2028. During the forecast period, APAC is anticipated to grow at the fastest rate of 5-6% during the forecast period (CY 2022-28F). The Chemicals markets in Western Europe, North America, and Japan are relatively mature and hence would record slow growth rates of around 2-3%.

Exhibit 2.1: Global Chemicals market, CY2017, 2022 and 2028F



Source: Frost & Sullivan Research

Exhibit 2.3: Global Chemicals market, CY2017, 2022 and 2028F



Source: Frost & Sullivan Research

Note: Others mainly include Biotech chemicals. Also note that the Indian chemical industry generally showcases Agrochemicals & Fertilizers and Pharmaceuticals API outside of Specialty chemicals and Petrochemicals outside of Commodity Chemicals. In the above graph the specialty chemicals section, however, is inclusive of the 2 categories (Agrochemical and Fertilizers and Pharmaceuticals API) and the Commodity Chemicals section is inclusive of Bulk chemicals and Petrochemicals.

The global active pharmaceutical ingredients market size is estimated to be USD 215 – 230 Bn in CY 2022 and is projected to reach ~USD 355 Bn by CY 2028 at a CAGR of 9-10% during the forecast period.

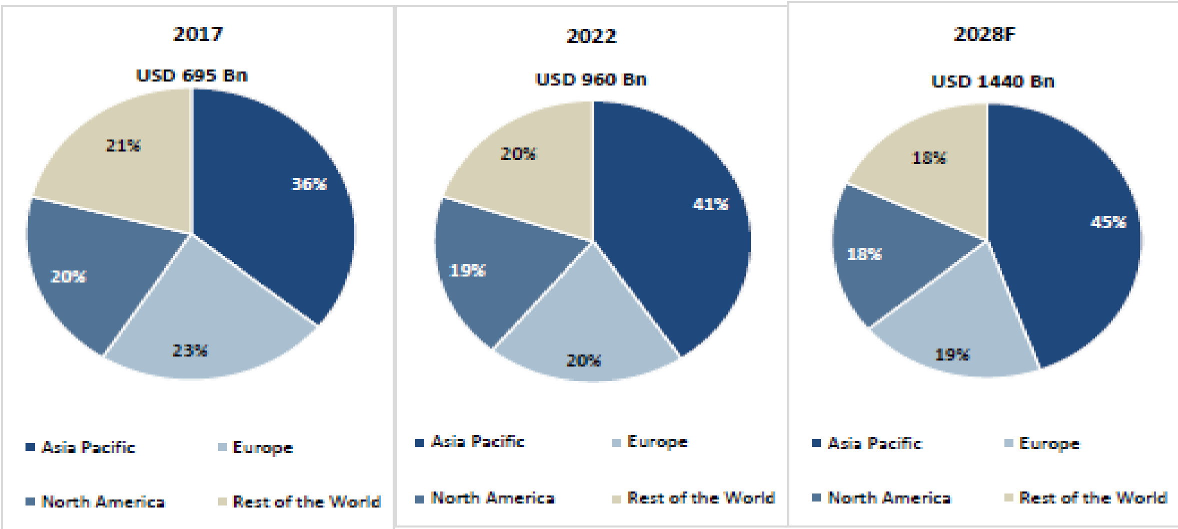
The Global Agrochemicals & Fertilizer Market is estimated to be around USD 240-250 Bn in CY 2022 and is expected to garner revenue of ~USD 360-370 Bn by CY 2028 with a CAGR of 8-9% during the forecast period of CY 2022-28.

Global Specialty Chemicals Market

Specialty Chemicals are low-volume and high-value products which are sold on the basis of their quality or utility, rather than composition. Thus, they may be used primarily as additives or to provide a specific attribute to the end-product. Specialty Chemicals are more likely to be prepared and processed in batches. The focus is on value addition to the end-product and the properties or technical specifications of the chemical.

Rapid industrialisation in India and China is expected to drive demand for Specialty Chemicals. The Asia Pacific ("**APAC**") dominates the market across the world, with a share of 41%, owing to the huge customer base, leading to high demand for specialty chemicals, increasing industrial production, and robust growth of the construction sector in the region. APAC is followed by Europe and North America.

Exhibit 2.5 : Global Specialty Chemicals Market by Geography, CY2017, 2022, 2028F



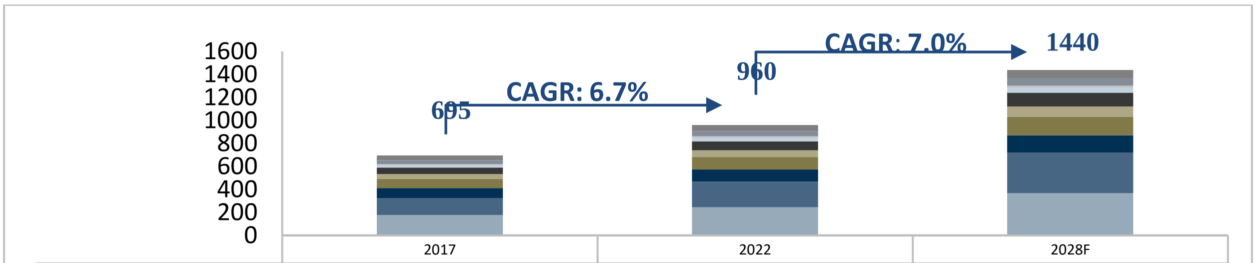
Source: Frost & Sullivan Research

	Asia Pacific	Europe	North America	RoW
CY 2017-22 CAGR	9.3%	4.0%	5.7%	5.6%
CY 2022-28F CAGR	8.6%	6.2%	5.8%	5.4%

With a high population base and majority of countries being underdeveloped or developing nations in Asia Pacific (APAC), there is high rate of construction activities resulting in higher demand for construction chemicals and paints & coatings additives.

Global Specialty Chemical Market Segmentation – by Industry and Application Type

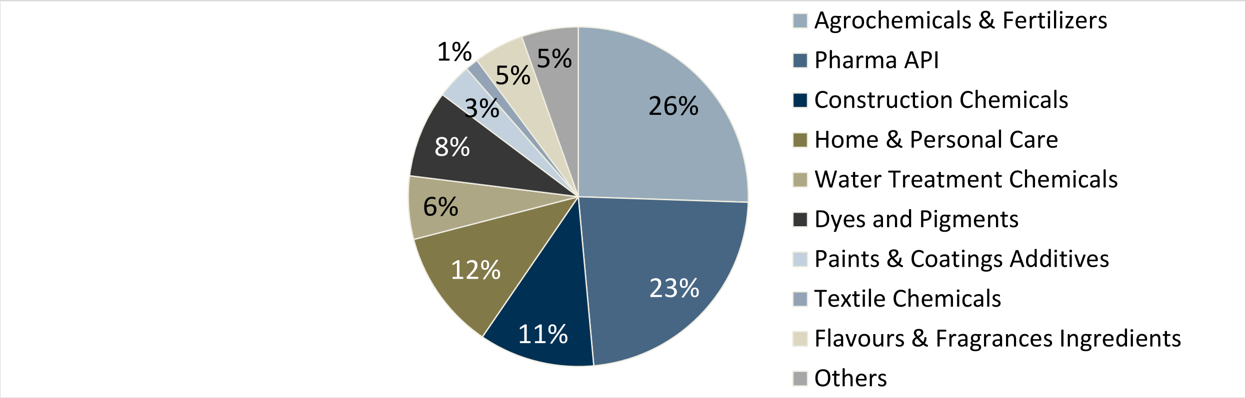
Exhibit 2.7 : Global Specialty Chemicals Market, Value (USD Bn), CY2017, 2022 and 2028F



	2017	2022	2028F
Others	40	52	70
Flavours & Fragrances Ingredients	34	46	68
Textile Chemicals	8	12	16
Paints & Coatings Additives	22	32	45
Dyes and Pigments	58	80	120
Water Treatment Chemicals	42	58	90
Home & Personal Care	80	110	160
Construction Chemicals	85	106	150

Source: Frost & Sullivan Research

Exhibit 2.8 : Global Specialty Chemicals Market, Industries & Applications, CY2022, Value (USD 960 Bn)



Source: Frost & Sullivan Research

5-year growth forecast split by key industries highlighting key factors driving growth

Segments	Key Growth Drivers	(CY 2022-28F CAGR)
Agrochemicals & Fertilizers	• Increasing global population, decreasing arable land, and consequent requirement to improve crop yields. • New demand for agricultural products would also be created by the use of agricultural products for industrial applications such as in fuel blending and polymer manufacturing, opening up new avenues of applications for agrochemicals	6.9%
Pharma API	• Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of pharmaceuticals chemicals.	8.2%
Construction Chemicals	• Rise in construction projects across emerging markets and increased adoption of construction chemicals for improvement in quality of projects	6.0%
Home & Personal Care	• Growth in demand for personal care and home care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to grow at around 9-10% CAGR. • USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	6.5%
Water Treatment Chemicals	• Strengthening environmental regulations and rising water quality standards for municipal consumption in matured markets of North America and Europe • In emerging markets, strong economic growth resulting in greater municipal and industrial spending in water treatment effort will drive growth of this segment.	7.7%
Dyes and Pigments	• Growth is demand for high performance pigments ("**HPP**") which are highly durable pigments, resistant to UV radiation, heat and chemical. • Use of eco-friendly colorants such as low impact dyes is emerging	7.1%
Paints & Coatings Additives	• Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions	5.9%
Textile Chemicals	• Increasing demand for finishing chemicals that allow a variety of beneficial properties like anti-microbial properties, wrinkle-free properties, stain-resistance, etc. to be imparted to the textile	5.0%
Flavours & Fragrances Ingredients	• Strong growth in low-fat and low-carbohydrate foods and beverages in North America • Higher consumer willingness to experiment with new flavours and fragrances. • Increased production of processed foods in developing countries causing a spurt in the demand for flavours • A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care	6.8%

Key Regulations

Ban on Hazardous Chemicals: Across the globe, the Governments are tightening the regulations on the use of hazardous chemicals. Recently Hydroquinone was banned in US. In India, The Union Cabinet in October 2020 ratified the ban on seven chemicals that are hazardous to health and environment listed under the Stockholm

Convention. Following such strict regulatory changes, the demand for green chemicals is expected to increase in the next decade.

GHS, REACH, and OSHA: The Real Implications

Global readiness for evolving industry standards includes operating according to the Global Harmonized System of Classification and Labelling of Chemicals ("**GHS**"); Registration, Evaluation, Authorization and Restriction of Chemical Substances ("**REACH**"); and the regulatory Occupational Safety and Health Administration ("**OSHA**") in the U.S., which has recently aligned with GHS. Product labelling regulations mandated by governments can mean the difference between market entry and exclusion. Global and regional standards and regulatory compliance has become a basic necessity for any chemicals manufacturer.

In the European Union (EU), the Classification, Labelling and Packaging Regulation (CLP) has also been aligned to GHS as well. Failure to label according to the new rules does not simply result in a sternly worded letter suggesting that an organization improve its practices; it results in significant regulatory barriers to on-going business operations.

Sustainable and Green Chemistry

The term "Green Chemical" can refer to any chemical compound that is derived from renewable sources, the alternative term used is bio-based chemicals. The bio-based chemicals market has been growing exponentially owing to the increasing need for environmentally sustainable solutions. Bio-based chemicals are produced from both plant- and microorganism-based sources.

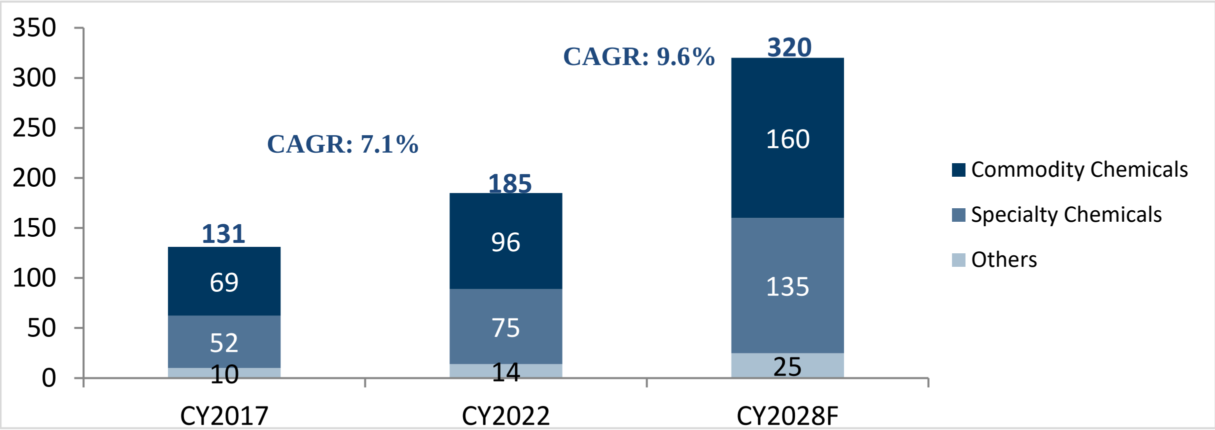
Chemicals as enablers of sustainable downstream technologies, such as wind power, more fuel-efficient vehicles and better products are the key focus of companies across the globe. Many mid-sized chemical companies are also migrating to greater use of bio-based feedstocks though it is not the most important part of their overall sustainability drives, but as a focus towards improving the environmental impact of their existing petrochemical processes.

Current research is focused in areas of Pharmaceuticals, Personal Care and Food Products as they are among the highest growing applications. Manufacturers in these areas have initiated the redesigning of materials, processes, and products to create renewable, restorative, and regenerative chemistry which are also efficient from product performance perspective.

India Chemical Industry: Market Overview

The Indian chemicals market is valued at USD 185 Bn in year CY2022 (~3-4% share in the global chemical industry) with the commodity chemicals accounting for approximately ~50%. It is expected to reach ~USD 320 Bn by CY2028, with an anticipated growth of ~9.6% CAGR.

Exhibit 2.11: Indian Chemicals Market, CY2017, 2022 and 2028F (USD Bn)



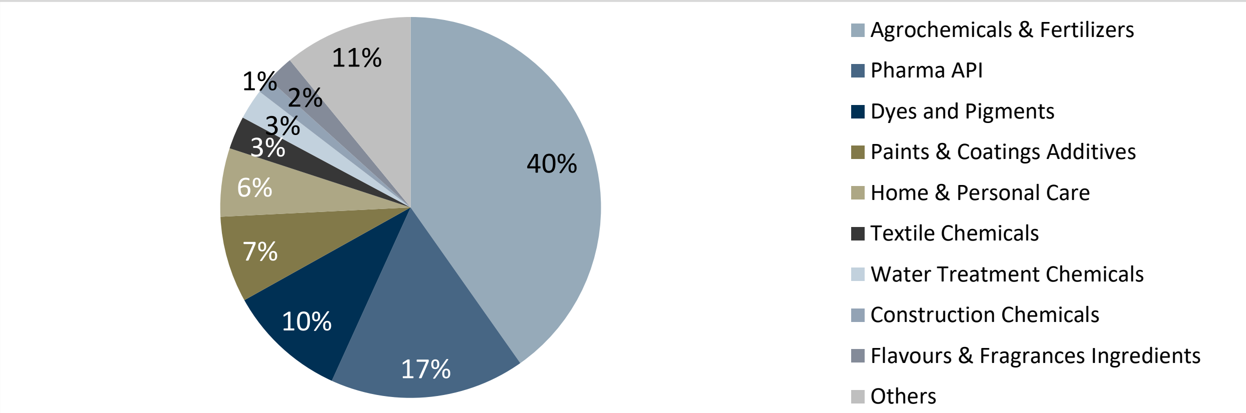
Source: Frost & Sullivan Research

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

CAGR	Commodity Chemicals	Specialty Chemicals	Others
2017-22	6.9%	7.4%	7.0%
2022-28F	10.2%	10.3%	8.8%

India Specialty Chemicals Market Segmentation– by Industry and Application Type

Exhibit 2.13: Indian Specialty Chemicals Market by Industry and Applications, 2022, Value (USD 75 Bn)



Others include Sealants and Adhesives, Polymer Additives etc.

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

Source: Frost & Sullivan Research

The Rise of Environmentally friendly Specialty Chemicals in India

The classification as green or sustainable is measured across the life cycle of any chemical product, including its design, manufacture, application, and disposal. The products can be used for various applications such as food ingredients, home and personal care products, water treatment, and industrial cleaning products. The demand for green chemicals is particularly high from the textile industry which is one of the major end-users of chemicals. The evolution of green chemistry in the chemical industry will be a critical trend fuelling the growth of the green chemicals market. The Global Green Chemicals market is expected to reach ~USD 55-60 Bn by 2028 at a CAGR of 10.5% from ~USD 30 – 35 Bn in 2022.

The pharmaceutical industry was among the first to embrace Green Chemistry for its significant potential to reduce costs and risks. Green pharmaceuticals as a segment are projected to grow from USD 65 – 70 Bn in 2022 to USD 125 – 130 Bn in 2028. In recent years generic drug companies, API manufacturers, and smaller R&D Pharma companies' exhibit interest and advances in Green Chemistry principles. The industry has taken effort to implement key metrics to keep track of GC which includes E-factor, Process Mass Intensity (PMI), atom economy, number of steps, and carbon foot- print, among others.

5-year Growth Forecast split by key industries highlighting key factors driving growth

Segments	Key Growth Drivers	India Market, (2022-28F CAGR)
Agrochemicals & Fertilizers	• Increase in awareness levels of farmers. • Improvement in rural income encouraged by various government schemes. • Need to improve agricultural yields at a faster pace compared to the growth in demand to be able to meet food sufficiency targets. • DBT (Direct Benefit Transfer) allows for direct transfer of benefit or subsidy to citizens living below poverty line	10.9%

Segments	Key Growth Drivers	India Market, (2022-28F CAGR)
Pharmaceuticals Ingredients (API)	• India supplying key drugs for treatment of Covid-19 across the world • Growing demand for generic drugs globally and India being the largest provider of generic drugs results in higher demand for domestic consumption of Pharmaceuticals chemicals. • The government of India has launched Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates (DIs) and Active Pharmaceutical Ingredients (APIs) In India. The scheme intends to boost domestic manufacturing of identified KSMs, Drug Intermediates and APIs by attracting large investments in the sector and thereby reduce India's import dependence in critical APIs. • The Government of India announced INR 9,940 crores (USD 1.24 Bn) packages to boost the domestic API manufacturing industry. The package is divided into two parts – INR 6,940 crores (USD 0.87 Bn) has been allocated for the PLI Scheme and INR 3,000 crores (USD 0.37 Bn) will be spent on setting up three bulk drug parks.	12.1%
Construction Chemicals	• Growth in Indian construction industry over the next five years, driven by housing and infrastructure projects • Increase in adoption of global standards of construction in India will lead to growth of this market	7.6%
Paints & Coatings Additives	• Growth in per capita paint consumption in India • Strong growth in automotive industry	10.1%
Water Treatment Chemicals	• The growing urban population is adding to the demand for water purification and waste-water management. • Implementation of stringent government regulations, such as the zero liquid discharge regulation, for the treatment of sewage prior to release into bodies of water including those for industrial effluents is likely to drive demand for wastewater treatment plants.	7.6%
Textile Chemicals	• Driven by domestic demand and exports of high-quality textiles	7.9%
Flavours & Fragrances Ingredients	• Marketing by FMCG companies has created demand for categories like deodorants, room fresheners and perfumed soaps in rural markets. • Increasing demand for processed food	10.3%
Home Care and Personal Care Ingredients	• Growth in population and per capita income to drive growth in this segment. • Growth in demand for safety and hygiene in urban as well as rural areas • Rapid increase in the adoption of personal care products, especially in rural markets	8.7%
Dyes & Pigments	• The current strategy of most European pigment producers is to use their local facilities for high-end performance colorants for new and niche markets and source non differentiated dye, pigments from low-cost facilities based in China and India	9.3%

Key Players in the Market

Sr. No.	Company Name	Business Segments
1	PI Industries	Custom Synthesis and Agrochemicals
2	Astec Lifesciences	Pesticides/Agro Chemicals sector
3	Bharat Rasayan	Crop Protection
4	Aarti Industries	Speciality Chemicals (Benzene based Intermediates) and Pharmaceuticals API
5	SRF	Fluorochemicals, specialty chemicals, technical textiles and packaging flims
6	Vinati Organics	Organic intermediates, monomers and polymers
7	UPL	Agrochemicals, industrial chemicals, chemical intermediates, specialty chemicals, and crop protection solutions
8	Navin Fluorine International Ltd.	Fluorine chemistry
9	Sumitomo Chemical India	Crop Protection, Environmental Health, Professional Pest control and Feed
10	Lanxess	Specialty Chemicals
11	Laxmi Organic Industries Ltd.	Specialty Chemicals
12	Chemcon Speciality Chemicals Ltd.	Specialty Chemicals
13	Rossari Biotech Limited	Specialty Chemicals

Sr. No.	Company Name	Business Segments
14	Praj Industries	Bio-chemicals
15	Godavari Biorefineries	Bio-chemicals
16	Alkyl Amines	Amine derivatives, Speciality Chemicals
17	Atul Ltd	Life Science Chemicals and Performance and Other Chemicals
18	Deepak Nitrile	Chemical Intermediates
19	Solar Industries	Energy Materials
20	Tatva Chintan	Structure Directing Agents (SDAs), Phase Transfer Catalysts (PTC), Electrolyte Salts for Super Capacitor Batteries, Pharmaceutical and Agrochemical Intermediates and other Specialty Chemicals

Impact of Make in India on Chemicals Industry

The Chemical industry contributes 7.98% GVA of manufacturing sector as of 2022. The government permits 100% foreign direct investment (FDI) in this sector under the automatic approval route. FDI in the Chemicals sector (excluding fertilizers) was USD 20.96 Bn (April'2000 to December 2022). A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector.

The size of production of Major Chemicals increased to 6.48 million tonnes during 2022-23 (up to September 2022) as compared to 6.3 Million tonnes during the corresponding period of the previous year. Within the Specialty Chemicals, manufacturing of Fine Chemicals (Pesticide Ingredients as well Active Pharmaceutical Ingredients), paints and coating additives, surfactants and colorants will be most attractive segments in the next half decade. This is due to their strong growth potential, highly differentiated products portfolio, and high penetration levels predominantly.

Moreover, India's Specialty Chemical companies are gaining favour with Global Multinational Corporations because of the geopolitical shift including COVID 19 and the Russia-Ukraine war. Increasing tariff levels and changing environmental policies in China along with 'Make in India' initiative, would add more possibilities of Specialty chemicals manufacturing base shifting from China to India. With the rapid globalisation and opening up of the Indian economy, "Intellectual Capital" has become one of the key wealth drivers in the present international trade.

India aims to triple its present Petrochemicals capacity by 2040. Approximately INR 10,000 crore (USD 1.3 Bn) will be pumped into the petrochemicals industry to meet this capacity expectation. Under the PLI scheme, selected companies are expected to avail 10-20% incentive on their incremental sales. The Indian chemicals and petrochemicals industry serves as a building block for other industries such as paints and pigments, varnishes, pulp and paper, soaps and detergents, pharmaceuticals, and textiles among others. Seven sectors are anticipated to get INR 35,000 crore (USD 4.4 Bn) in next round of PLI. Among the seven sectors, five sectors likely to be included are Toys, Bicycles, Leather & Footwear, Critical Intermediates for Chemicals, and Containers.

On the Pharmaceutical Industry front, the Government of India is committed to ensuring the delivery of affordable healthcare in the country as well as ensuring that there is a steady supply of critical drugs. This has resulted in the launch of the Production Linked Incentive Scheme (PLI) for APIs, KSMs and DIs as well as the Scheme for Promotion of Bulk Drug Parks.
The manufacturers of pharmaceutical goods registered in India will be grouped based on their Global Manufacturing Revenue (GMR) to ensure wider applicability of the scheme across the pharmaceutical industry and at the same time meet the objectives of the scheme. The qualifying criteria for the three groups of applicants will be as follows:

Group A: Applicants having Global Manufacturing Revenue (FY2022) of pharmaceutical goods more than or equal to INR 5,000 Cr. (USD 0.62 Bn)

Group B: Applicants having Global Manufacturing Revenue (FY2022) of pharmaceutical goods between INR 500 (inclusive) Cr. (USD 0.062 Bn) and INR 5,000 Cr. (USD 0.62 Bn)

Group C: Applicants having Global Manufacturing Revenue (FY2022) of pharmaceutical goods less than INR 500 Cr (USD 0.062 Bn). Within this group, a sub-group for MSME industry will be made given their specific challenges and circumstances.

Quantum of Incentive: The total quantum of incentive (inclusive of administrative expenditure) under the scheme is about Rs 15,000 Cr. (USD 1.87 Bn). The incentive allocation among the Target Groups is as follows-

- Group A: Rs 11,000 Cr. (USD 1.37 Bn)
- Group B: Rs 2,250 Cr. (USD 0.28 Bn)
- Group C: Rs 1,750 Cr. (USD 0.22 Bn)

Scheme for Bulk Drug Parks

The scheme on Promotion of Bulk Drug Parks for financing Common Infrastructure Facilities in 3 Bulk Drug Parks with financial implication of INR 3,000 crore (USD 0.37 Bn) for next five years effective 2020. Assistance under the scheme will be admissible for such facilities by State Government in Bulk Drug Parks. Parks will have common facilities such as solvent recovery plant, distillation plant, power and steam units, common effluent treatment plant etc.

Although the Chemicals Sector is already included in the previous PLI scheme, critical intermediates for chemicals sector is likely to receive an additional INR 5,000 crore (USD 0.62 Bn) over and above the earlier PLI scheme. This scheme is meant to promote domestic growth for chemicals that are mostly imported within the country.

India – Racing Ahead of China

China's Specialty Chemicals market has seen a downturn in recent years due to various factors. Most prominent amongst these are the recent environmental norms introduced by the Chinese Government, which have led to shutdown of several chemical plants in China.

The Chinese Government started implementing stricter environmental protection norms from January 2015. With the focus on controlling pollution, the Chinese Ministry of Environmental Protection enforced strict penalties on polluting industries, including chemicals. Some of the major steps taken were:

- Shift towards gas-based power plants from coal-based ones
- Implementation of strict penalties for noncompliance
- Construction of compulsory effluent treatment plants
- Mandatory for all polluting industries to operate from industrial clusters away from habitat.
- Small to mid-size chemicals plants to relocate.
- All larger plants must relocate by the end of 2025 and start the process by no later than 2020.
- Taxes to be levied on polluting industries based on pollution type, location and severity.

As a result of all of the above, the Chinese Chemical companies are witnessing a rise in CAPEX and OPEX costs, making them less competitive in the export market. In 2017, an estimated 40% of the Chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching emission norms.

There is an ample replaceable export market for India to capitalize on and weave a strong growth story for chemicals – led by Specialty chemicals.

Several global players prefer a "China + 1 offshore strategy", with capacities shifting to cost efficient markets with strong technology capabilities like India. Stringent environmental regulations and increased cost of labor have already stifled growth in China, which contributes 35-40% to the global chemical industry. The pandemic has compounded the situation further as companies across the world are looking for alternate supply solutions. Japan's announcement to offer incentives to companies shifting base from China to India further proves the desperation engulfing countries to reduce dependence on China and develop local supply chains. JVs/ Technology transfers will drive the knowledge wave for the Indian industry, given stronger IP protection rights. The spillover impact of China's declining competitiveness has set the stage for India to intensify its effort to capture larger market share.

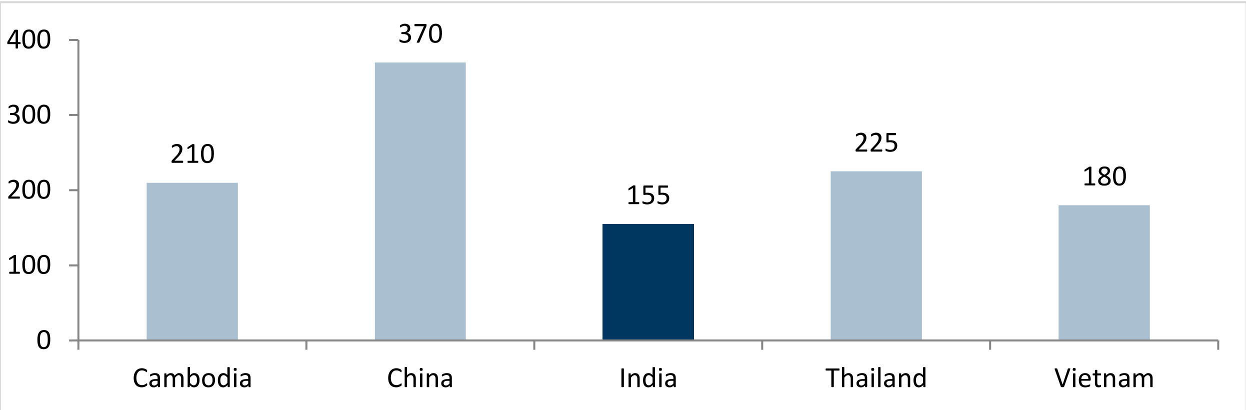
With new regulations in place and the Chinese companies adhering to new norms, they are expected to bounce back with certain level of reforms in the way of operations. Whenever the Chinese companies make a comeback, it would be at a significantly higher cost of production given the significant investment in environmentally compliant equipment and manufacturing practices. India, in the meantime, would have significantly strengthened its position in the global supply chain and would be a very viable alternative for global players looking to de-risk their supply chain, while retaining their sourcing costs. Pharmaceuticals and Agrochemicals are some of the key sectors that are particularly set to benefit from this shift in dynamics, wherein the Chinese manufacturers continue to operate at lower capacity levels, given the increased monitoring of safety standards and compliance norms.

The powering trend of de-risking of input procurement from China by Global Chemical Leaders offers great export as well as domestic sales opportunity for Indian specialty chemical industry.

Cost and Availability of Skilled Labour in India and China

Labour represents one of the main costs of manufacturing goods. And importers have watched China's labour costs soar in recent decades, often growing by 10-15% annually. China's minimum wages, which now range from about USD 280 to USD 380 per month in 2022, are set at the provincial level.

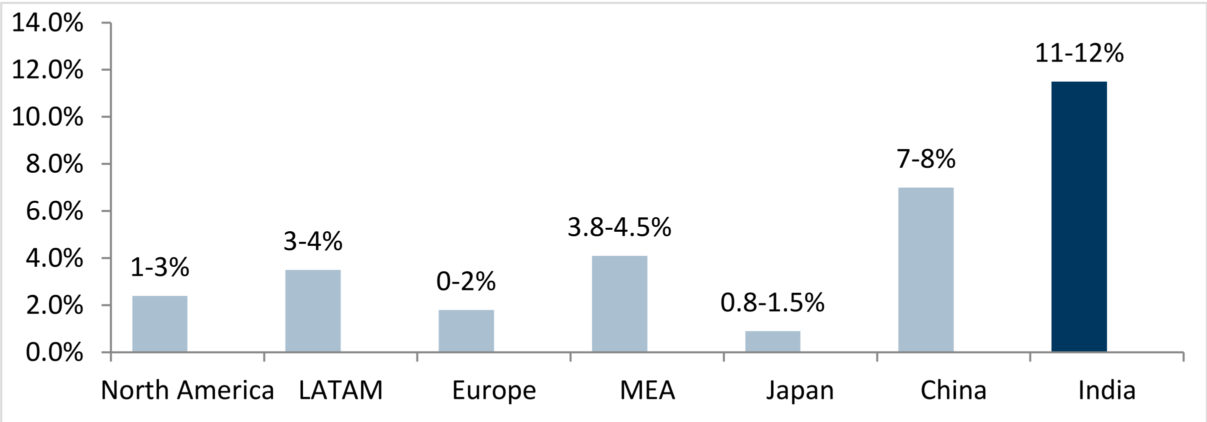
Exhibit 2.9: Average Monthly Minimum Wage (USD), 2022



Source: ASEAN Briefings

India's minimum wages similarly vary across states and range from about USD 105 to USD 220 in 2022. Mounting U.S. tariffs on Chinese goods over the past year have only strengthened the case for India as a cost-effective manufacturing alternative. And importers of labour-intensive products, like specialty chemicals, are in the best position to realize cost savings by moving to India.

Exhibit 2.10: Region-wise Specialty Chemicals Growth, 2022-28F, %



Source: Frost & Sullivan

Lower Corporate tax rate

For manufacturing firms incorporated after October 1, 2019 and beginning operations before March 31, 2023, the corporate tax rate has been slashed from 25% to 15% (this will amount to an effective tax rate at near 17%, including surcharge and cess).

This lower tax rate has allowed India to compete with ASEAN's emerging economies like Vietnam, Thailand, and Indonesia for foreign investment more effectively. India, however, has an edge over these nations due to its larger market, cheap labour pool, and quick availability of labour.

Ease of Business

India's rank in the ease of doing business index has progressed due to the pro-business reforms which has put the country among top 20 'improvers' according to a list by the World Bank on top 20 economies that have improved the most on ease of doing business core. The country's ranking rose to 63 in 2020 from 130 in 2016. Out of 17 economies in the Asian region, India is ranked 10th in the 2023- 27 forecast period, up from 14th in 2018-22 period.

External Debt

On comparing debt portion of both the countries, India has low amount of debt as compared to China and even USA. As of March 2023, India owes ~US$ 624.7 Bn whereas China owes ~USD2 trillion dollars. This indicates China is a more debt-ridden country as compared to India.

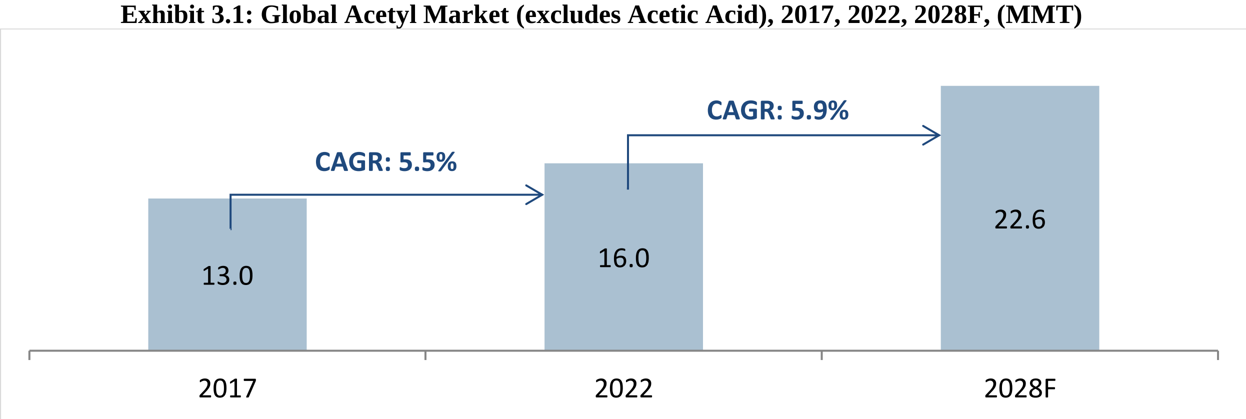
Acetyl Industry Overview

Global Acetyl Industry Overview

Acetyl group is an organic compound with formula CH3CO- which is the combination of methyl group (CH3) and a carbonyl (CO) part making it a subset of the Acyl Group (an organic compound with the chemical formula R-CO where "R" is any Alkyl group which can be Methyl or Ethyl or any other). Acetyls are used as intermediates in a wide range of applications such as solvents, adhesives, water-based paints, pharmaceuticals, dyestuff, emulsifiers etc.

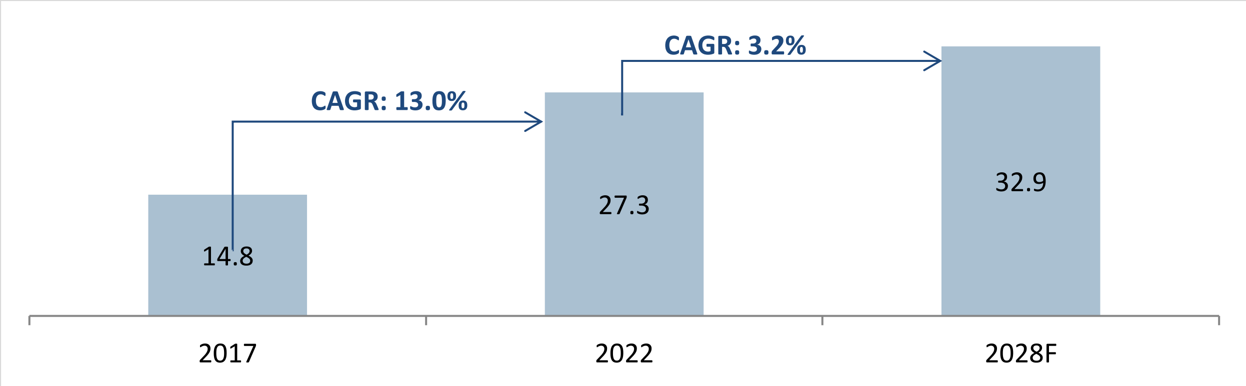
Ethanol is used as a basic raw material or platform for production of Acetyls and is widely manufactured through the fermentation route, another route being gasification. Ethanol based acetyls includes several products like Acetic Acid, Acetaldehyde, Ethyl Acetate, Acetic Anhydride, etc.

Exhibit 3.1: Global Acetyl Market (excludes Acetic Acid), 2017, 2022, 2028F, (MMT)



Source: Frost & Sullivan

Exhibit 3.2: Global Acetyl Market (excludes Acetic Acid), 2017, 2022, 2028F, (USD Bn)

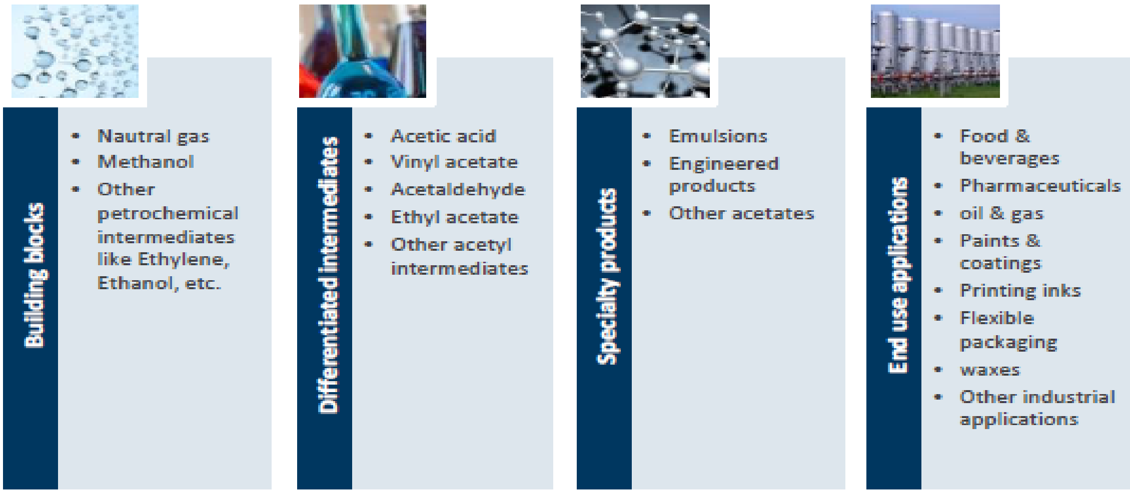


Source: Frost & Sullivan

The market is projected to have a continued growth of 5.9% by volume owing to strong demand from end use applications. The Acetyl market is valued at USD 27.3 Bn in 2022 which is expected to reach USD 32.9 Bn by the end of year 2028 considering the prices return to normalcy. The primary demand drivers of the global Acetyl market include increased demand for acetyls from drug delivery system, increased disposable income and per capita flexible packaging consumption over the globe, etc.

Acetyls Market Value Chain

The Acetyl value chain constitutes of various building blocks used for manufacturing the acetyl intermediates which are further used for manufacturing the specialty products that used in multiple end use industry applications. Many companies having a presence in the acetyl value chain take advantage of margins earned from high volume trade as well as vertical integration operation.



Source: Frost & Sullivan

The petrochemically derived feedstock (as well as natural feedstock in some cases) serves as the building block for the differentiated intermediates in the Acetyl value chain. The differentiated intermediates like Acetic Acid, Vinyl Acetate, Acetaldehyde, Ethyl Acetate, Other Acetyl intermediate derivatives are manufactured using basic raw materials which comprise of Natural Gas, Methanol and other petrochemical intermediates.

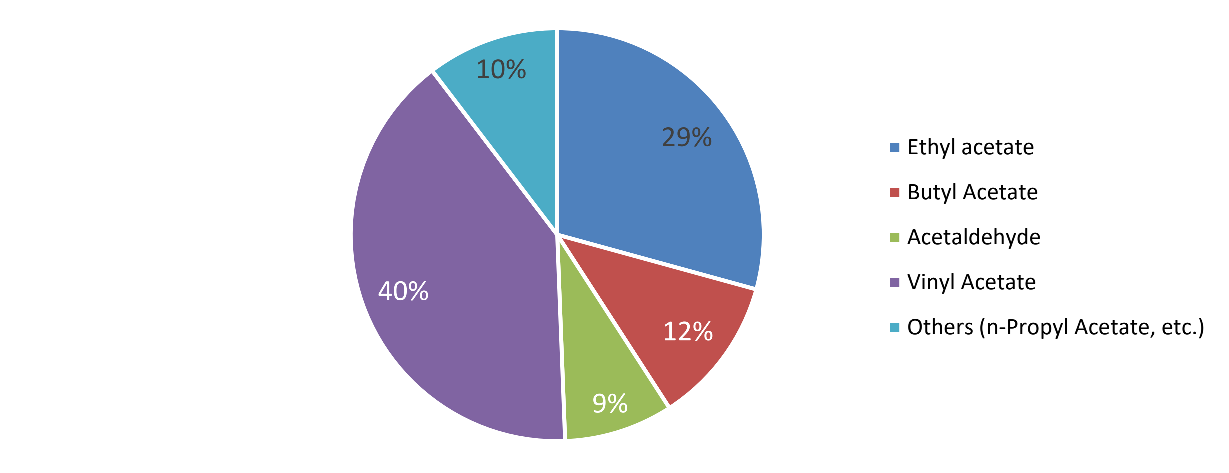
Specialty products in the Acetyl value chain comprise of various emulsions, engineered products and other acetates which are further catered to various end use segments like food and beverages, pharmaceuticals, oil & gas, paints and coatings, adhesives and sealants, printing inks, flexible packaging as well as other industrial applications. Many of the Acetyl intermediates are captive consumed by manufacturers in order to produce the forward integrated products in the value chain, taking advantage of higher margins when reaching closer to end use application. Acetic Acid is one of the high-volume acetyl intermediates having more than 17.6 MMT market globally (2022).

Laxmi Organics started its journey in 1991 at Unit 1, Mahad (Laxmi Organic Industries Ltd.A-22, MIDC Mahad Raigad 402309 India) by manufacturing and Acetaldehyde and Acetic acid from domestically procured Ethanol. It started the journey in Ethyl Acetate, an acetic acid downstream, in 1994-95 with technology support from

Chemtura, Sweden. Laxmi Organics is a leading manufacturer of Acetyl Intermediates with almost three decades of experience in large scale manufacturing of chemicals.

Global Acetyls Market Segmentation by Product Type

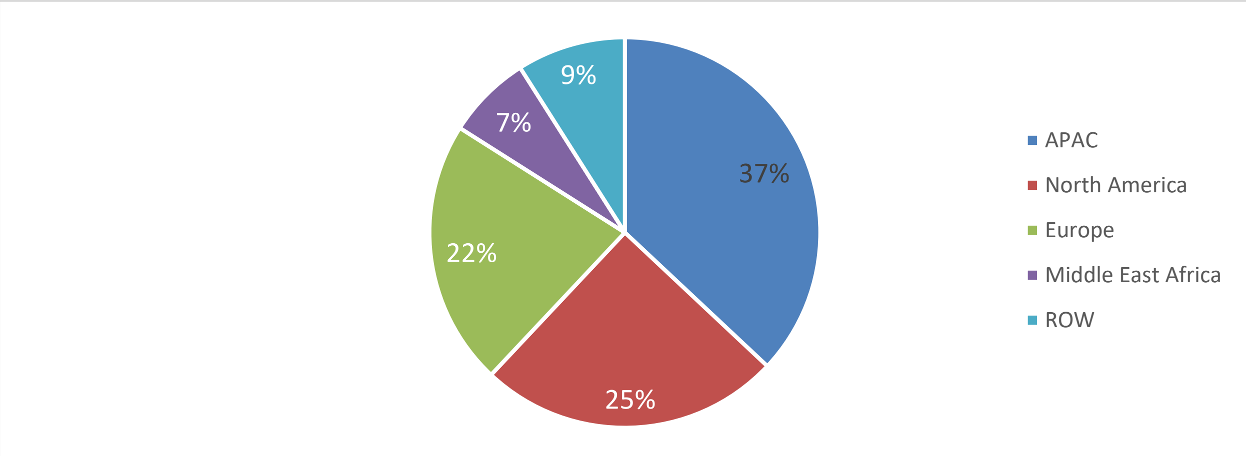
Exhibit 3.3: Global Acetyl market segmentation by Product Type (excludes acetic acid), 2022 (16.4 MMT)



Source: Frost & Sullivan

Global Acetyls Market by Geography

Exhibit 3.4: Global Acetyl market segmentation by Geography, 2022 (USD 27.3 Bn)



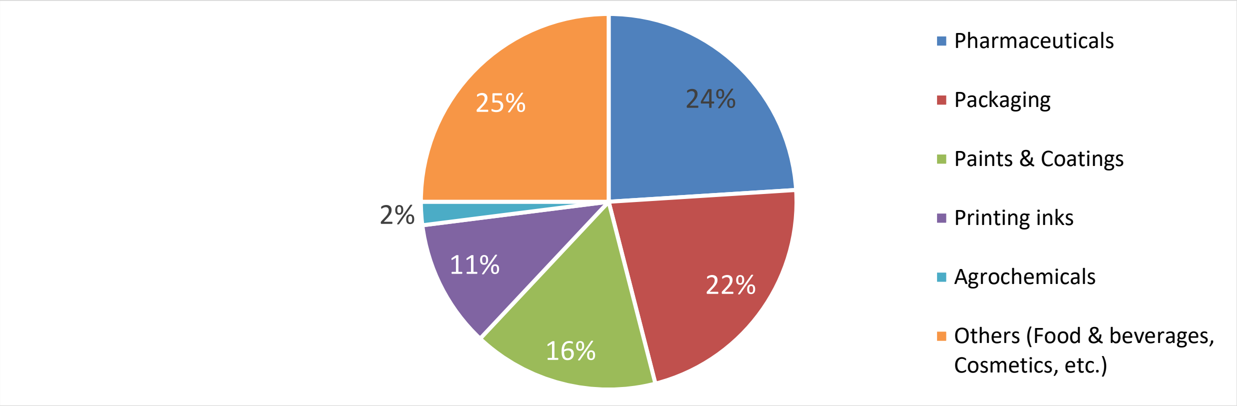
Source: Frost & Sullivan

The Asia-Pacific market dominated the global acetyls market in 2022 owing to the increasing demand from end use applications like CASE (coatings, adhesives, sealants, and elastomers), food & beverage and pharmaceuticals segments. Moreover, the rising geriatric population coupled with the affordability of generic drugs is expected to fuel the demand in the region. The growth of paints & coatings industry explicitly in emerging economies such as India, China, Thailand, and Malaysia coupled with the high demand for paints & coatings in complimentary end-use industries such as automotive, construction, electronics, ship-building, and aerospace is projected to drive the market growth in APAC region.

Global Acetyls Market by End-Use Application Industries

Exhibit 3.5: Global Acetyl market by End-Use Application segments (excludes acetic acid), 2022

(USD 27.3 Bn)



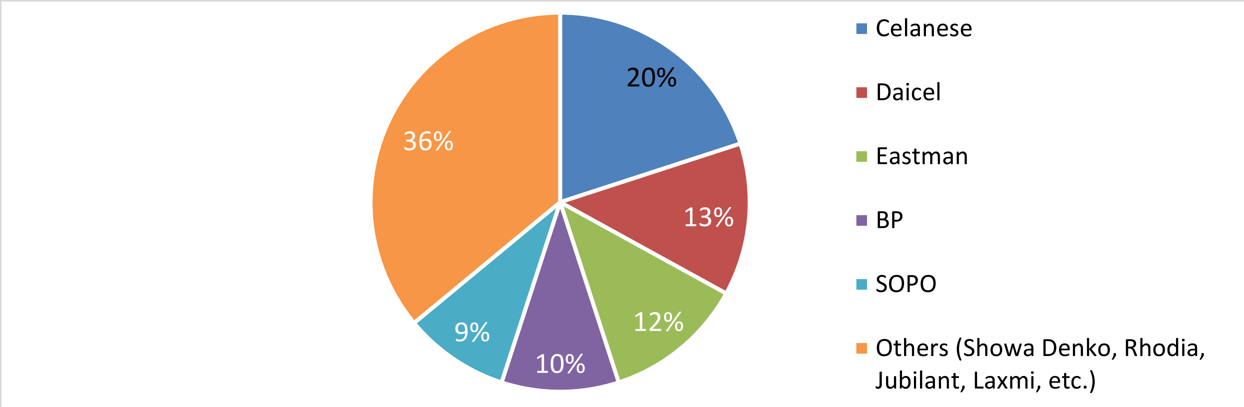
Source: Frost & Sullivan

5-year Growth Forecast split by key industries highlighting key factors driving growth

Segments	Key Growth Drivers	2022-28 CAGR
Food & Beverages	• Growth in packaged foods is the major driving factor promoting additives such as preservatives, antioxidants etc. • The negative perception on packaged foods is gradually decreasing with pre-packaged healthy snacks, vegan-friendly freezer meals, and portable protein shakes	6.7%
Pharmaceuticals Chemicals	• Further to the demands of the global pandemic, most of the global developed countries now have ageing populations, with many people living with multiple chronic medical conditions. This is one of the key reasons to fuel demand in both pharmaceuticals and healthcare	8.5%
Printing inks	• Demand from end-use segments like flexible packaging, banner printing, etc. • Increased usage of high evaporation rate solvents in the manufacturing process	5.5%
Cosmetics	• Growth in demand for personal care products is driven primarily by emerging markets in the Asia-Pacific region, particularly China and India which are expected to have a double digit growth. Many new global brands along with local boutique products are being continuously launched in these markets • USA and Europe are expected to grow at ~4% primarily driven by the shift towards natural active ingredients.	7.5%
Paints & Coatings Additives	• Demand driven by growing automotive industry, increasing urban population, rising household consumption expenditure and improving economic conditions.	4.8%
Flexible Packaging	• Increasing per-capita consumption of flexible packaging where various acetyl-based solvents are used. • In emerging markets, strong economic growth resulting in greater industrial spending in flexible packaging segment will drive growth of this segment.	6.2%
Aluminium foils	• Increasing demand from food packaging segment in order to keep it afresh. • Food & Beverage industry is growing at significantly higher rate in some of the developing economies like India, China, etc. giving a way for usage of aluminium foils for packaging.	5.0%
Flavours and Fragrances Ingredients	• Strong growth in low-fat and low-carbohydrate foods and beverages in North America. • Higher consumer willingness to experiment with new flavours and fragrances. • Increased production of processed foods in developing countries causing a spurt in the demand for flavours. • A shift in perception of fragrance from being a nonessential attribute to an indispensable part of personal care.	5.2%
Dyes and Pigments	• Growth is demand for high performance pigments (HPP) which are highly durable pigments, resistant to UV radiation, heat and chemical. • Use of eco-friendly colorants such as low impact dyes is emerging.	4.7%

Global Acetyls Market by Competitors

Exhibit 3.6: Global Acetyl market segmentation by Competitors (excludes Acetic Acid), 2022 (USD 27.3 Bn)



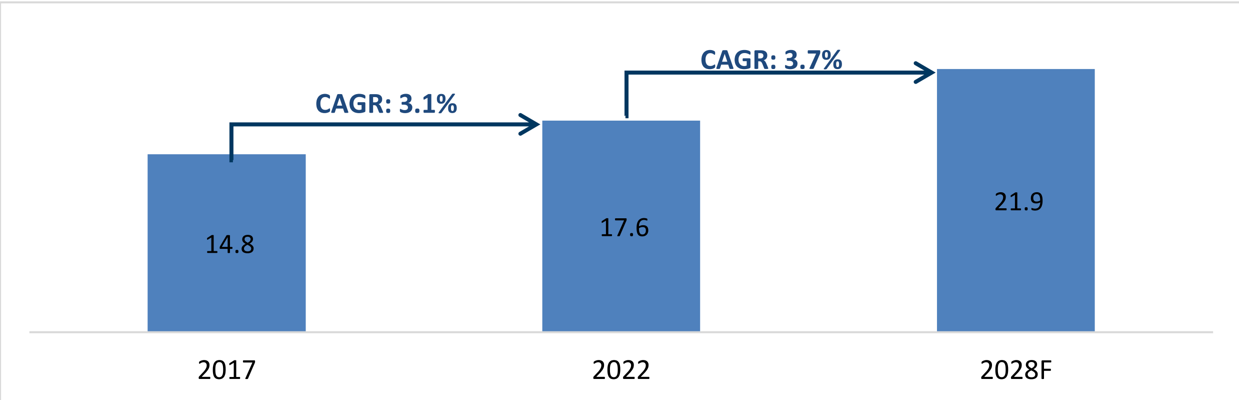
Source: Frost & Sullivan

APAC dominates the production of acetyls globally. The top five players contribute to a total share of ~65% in the Acetyls business with Celanese leading the market with 20%. Companies like Celanese are forward integrated in the value chain taking advantage of high-volume sales margins and unmatched operating cost advantage.

Global Acetic Acid Market (Major Precursor)

The global Acetic Acid market is expected to grow at a CAGR of ~4% during the next half decade in terms of volume. The Acetic Acid market stands at USD 13.5 Bn which is projected to grow at 4% CAGR by 2028. The major factors that drive the market include the growing textile and packaging industry and increasing use of ester solvents in the paints and coating industry.

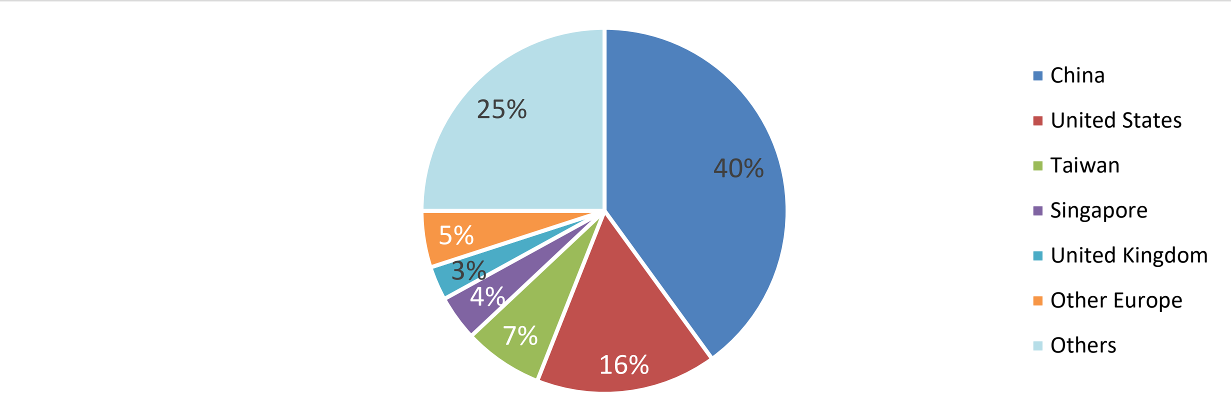
Exhibit 3.7: Global Acetic Acid market, 2017, 2022, 2028F (MMT)



Source: Frost & Sullivan

The Asia-Pacific region is estimated to lead the market, due to its rapid growth in the global textile market. The growing population coupled, with improving economic conditions, such as, the rising GDP and disposable income of the people, are some of the factors contributing to the growth of the Asia-Pacific market.
Acetic Acid is a precursor to manufacture Vinyl Acetate Monomer (VAM). VAM is a key raw material in the manufacturing of water-based adhesives, which accounts for significant use in the global adhesive and sealants market. The acetate esters segment is expected to be the fastest growth segment of the market, which is primarily driven by the growing demand from the coatings industry.

Exhibit 3.9: Global Acetic Acid production by countries, 2022 (17.6 MMT)

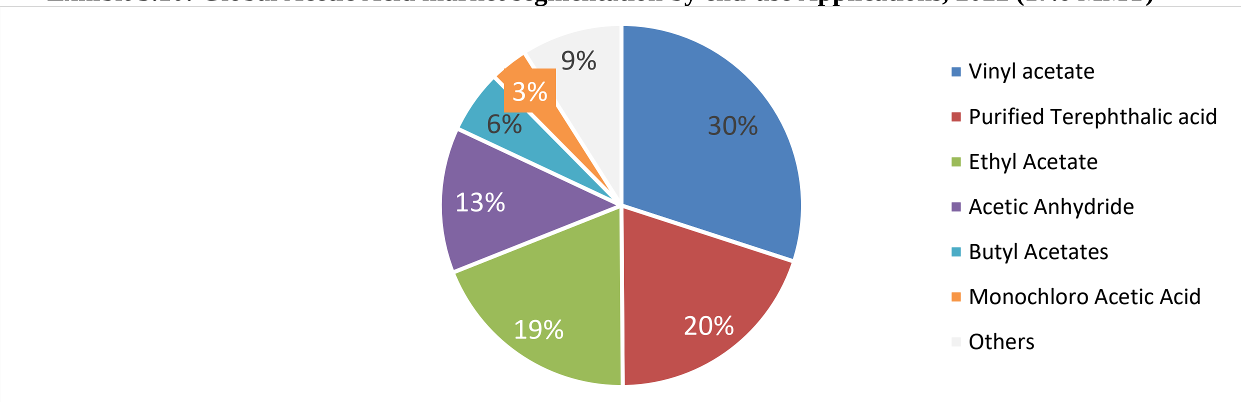


Over 65% of the capacities are in Asia, with China having almost 40%.

The global demand for Acetic Acid is expected to reach 21.7 MMT by 2028F. The demand is driven by VAM and PTA (Purified Terephthalic Acid) largely in the past, both of them growing at around 4-5% CAGR between 2010 & 2020. Methanol is expected to be the key route through which Acetic Acid will be manufactured, thus, availability of methanol remains a key component in the growth of Acetic Acid industry. China is the biggest consumer and is among the fastest-growing markets of manufacturing sector of this region.

Bio Acetic acid is also growing at a significantly larger rate due to adoption of eco-friendly products globally. As per European Commission - Bio-based platform chemicals production made with bioethanol was: Acetic acid (24.5 kt/a) and Acetic Anhydride (10 kt/a) for the year 2020 in Europe. The bio-based production would be < 0.5% of the total market but is growing over 6%.

Exhibit 3.10: Global Acetic Acid market segmentation by end-use Applications, 2022 (17.6 MMT)



Source: Frost & Sullivan

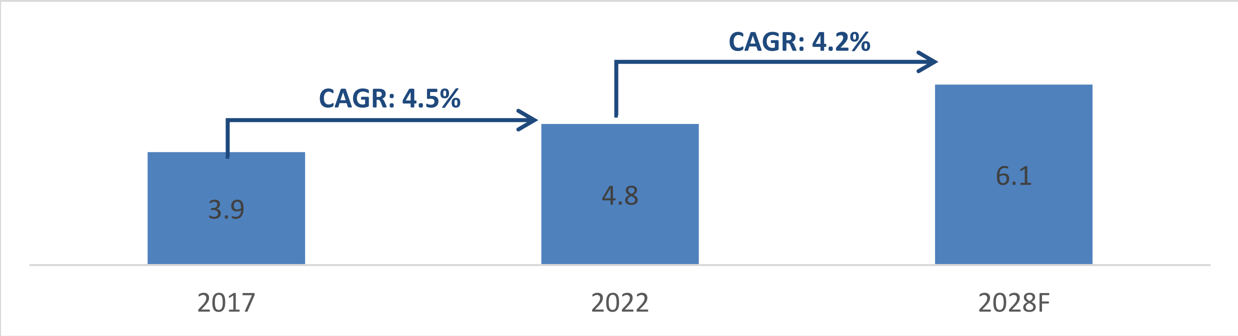
Ethyl Acetate market constitutes 19% of the total demand for Acetic Acid. The Global Ethyl Acetate market is expected to grow at 4.2 % CAGR. Butyl Acetates are also solvents in the printing inks, paints and adhesives market making up for 13% of the total acetic acid demand. Apart from the other common uses, Acetic Acid also finds application in the Textile, Pharmaceutical, Photographic, Dyestuff, Pesticide and Rubber industry. It is used to make specialty chemicals such as Sorbic acid.

Global Ethyl Acetate Market (one of the major acetyls)

The Global Ethyl Acetate market is expected to grow at a CAGR of more than 4.2% over the next decade in terms of volume. **The global Ethyl Acetate market is projected to grow from ~4.8MMT in 2022 to ~6.1 MMT by 2028F, pertaining to consumption led demand from APAC region**. Higher evaporation rate of Ethyl Acetate solvent is preferred across many industrial solvent-based applications achieving drying in less time (e.g. flexible packaging inks, etc.) with a greener solvent.

The global Ethyl Acetate capacity was ~5.8 MMT in 2022 with capacity utilization at ~80%; China has historically been a leader in the supply of Ethyl Acetate driven by ample raw material availability & high-end use growth. The global Ethyl Acetate market stands at ~4.8 MMT in 2022. China is the largest exporter of the product, with EU and NE Asia being the key importing regions.

Exhibit 3.11: Global Ethyl Acetate market (MMT)



Source: Frost & Sullivan Research & Analysis

Almost 80% of the global Ethyl Acetate demand is catered by Asia, with the region also being the largest demand centre; China exported almost 30-35% of the total export volume in 2022. Largest importers in 2022 were SEA and Europe.

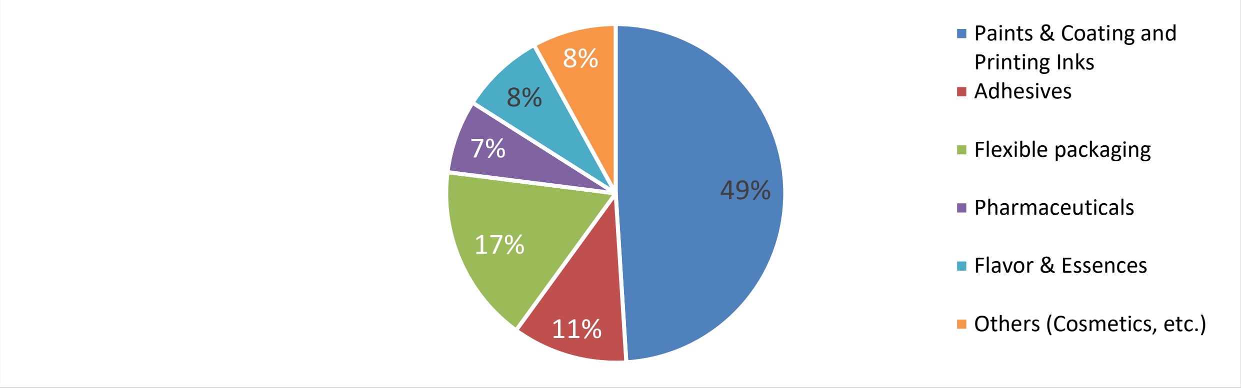
The other competitive solvents such as Toluene, MIBK, MEK, Acetone, Cyclohexane, etc. are getting replaced with the greener solvent Ethyl Acetate in industrial applications. This is predominantly due to the following –

- Faster evaporation of solvent helps in quick drying in end-use application
- Companies claim the bio-content of the raw material (Ethyl Acetate) from their manufacturing operations
- Eliminating the ‘dangerous substances’ tag from the product label of manufactured goods (where greener solvents like Ethyl Acetate is used)
- Less toxicity of Ethyl Acetate when exposed to humans
- Optimum solubility in the solvent blends

The European regulation concerning the ‘Registration, Evaluation, Authorisation and Restriction of Chemicals’ (REACH) has introduced restrictions on toluene with specific conditions. REACH is now affecting the import and usage of a wide range of chemicals in Europe. Any products found not to comply with the conditions established in REACH are removed from the market through the ‘rapid alert system for dangerous non-food products’ (RAPEX) information scheme. In 2015, REACH banned products including glues containing toluene, chloroform, or benzene. In view of health hazards, this ban might be adopted by other regions as well.

In terms of capacity, the Asia Pacific region dominates the market with ~82% of Ethyl Acetate capacity over the globe followed by Europe (8%), LATAM (6%), North America (2%) and MEA (2%). Within the Asia Pacific region, China dominates the Ethyl Acetate capacity with many players being backward integrated in the value chain. China has historically been a leader in the supply of EA driven by ample raw material availability and high-end use growth. India has ~700 KT of installed capacity in the country with the potential to capture higher exports and take market share from China if incremental capacities are added. Currently more than 20% of the overall Ethyl Acetate produced in India is exported to foreign destinations mainly Europe & CIS countries. **Players like Laxmi Organic Industries Limited have leveraged the export opportunities from India, making it the number one player in exports of Ethyl Acetate from the country**.

Exhibit 3.12: Global ethyl acetate market by end-use application segments, 2022 (4.8 MMT)



Source: Frost & Sullivan

Application	End User	Use	2019-2024 CAGR
Inks & Paints Industry	Akzo Nobel, Nippon paints, Jotun paints, Axalta, Sakata Inx, Flint Group, Hubergroup, Siegewerk, Toyo Inks, etc.	As Lacquer sandling sealer, Glasswood lacquer, Lacquer thinner, LP inks, quickset inks, heatset & coldset inks etc.	3.5-4.0%
Flexible Packaging & Lamination	Amcor, Uflex Ltd, Cosmo films ltd, Huhtamaki, Jindal Polyfilms etc.	As a media Solvent / wrapper shining and protection	5.5-6.5%
Adhesives	Henkel, Arkema (Bostik), 3M, Sika, HB Fuller, Pidilite, etc.	For the production of Glues etc.	5.5-6.5%
Pharma (API)	GlaxoSmithKline (GSK), Biocon, Mylan Pharma, Laurus Lab, etc.	In Pharmaceutical	5.0-5.5%
Photographic Films & Plates	Kodak	For creating lustre in photographic films to last long	5.0-5.5%
Surface coatings & thinners	Godrej, Schenectedy, Bakelite Hylam	Solvents for nitrocellulose lacquers, varnishes and thinners. Least toxic of organic solvents	4.5-5.0%
Flavours & Fragrances	Givaudan, IFF, Firmenich, Symrise, Keva industries, etc.	Extensively used in the preparation of synthetic fruit essences, flavours and perfumes	4.5-5.5%

Source: Frost & Sullivan

Key plant capacities of Ethyl Acetate

Category	2022 (MT)
Sopo Chemical (Jiangsu CN)	5,00,000
INEOS (Hull UK)	3,35,000
Handsome Chemicals (Jiangmen CN)	3,00,000
Jinyimeng Chemical (Shandong CN)	2,80,000
Celanese (Mexico, US, Singapore)	2,59,000
Wujing Chemical (Shanghai CN)	2,00,000
Showa Denko (Oita Japan)	1,00,000
Solvay (Paulinia Brazil)	1,00,000
Others (Eastman, Korea Alcohol, Sasol, Guangxi Xintiande Energy etc.)	37,26,000
Total	**58,00,000**

Source: Frost & Sullivan

Key Plant Capacities of Ethyl Acetate in India

Company	Plant Location	Capacity (KT)
Jubilant Ingrevia	Nira MS & Gajraula UP	150
Laxmi Organics	Mahad, Maharashtra	200
Godavari Biorefineries	Sakarwadi, Maharashtra	105
GNFC	Bharuch, Gujarat	50
IOL Chemicals	Barnala, Punjab	120
Satyam Petrochemicals	Karad, Maharashtra	50

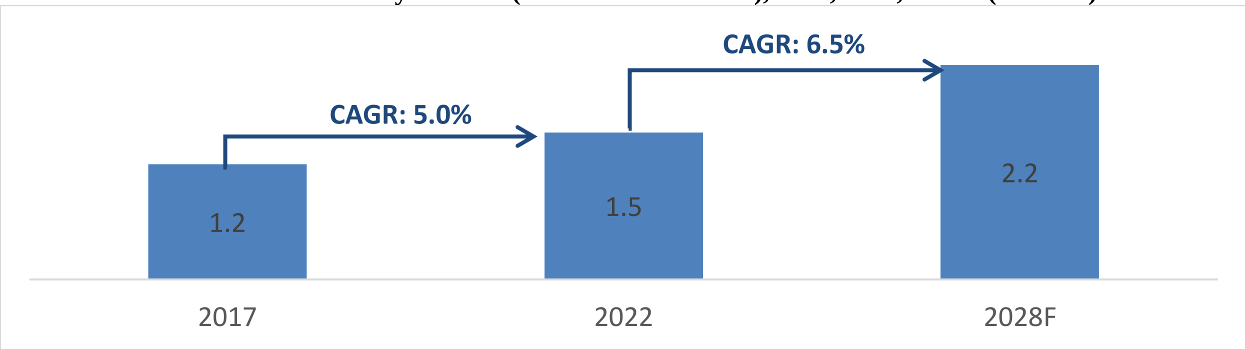
Company	Plant Location	Capacity (KT)
Ester India	Sahibabad, UP	12
Others	NA	17

Source: Frost & Sullivan

India - Acetyl Industry Overview

Indian Acetyl market is projected to grow at 6.5% growth rate over the next five years owing to the demand from the end use applications. The Acetyl market (excluding acetic acid) is valued at USD 1.5 Bn in 2022 which is expected to reach USD 2.2 Bn by the end of year 2028.

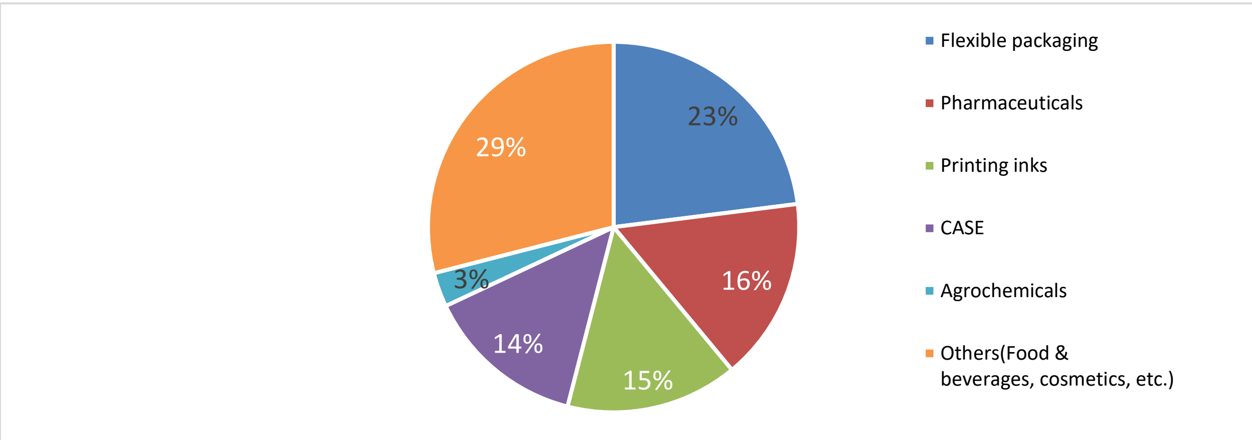
Exhibit 3.13: : India Acetyl market (excludes Acetic Acid), 2017, 2022, 2028F (USD Bn)



Source: Frost & Sullivan

India Acetyls Market by End-Use Application Industries

Exhibit 3.15: India Acetyl market by End-Use Application segments (excludes Acetic acid), 2022 (0.82 MMT)



Source: Frost & Sullivan

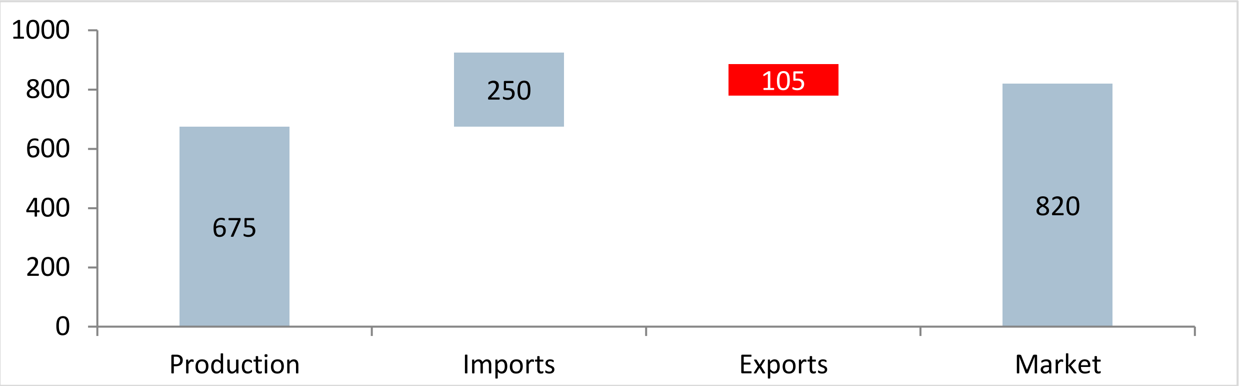
The India Acetyl market has ~70% market share concentrated in five applications viz. flexible packaging, pharmaceuticals, printing inks, CASE (Coatings, Adhesives, Sealants and Elastomers) and agrochemicals industry. In the pharmaceuticals industry, Acetyls are used in the drug delivery system and manufacturing of API. Acetyls like Ethyl Acetate is consumed at GSK to manufacture IPA's like Ceftin, Stieprox, Fortaz, etc. Lauras Lab consumes ethyl acetate for manufacturing API's

Many adhesive players consume Acetyls in their manufacturing process for manufacturing PSA (pressure sensitive adhesives), HMA (hot melt adhesives) & other consumer adhesives. The demand from adhesives segment has been ~7% in 2022. The increase in manufacturing of API's along with production linked incentive (PLI) scheme from the government are expected to fuel the demand of acetyls in coming half decade. Increasing manufacturing operations of flexible packaging industry in India due to cheaper labour force, skilled workers and R&D capabilities will encourage export led demand from developed economies like North America and Europe.

India Acetyls Market Trade Scenario

India imports one-fourth of its Acetyl demand producing almost 75% Acetyls locally. ~20% of the manufactured Acetyls are exported to various destinations from India. India Acetyls market demand was 0.73 MMT in 2019 and is projected to grow at ~4.4% CAGR to more than ~0.9 MMT by the end of 2024.

Exhibit 3.16: India Acetyl market Trade scenario-KT (excludes acetic acid), 2022 (Demand – 0.82 MMT)



Source: Trade Map, Frost & Sullivan

Trends/Drivers - India Acetyl market

Consumption led demand from End-use Applications

Acetyl market in India will be growing predominantly due to consumption led demand from end-use application segments. Application segments like pharmaceuticals, etc. are growing with double digit growth rate in India in order to accommodate the growing population. Acetyls are largely used in pharma API as solvents. Plus, with the growing population, textile capacities are expected to be ramped up and new capacity additions are prone to happen in the coming decade. Acetic acid is one of the acetyl which is used as precursor for producing PTA (Purified Perepthalic Acid) which goes in larger extent for manufacturing of yarn/fibre, PET bottles, etc.

Production led demand of End-use Applications like Flexible Packaging Industry

Indian Food and Beverages Market size is expected to reach nearly US$ 500 Bn by 2028 with the CAGR of 10 % due to the strong demand from end consumers, owing to increased consumption of packaged products which are perceived as hygienic (especially during COVID-19 times). The demand for food packaging will be growing exponentially, where flexible packaging is used extensively. Flexible packaging market is expected to grow over 12% between 2022 to 2028. Flexible packaging is used in food packaging, due to its ability to better protect the perishable goods and have higher safety of materials contained in it. Acetyls like Ethyl acetate are rigorously used as a solvent in flexible packaging application which will be driving the market for next half decade.

Government Initiatives and Infrastructure Development

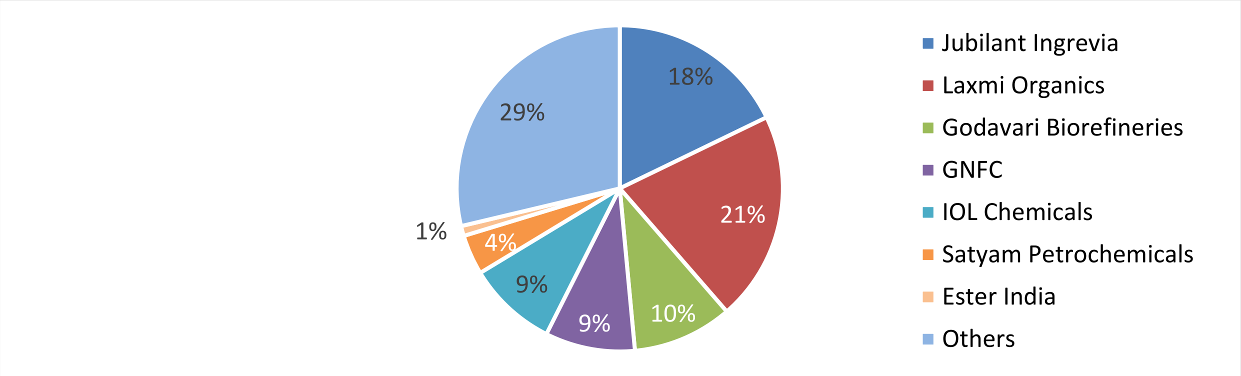
Numerous acetyls are used in the end-use applications like road-marking paints, adhesives, and sealants etc. Research and development of innovative products for increased sustainability of ecosystem is expected to drive the market for acetyls. The Government initiatives giving due emphasis on road infrastructure are going to drive the market for acetyls. The government initiatives like *Pradhan Mantri Aawas Yojna, AMRUT*, etc. will encourage the increased use of paints and coatings effectively impacting the usage of various acetyls.

Shifting of manufacturing base

Many multinational players are investing in India for manufacturing their flexible packaging, paints and coatings, adhesives and sealants; essentially catering to foreign destinations through exports. Export led demand has been increasing from over a decade due to cheaper & skilled labour and R&D capabilities. Global flexible packaging players like Amcor, Huhtamaki, UFLEX, etc. have taken advantage of skilled & cheaper labour by ramping domestic production to cater export market.

With companies looking up at India as a major supplier hub to fit into their China + 1 and Europe + 1 strategy there are ample investments expected across all major applications of acetyls that would boost the demand.

Exhibit 3.21: India Acetyl market segmentation by Competition (excludes acetic acid), 2022 (0.82 MMT)



Source: Frost & Sullivan

The Indian Acetyl market has been dominated by domestic suppliers like Jubilant Ingrevia, Laxmi Organics, Godavari bio-refineries and GNFC; they hold strong positions in the domestic market and make up for majority of the market by volume. Some of the foreign players like Sipchem, etc. have minor shares in the domestic acetyls market. GNFC is the only company having an acetic acid plant which is forward integrated for producing various acetates. The other players import significant portions of their raw materials from China and SEA.

In order to build self-sufficiency for the important feedstocks like Acetic acid Indian Government is promoting conversion of Coal from Energy commodity' to a 'Chemical feedstock through the Coal gasification program. India aims for 100 million tons (MT) coal gasification by 2030 with investments worth over INR 4 lakh crores (USD 50 Bn). This is expected to provide domestic downstream products availability for Methanol, Acetic acid, DME etc which were otherwise majorly imported.

Laxmi Organic Industries Market Position and Key Strengths

Laxmi Organic Industries Ltd. is among the key players in the specialty chemicals segment, with its range of products finding applications among the high growth segments mentioned above. Engaged in manufacturing of ethyl acetate, diketene derivatives and other specialty intermediates, Laxmi Organics has a good product mix across sectors of Paints & Coatings, Dyes and Pigments, Agrochemicals, Pharmaceuticals etc. Laxmi Organics is the only manufacturer of diketene derivatives products in India. The company has developed capabilities in handling complex chemistries and also has a world-class innovation centre with state-of-the art pilot and lab scale units. Supported by these, Laxmi Organics has emerging chemistries business segment that offers new chemistries for applications involving existing client segments as well as other high potential sectors like food, electronics and more. The company expects to bring the fluorochemicals capacity on-stream, to provide a substitute for Chinese imports, which has been the major focus area for many end user companies as well as Government alike. This will further help the company diversify in other high growth segments. Laxmi Organic Industries a key player in the Acetyls market. With presence in acetylation, ethoxylation, chlorination, thiolation and diazontization facilities; Laxmi Organic Industries has strategically led position in the capabilities front.

According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Laxmi Organics has 2 innovation centres approved by DSIR in Rabale and Mahad (Unit 2). A New Innovation Campus is planned at Mahape, Maharashtra expected to start by March 2024. Laxmi Organic Industries focuses on two key business segments viz. Acetyl Intermediates and Speciality Intermediates. Currently the business segments have been restructured as Specialties – Diketene and Ketene derivatives and Essentials – Esters, Anhydrides and Aldehydes derivatives. A strong global footprint in addition to high quality products makes .

The R&D facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates.

Laxmi Organics has a total Ethyl Acetate capacity of ~200KT and has the single largest ethyl acetate manufacturing site in India. Laxmi Organics is also among the top ten producers of Ethyl Acetate globally in fiscal 2022. **Laxmi Organics' market share of Ethyl Acetate is ~34% in India.** With a strong footprint in Europe & Middle East, Laxmi Organic Industries is poised to grow substantially through dominance in the exports market too. The company holds the **top position in 2022 Ethyl Acetate exports from India**, which amounts to over 55% of the total Ethyl Acetate exports from the country.

We have been the largest exporter of ethyl acetate from India in the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021 and one of the largest exporters of ethyl acetate to Europe from India since 2012 (source: Frost & Sullivan Report)

The company has planned largest ever CAPEX to consolidate the market position, with ~ INR 710 Cr (USD 90 Mn) over the next 3 years as announced in August 2023. The company has a strong product pipeline with 11 products in pilot/ CAPEX approval stage.

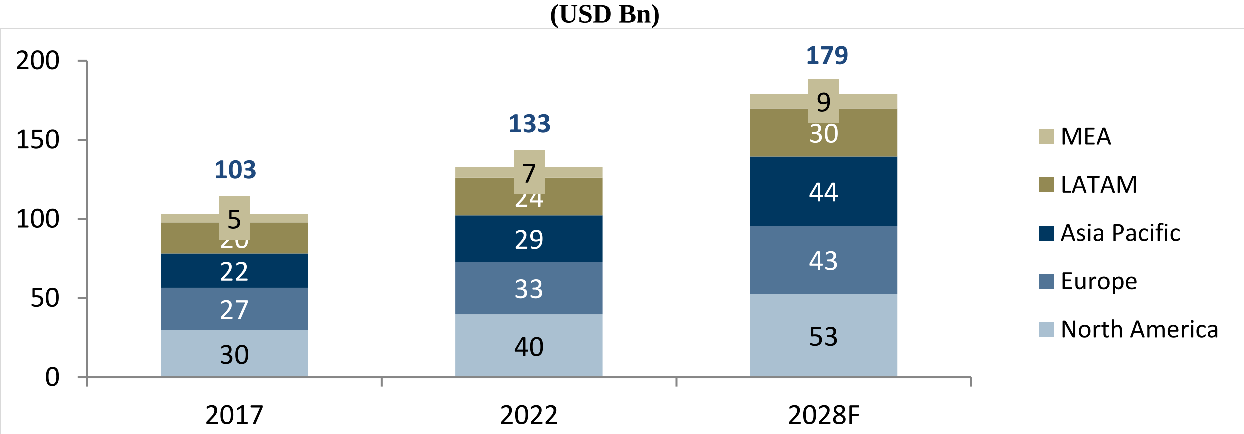
In the erstwhile Acetyls Intermediaries and the now essentials business, our conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles. This has also ensured robust Return on Capital Employed over business cycles

Global and India Speciality Intermediates Overview
Global Specialty Intermediates Market Overview

The Global Specialty intermediates market stands at USD 133 Bn in the year 2022, and is projected to grow at 5.1% CAGR by 2028F and estimated to reach USD 179 Bn. This growth is primarily driven through the high growth end-use segments such as pharmaceuticals, agrochemicals, paints and coatings, personal care, flavour & fragrances, etc.

Global Specialty Intermediates market by Geography

Exhibit 4.1: Global Specialty Intermediates market segmentation by Geography, 2017, 2022, 2028F (USD Bn)



Source: Frost & Sullivan

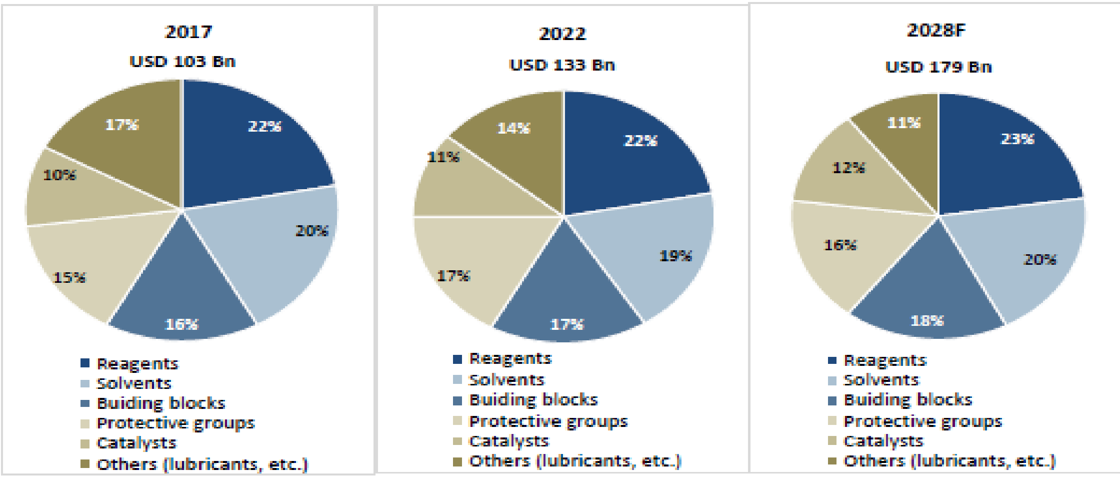
CAGR	North America	Europe	Asia Pacific	Latin America	MEA
2022-28F	4.8%	4.4%	7.0%	4.1%	5.1%

Global Specialty Intermediates Market by Type

Various chemistries are prominently used across end-use application segments of specialty intermediates which include reagents, solvents, building blocks, protective groups, lubricants, etc. Reagents are typically consumed in the reactions which are nothing but reactants. On the other hand, solvents do not take part into the reaction but facilitate the reaction. Building blocks are the key materials which are responsible for the formation of specific property to the final product.

Reagents/Reactants, Solvents, Protective Groups and Buildings blocks account for around 75% of the market of Specialty Intermediates across the globe. The remaining 25% comprises of Lubricants, Catalysts and other Chemistries.

Exhibit 4.2: Global Specialty Intermediates market segmentation by Type, 2017, 2022, 2028F (USD Bn)

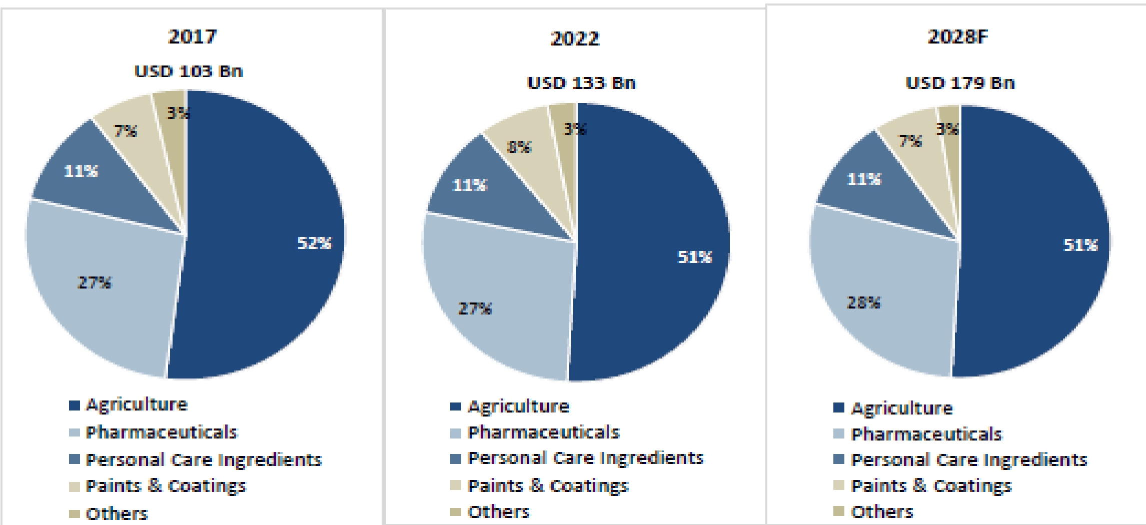


Source: Frost & Sullivan Research

CAGR	Reagents	Solvents	Building Blocks	Protective Groups	Catalysts
2022-28F	5.6%	5.7%	6.2%	4.6%	7.4%

Global Specialty Intermediates market by Application segments (end use)

Exhibit 4.3: Global Specialty Intermediates market segmentation by Applications, 2017, 2022, 2028F (USD Bn)



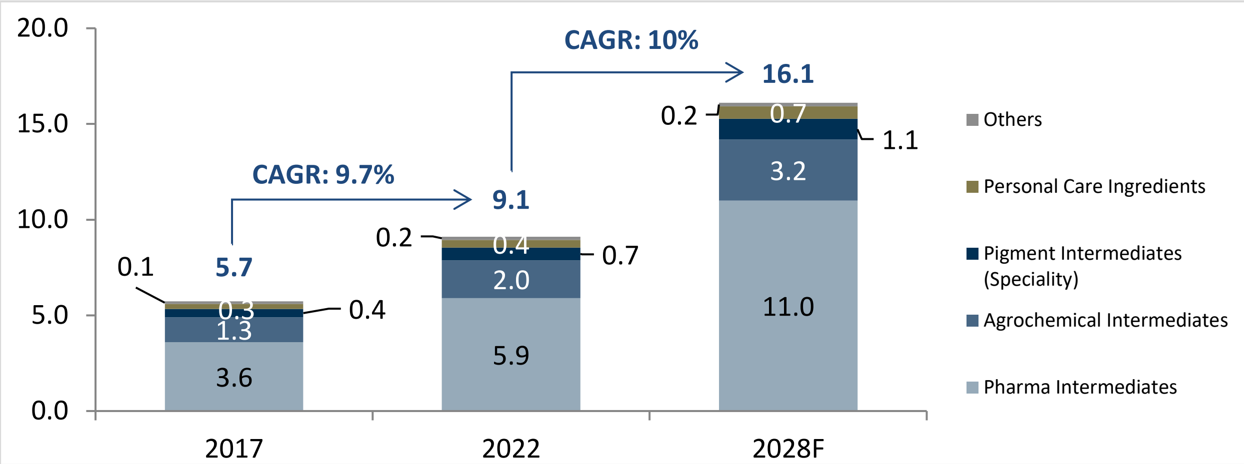
Source: Frost & Sullivan Research

CAGR	Agriculture	Pharmaceuticals	Personal Care Ingredients	Paints & Coatings
2022-28F	5.1%	5.7%	5.1%	3.9%

India Specialty Intermediates Market

India Specialty Intermediates market stands at USD 9.1 Bn in 2022 projected to grow at ~10% CAGR over the next 6 years to reach USD 16.1 Bn by the year 2028F. India Specialty Intermediates market is approximately 5-6% of the Global Specialty Intermediates market. Pharmaceutical intermediates market comprises of more than half of the India Specialty Intermediates market. Some of the large volume Specialty intermediates used in Pharmaceutical application are Amides, Chlorides, Organic acids, Hydrochlorides, Amines, Hydroxides, etc.

Exhibit 4.4: India Specialty Intermediates Market, Growth Trend, 2017, 2022, 2028F (USD Bn)



Source: Frost & Sullivan

Growth by market segments in India

Intermediates	CAGR 2022-28F (%)
Pharmaceutical intermediates	10 – 11%
Agrochemical intermediates	8 – 9%
Pigment intermediates	8 – 9%
Personal Care Ingredients	8 – 9%
Other Intermediates (Water treatment, pigments, etc.)	2 - 3%

India Specialty Intermediates market by Application segments

Trend of Evolution - Specialty Intermediates

Key Application Segments	Major Development Areas	Top Chemistries (Current and emerging)	CAGR 2022-28F (%)
Agrochemicals	• Exploring and developing new feedstock and chemical compositions with bio-based materials to reduce wastage and improve efficiency. Investment toward development of nano chemicals and address industry-specific requirements with solutions. • Unlike earlier times, Agrochemicals based innovation has taken a new outlook, where even smaller companies are innovating on product and process optimization. Products that can reduce reaction steps and/or the total cost of production is a major requirement.	Diketenes, Ketenes, Pyridines, Diamides, Azoles, Fluorine, Azides etc	9-11%
Personal Care Ingredients	• Environment friendly / Green products; Current share of natural active ingredients in the market is 25-30%, which is expected to double to 50-55% by 2030. Ingredient manufacturers work with manufacturers to understand the product development road map, support consumers with credible research and development, and also track consumer markets to develop product strategies. Same is expected out of an intermediate supplier to be well informed of the requirements. • Surfactants and cleaning products like soaps have seen a huge growth and will continue to expand.	Cetearyl alcohol, Sodium lauryl 147ulphate (SLS), Sodium laureth 147ulphate (SLES), Stearic acid, Glycerin, Propylene glycol, Benzyl alcohol, Diethanolamine (DEA) etc	8-10%

Key Application Segments	Major Development Areas	Top Chemistries (Current and emerging)	CAGR 2022-28F (%)
Building & Construction	• Infrastructure sector plays and vital role in the growth and development of the Indian economy. Nearly, 9% of India's GDP is spent on Infrastructure services. It comprises of construction of power, bridges, dams, roads and urban infrastructure development which also forms the base and supporting factor for other services sectors. • Growth-influencing factors include population increases in developing countries, required infrastructure improvements in developed countries, trends towards increased residential development, and anticipated investment in renewables and telecommunications.	Acrylate resins, polyester resins, minerals, epoxy resins, Acetates, Cellulosic etc	6-8%
Paints & Coatings	• Use of nanotechnology, novel ingredients, specialty solvents, high performance additives and polymers, composites, modified chain extenders etc.	Diketene, Silicone, Organoclays (bentonite, hectorite) etc	6-9%
Pharmaceuticals	• Emergence of Specialty Segments (Biologics) As the market is facing fierce competition, companies have started exploring the specialty segment and biosimilars which could provide higher efficacy at lower dosage	Diketene, Fluorine, Speciality Amines, Chlorine, Bromine etc	10-12%

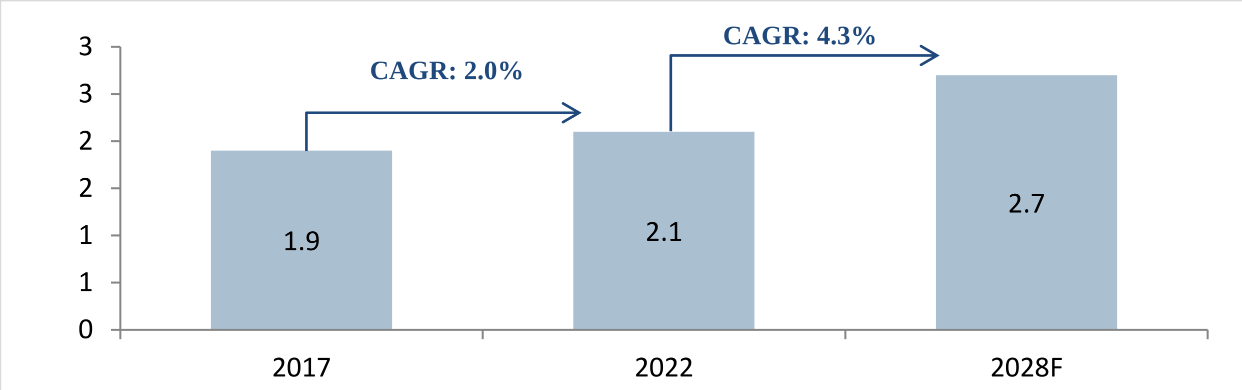
List of Large Players in the Specialty Intermediates market by Key End User Industries

End Use Industries	List of Large Players
Pharmaceuticals	Aether Industries, Anupam Rasayan, Navin Fluorine, Invesntys, SLN Pharmachem, Tatva Chintan Pharma, Aarti Drugs, Jubilant Ingrevia, Sudarshan Pharma, Shree Ganesh Remedies etc
Agrochemicals	PI Industries, Rallis India, Hikal Ltd. Meghmani Organics, Gharda Chemicals, United Phosphorous Ltd., Indofil Industries, Coramandel International, Crystal Crop Protection etc.
Personal Care Ingredients	BASF India Limited, Croda India Private Limited, Galaxy Surfactant Limited, Clariant Chemical India Limited, Dow Corning India Private Limited, Merck Limited, DSM India Private Limited, Kumar Organic Products Limited
Dyes and Pigments	Atul Ltd, Sudarshan Chemicals , Kiri Industries, Bodal Chemicals, Bhageria Dyechem, Clariant, Poddar Pigments, Vidhi Dyestuffs etc
Flavours & Fragrance	Givaudan (India) Private Limited, Firmenich Aromatics Production (India) Pvt. Ltd., International Flavours & Fragrances India Pvt Ltd,
Paints & Coatings	Asian Paints, Nippon Paints, Berger Paints, Agsar Paints, Acro Paints, Chemilac etc

Ketene Derivatives Market: Acetic Anhydride

Acetic Anhydride is a transparent organic colourless liquid with a pungent smell and is majorly used in Pharmaceuticals, Industrial Chemicals, Polymers & Resins, Flavours & Fragrances, and Dyes etc. The chemical has been brought under the precursor control regime and is monitored by Narcotics Bureau. The global acetic anhydride market attained a value of USD 3.0-3.2 Bn in 2022 and is expected to reach a value of USD 4.0-4.1 Bn by 2028, growing at a CAGR of 4.9%. In terms of volume the market was estimated to be around 2.1 MMT in 2022 and is expected to grow at a CAGR of 4.3% to reach 2.7 MMT.

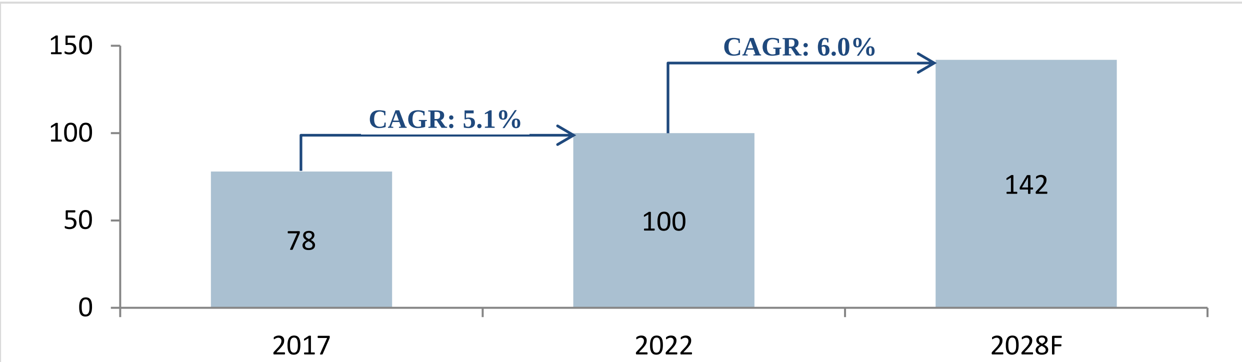
Exhibit 4.9: Global Acetic Anhydride Market Growth Trends, 2017, 2022, 2028F (MMT)



Source: Frost & Sullivan

The Indian market for Acetic Anhydride was valued at USD 145-150 Mn, in terms of volume the market was around 100 KT. The market has been growing at 5-6% over the last five years, and expected to grow at similar rate by 2028F.

Exhibit 4.9: India Acetic Anhydride Market Growth Trends, 2017, 2022, 2028F (Volume- KT)

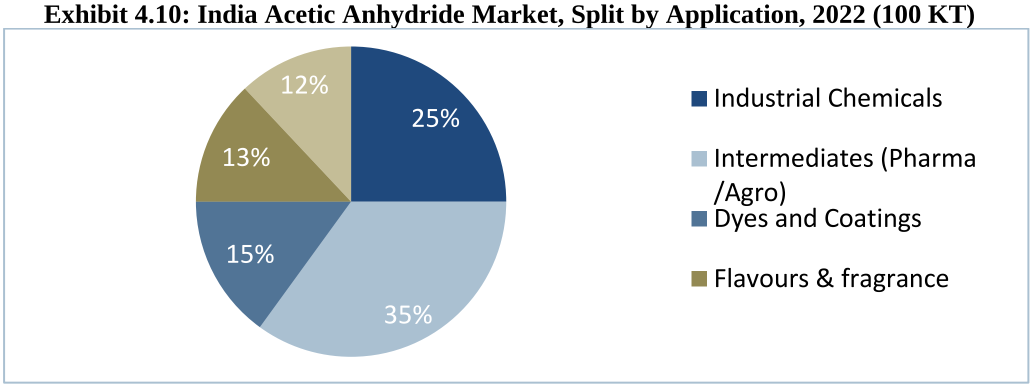


Source: Frost & Sullivan

India supply scenario

Production-KT (2022)	Imports-KT (2022)	Exports-KT (2022)	Demand- KT (2022)
110	15	35	100

Exhibit 4.10: India Acetic Anhydride Market, Split by Application, 2022 (100 KT)

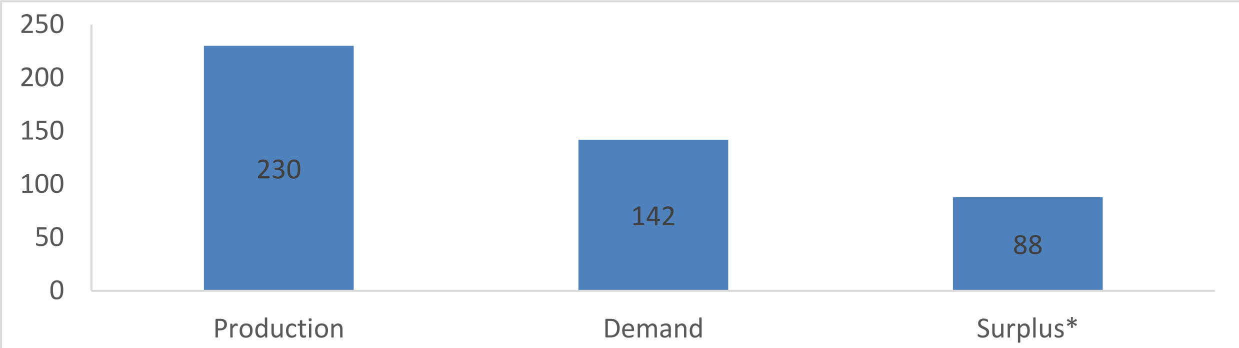


Source: Frost & Sullivan

Cellulose acetate flake continues to drives the demand for acetic anhydride globally, and its demand is in turn driven by filter tow applications in cigarettes. In India, its usage as a chemical intermediate for Pharma and

Agrochemical application is significantly high. A growth in demand of the dyes and pigments industries in the Indian market will also boost the demand for these.

Exhibit 4.11 : India Acetic Anhydrie Market, Supply Outlook, 2028 (KT)



* Considering capacity utilization of 85%
Source: Frost & Sullivan

The critical success factors to operate in the speciality intermediates space include: capabilities to handle complex chemistries, economies of scale and multiproduct manufacturing facility, strong R&D spend and pipeline, thorough understanding of the end user markets and customer needs, product development support to end customers, regulatory compliance and certifications and ability to strategically divest unsustainable products/portfolio. Indian companies have as such thus strived better compared to their Chinese counterparts especially in the regulatory and product development aspects.

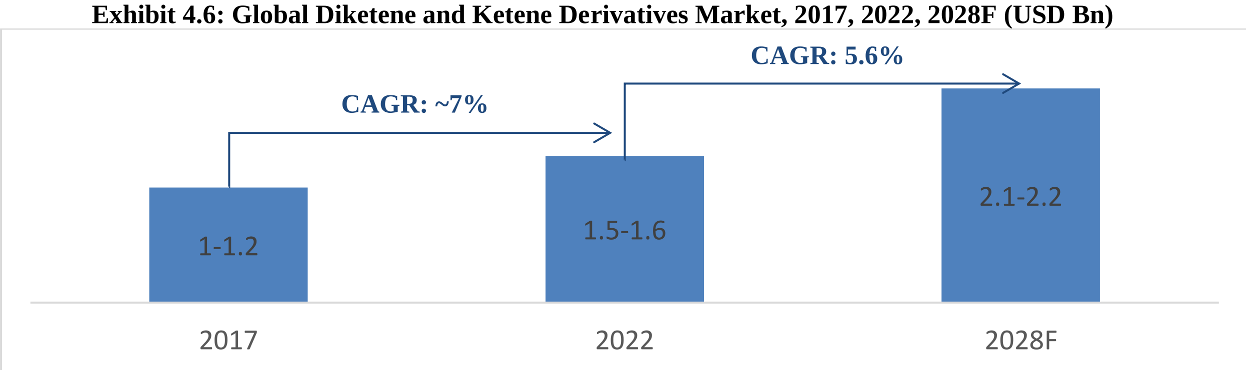
Many companies are not only looking at China +1 strategy for sourcing but also due to the challenges being faced because of Russia-Ukraine war are also looking at Europe +1.

Laxmi Organic Industries Ltd. has an acetic anhydride plant at Mahad having a production capacity of 18,000 Tonnes per annum. The latest technology and built-in-process has enabled the company to produce high quality products to compete with largest and prominent players in the market.

Diketene and Ketene Derivatives Market

The technology to manufacture the diketene derivatives are linked to the product range of the derivatives and only a few companies worldwide hold the technology to cater to a complete range of diketenes. **The global market for diketene and ketene derivatives was estimated to be around USD 1.5-1.6 Bn for the year 2022 and the volume was estimated to be between 1.0-1.1* MMT in 2022 and is expected to grow to 1.4 -1.5 MMT[4] by 2028 growing at a CAGR of ~4.5%.** The market in India was valued at USD 160-165 Mn and is expected to reach ~USD 250 Mn by 2028F. The overall growth will be driven by new applications and locking in the value chains.

Exhibit 4.6: Global Diketene and Ketene Derivatives Market, 2017, 2022, 2028F (USD Bn)

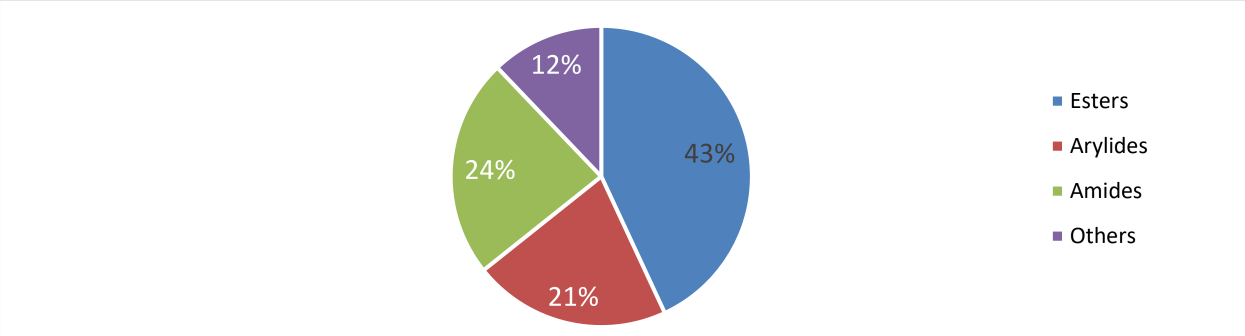


Source: Frost & Sullivan

- [4] Estimates based on average price and basic derivatives only

North America and Europe are the key markets for these derivatives covering ~50% of the market demand in total. However, major regions of exports remain Asia and LATAM as Europe and North American markets are mainly catered by local supplies.

Exhibit 4.7: India Diketene Derivatives Market, 2022, Split by Type USD 160-165 Mn



Source: Frost & Sullivan

Diketene derivatives are technology intensive and are highly hazardous in nature leading to restricted transport of diketene as is. Laxmi Organics hold a significant market in this space of ~53%, mainly as they are pioneers among manufacturers of diketene derivatives in India. Most competitors are focused on a few application areas of Diketene; however Laxmi Organics has diversified its portfolio to offer basic and derivatized intermediates. **While Laxmi Organics only entered the diketene derivatives market in 2010, they currently offer >30 products as part of their product portfolio and are have one of the largest portfolios of Diketene derivatives.** India also fulfils its diketene derivatives demand from imports which mainly come from Europe or from China. In 2022 Jubilant Ingrevia Limited announced commissioning of its new Diketene derivatives facility at its manufacturing site in North India at Gajraula, Uttar Pradesh. The commissioned facility has a capacity of 7,000 TPA to produce various Esters (Mono Methyl Acetoacetamide, Methyl Acetoacetate, Ethyl Acetoacetate, and Ter-Butyl Acetoacetate).

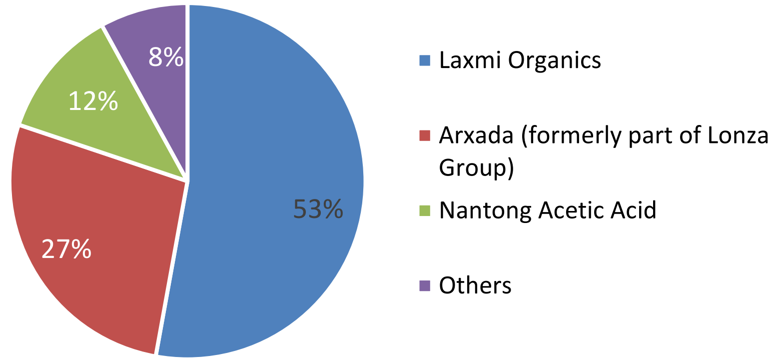
List of Large Players by Key End User Industries

End Use Industries	List of Large Players	
Pharmaceuticals	• Dr. Reddy's Laboratories • Divis Laboratories • Sun Pharmaceuticals • Cipla • Aurobindo Pharma	• Lupin Ltd • Zydus Cadila Healthcare • Abott India • Alkek Laboratories etc
Agrochemicals	• PI Industries • Rallis India • Meghmani Organics • Gharda Chemicals	• United Phosphorous Ltd. • Indofil Industries • Coramandel International • Crystal Crop Protection etc
Dyes & Colorants	• Atul Ltd • Sudarshan Chemicals • Kiri Industries • Bodal Chemicals	• Bhageria Dyechem • Clariant • Poddar Pigments • Vidhi Dyestuffs etc
Printing	• Micro Inks • DIC India	• Sakata • Siegwerk • Flint and Toyo

Market Competition Diketene

Laxmi Organics holds 53% of the market by revenue, the other 48% is held mainly by imports. Laxmi Organics has longstanding relationships with its key customers in India, with no single customer accounting for more than 10% of the consolidated sales for a particular year. The availability of local supplies are preferred by Indian companies over importing and this has been the key reason for higher penetration and improved market share of the company.

Exhibit 4.8: India Diketene Derivatives Market, Market Share by Company, 2019 (USD 160-165 Mn)



Source: Frost & Sullivan

The increasing demand in Pharmaceuticals and Agrochemicals from developing economies like India is likely to increase the consumption of diketene and its derivatives, where Laxmi Organics has a very strong hold. They are one of the largest suppliers of diketene based specialty intermediates to Europe from India in CY 2022 . The existing unit is the largest production facility in India to manufacture a range of specialty chemicals that cater to demand of pharmaceuticals, colorants and agrochemical industry and also substitute possible imports by about 40% to 50%. The company also has storage tanks in Mumbai and Ahmedabad in India and stock points in Europe that aid in smooth supply chain aspects.

Global and India Fluoro Specialties Industry Overview

Global Overview

Fluorochemicals are chemicals containing fluorine as an element are one of the most critical classes of chemicals that are used across applications. Fluorine compounds and derivatives hold prominent place in today's world owing to its widespread applications in IT, electronics, agrochemicals, pharmaceuticals, and medical industry. Additionally, Fluorine chemistry is based on eight decades of history that plays an important role in minimization of environmental impact. Recent development of direct fluorination with elemental fluorine is used to prepare a variety of materials that are economically important. Some of the key fluorine technologies used are fluorinations with F2, C = O to CF2 transformations as well as C–OH to C – F transformations and asymmetric fluorinations. Fluorination process can be carried out in both gas phase and liquid phase.

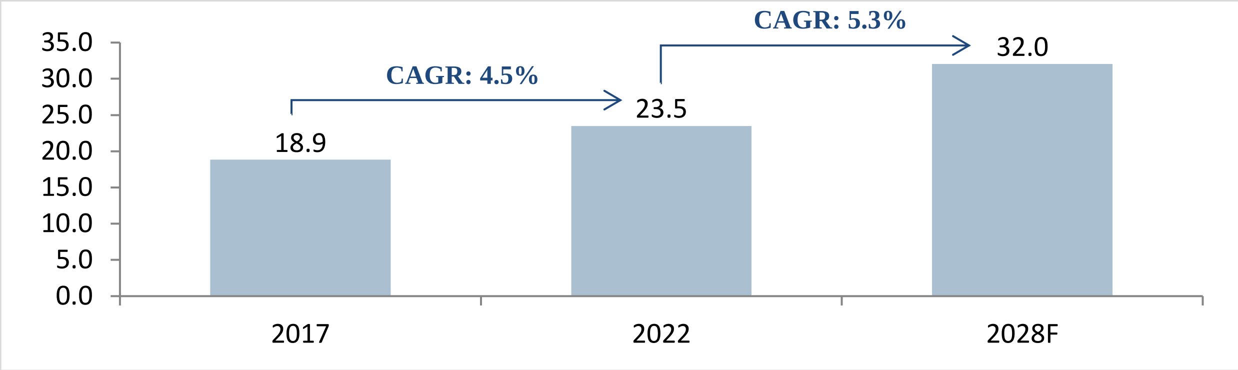
All fluorochemicals start with the mineral Fluorospar, which is then converted to Hydrofluoric acid (HF). The global market for Fluorospar stood at 5.8-5.6 MMT and is expected to grow at 4 % CAGR to reach 7.2-7.4 MMT by 2028. The two primary commercial grades of fluorspar produced and traded are acid grade or acidspar and metallurgical grade, or metspar. Acidspar, accounts for approximately 60-65% of total fluorspar production where the two main applications are: manufacture of hydrofluoric acid (HF) – the primary source of all fluorochemicals; and in aluminium production to lower the bath temperature. The global demand for fluorspar is expected to grow at an average annual rate of over 4% during 2022-2028.

Global production of traded hydrofluoric acid (HF), the primary intermediary for fluorochemicals is an estimated 2MMT per annum. Fluoropolymers and specialty fluorochemicals use ~15% of the total Fluorine consumption by volume. With continuing, high cost of acidspar production, capacity reductions in China and depleting high quality fluorspar reserves there is opportunity for new fluorspar sources to enter the market. As of 2022 top five reserves of fluorspar are in China, Mexico, South Africa, Mongolia and Spain.

Fluoropolymers are widely used across the automotive, aircraft, semiconductor, and household appliances. It is an excellent solvent with acids and base resistance, and superior electric properties and non-adhesiveness. Rising application in the healthcare industry for medical implants due to its biocompatibility is expected to drive the market demand in the future. Fluoropolymers can be classified as a family of plastic resins based on fluorine/carbon bonding. They are strong, light weight and durable. They are far more resistant to chemical attack than conventional chlorinated and hydrocarbon polymers. Fluorine based intermediates segment comprises of both basic and advanced intermediates that go into applications of Pharmaceuticals, Agrochemicals, Speciality additives etc. They have both Organic and Inorganic products that go into various applications as intermediates. Organic have a relatively higher share as intermediates used in especially pharmaceuticals and agrochemicals are complex in nature. On a broad level it can be estimated that organic fluorine intermediates are over 85% of the total market.

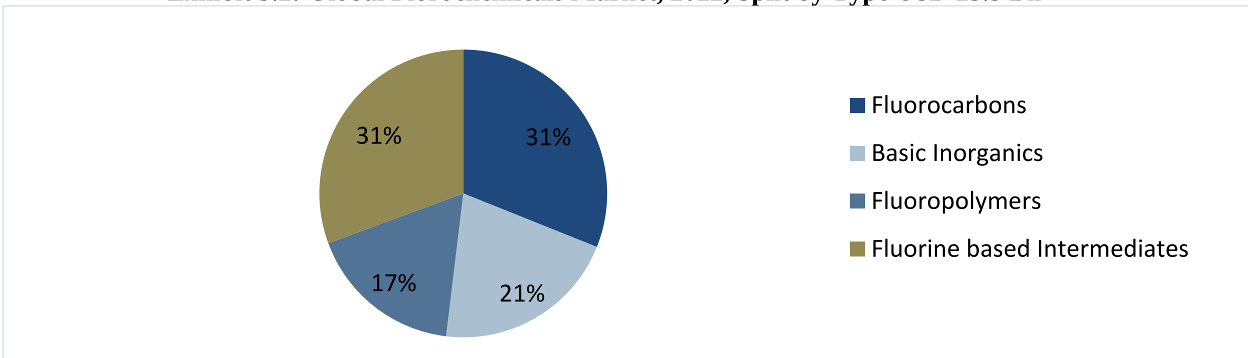
Exhibit 5.1: Global Fluorochemicals Market, Growth Trend 2017-2028F, USD Bn

Source: Frost & Sullivan



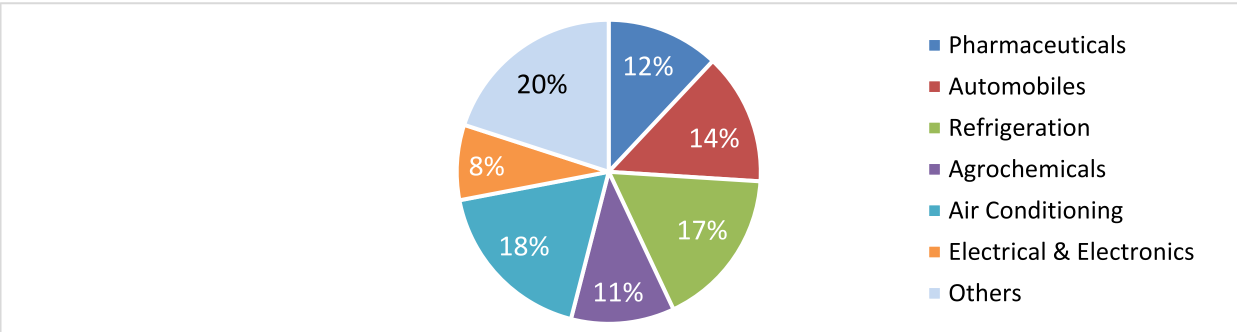
The Global Fluorochemicals market was valued at USD 23.5 Bn in 2022 and is projected to witness a significant growth at a CAGR of 5.3% to reach USD 32.0 Bn by 2028F. The fluorocarbons segment still holds the largest share, followed by Fluorine based intermediates. The market size for fluorocarbons is projected to witness a slight subdued growth due to various regulatory limits set especially for usage as refrigerants and air conditioners. Several substitutes are being used in many countries for these applications. The improved fuel economy and reduced emissions in the automotive industry, will indirectly support the demand for inorganic and specialty fluorochemicals and fluoropolymers. There are, however, increased environmental concerns pertaining to the use of these chemicals, which has laid pressure on the governments to discontinue their use over time.

Exhibit 5.2: Global Florochemicals Market, 2022, Split by Type USD 23.5 Bn



Source: Frost & Sullivan

Exhibit 5.3: Global Flourochemicals Market , 2022, Split by Application (USD 23.5 Bn)



Source: Frost & Sullivan research & analysis

Fluorochemicals are used across various sectors such as air conditioning, refrigeration, automotive, electronics, agriculture, pesticides, electronics, and pharmaceuticals. The pharmaceutical sector has seen a significant growth in consumption of fluorination products. From having no contribution in the 1940s, it rose to 17 percent in the

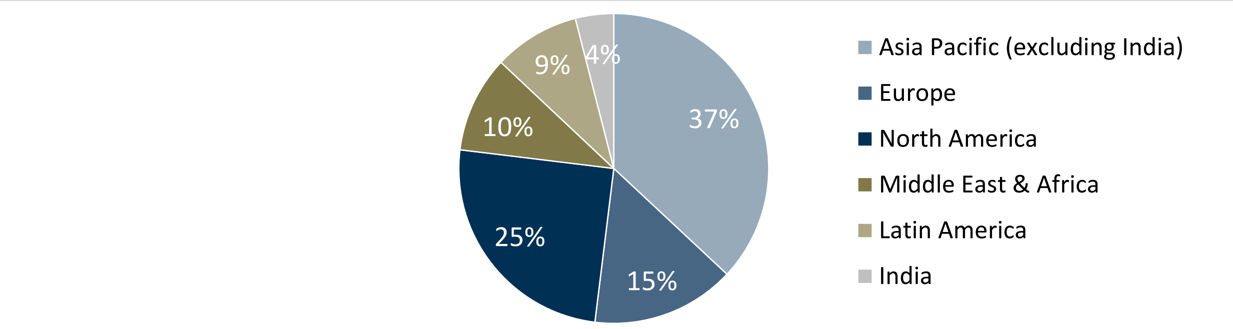
1950s and made a substantial jump from 32 percent in the 1980s to 79 percent in the 2010s. Usage of fluorine enhances the bioavailability of the active ingredient and thus being preferred as an important contributor.

The rising requirement for refrigeration across various industries is a significant driver boosting the growth of fluorochemicals market. With global warming, temperatures are rising and thus creating an increased need for HVAC (Heating, ventilation, and air conditioning) and refrigeration systems, which in turn has a positive impact on the fluorochemicals market. Refrigerants are used in residential, industrial, and commercial sectors. They are most commonly used in the automotive industry. Automobile air conditioning requires refrigerants, and therefore, the increased production of vehicles has led to the higher demand for refrigerants. The increased production of electric vehicles will also boost the demand for refrigerants.

Fluorination also has an important role in agrochemicals, with 53 percent of agrochemical products currently containing fluorine. The rising environmental concerns have forced governments worldwide to modify regulations to discontinue their use over time; however there is focus on R&D to develop innovative environmental friendly products. Another restraining factor is the non-uniform availability of the fluorspar mineral, the key raw material in the production of fluorochemicals

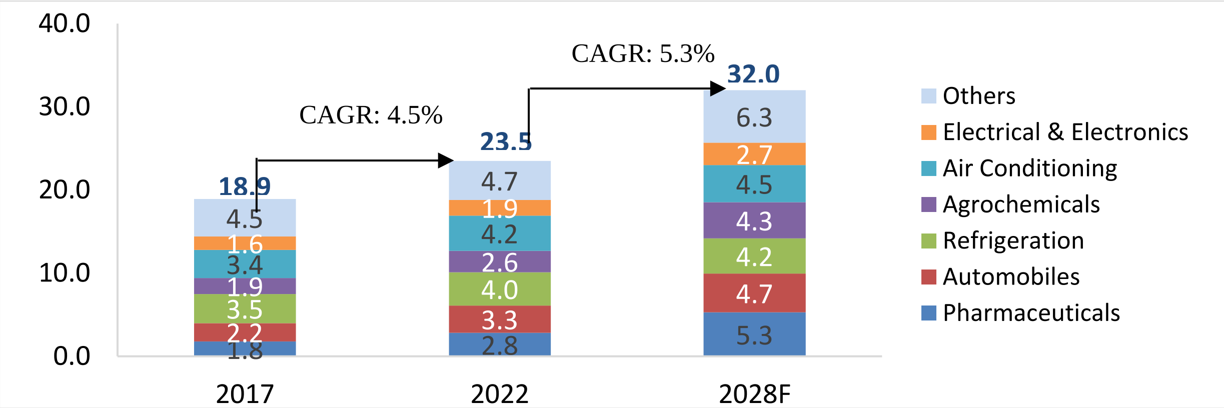
Market Segmentation– by Geography

Exhibit 5.4: Global Flourochemicals Market, 2022, Split by Geography (USD 23.5 Bn)



Source: Frost & Sullivan

Exhibit 5.6: Global Florochemicals Market Forecast by Applications, 2017, 2022, 2028F (USD Bn)



Source: Frost & Sullivan

Fluorine Based Intermediates have been growing at a substantially higher rate (8-9%) compared to the other segments (5-6%). It is expected to follow the trend during the forecast period due to evolving need in the end use applications. Pharmaceuticals are among the fastest growing segments with a CAGR of over 10%. Just by adding fluorine, the pharmacological properties of a drug are significantly improved in terms of potency, allowing smaller doses to create the same effect on the body. Apart from this desirable property, another important advantage of adding fluorine to pharmaceuticals is that the shape of the resulting Fluorochemicals is largely unchanged since the bioactivity of many drugs is highly dependent on the shape of the chemical compound.

Fluorine containing pharmaceuticals include anesthetics, antibiotics, antidepressants, anti-asthma, anti-cholesterol, anti-arthritis, anti-HIV, antipsychotics, anti-inflammatories are the key classes. Monofluoro C-F chemotype is the major group found in fluoro-pharmaceuticals (67%), whereas drugs with trifluoromethyl groups account for ~20%.

The key driving factors in pharmaceutical segment is - every 1 in 3 new APIs will be based on fluorine chemistry.

Pharmaceutical Intermediate	API End Use	Therapy Area(s)
Fluorobenzene	Ciprofoxacin, Fluvastatin, Bicaltuamide	Anti-infectives, statins, Oncology
2,4-Dichlorofluorobenzene	Ciprofloxacin, Norfloxacin	Anti-infectives
2,4-Dichloro-5-fluoroacetophenone	Ciprofloxacin	Anti-infectives
1,3-Difluorobenzene	Fluconazole	Anti-infectives
o-Fluoronitrobenzene	Olanzapine	Neuro/CNS
3-Chloro-4-fluoroaniline	Norfloxacin	Anti-infectives
4-Fluoroaniline	Ezetimibe	Cardiovascular
p-Fluoronitrobenzene	Pioglitazone	Anti-diabetic

Fluorochemicals are vital ingredients for pesticides. They have replaced bromomethane, a very toxic chemical to the environment. Fluorine provides a viable and valuable alternative to bromomethane in pest-control products. Fluoride derived chemicals are used as fumigants to reduce pest infestation of stored grains and certain other food products. For example, Sulfuryl fluoride, derived from fluorine, is used in gas fumigants to reduce the incidence of rats, mice. About 30% of all the pesticides contain fluorine. Every year more than 50% of compounds with new ISO common names are fluoro-organic compounds under agrochemicals. Organofluorine compounds are generally more stable than their organochlorine derivatives owing to the exceptional strength of the C-F bond, which results in extraordinary robustness of fluoro-agrochemicals.

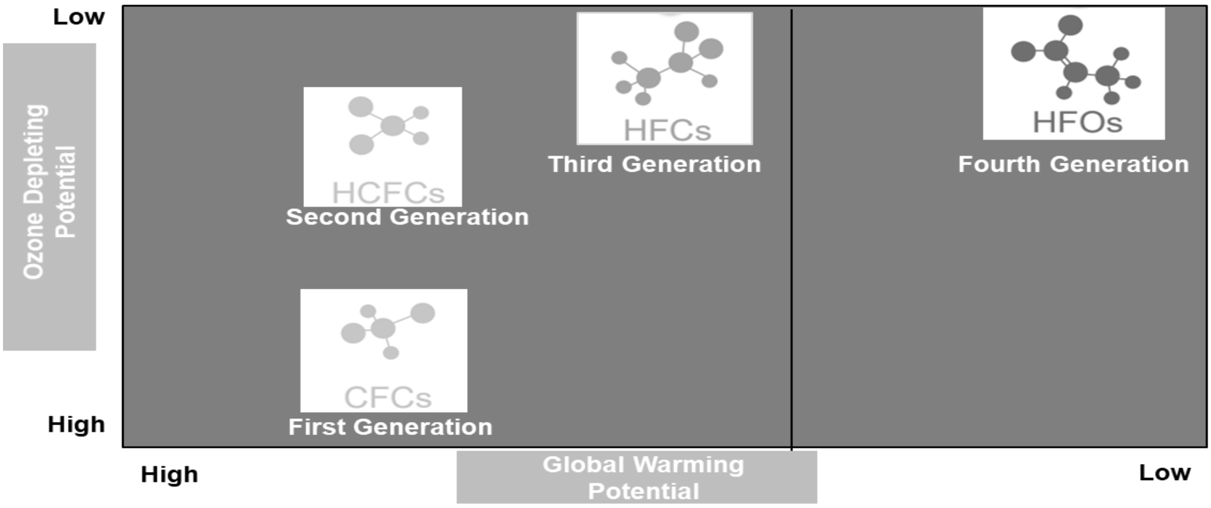
Organofluorine compounds are key materials applied in daily life because of their versatile utility as functional materials, pharmaceuticals, and agrochemicals. Development of the selective fluorination of organic molecules under safe conditions is therefore one of the most important subjects in modern synthetic organofluorine chemistry. Electrochemical synthesis has recently attracted much attention from the perspective of green sustainable chemistry because no hazardous reagents are required and scale-up is generally easy. Chlorotoluene based fluorine products are an important intermediate in the pharmaceuticals and agrochemicals industries. Increasing demand for these compounds in the manufacturing of pesticides and plant growth regulators, coupled with significant growth of the agrochemicals industry, is expected to drive the growth of this market during the assessment period.

Evolution in Fluorochemicals

Few examples of Product class/ processes under fluorochemicals and their generations/new developments:

Evolution of Refrigerants

Exhibit 62: Global Florochemicals Market, Evolution of Refrigerants



Source: Fourth Genration Refrigerants – Research Gate

To adapt to the changing needs created by the phasing out of HCFC's many companies have come out with the production of new-generation refrigerants – hydrofluorocarbon-134a (HFC-134a or R-134a) and HFC blends like R410A, R404A and R407C.

Owing to the impact of first- and second-generation products on the environment and CFC's and HCFC's having Ozone depleting potential, new products are constantly being developed. Many of them though are favourable to ozone have very high global warming potential and hence are again being replaced.

Fluorochemicals Manufacturing Process Evolution- Technologies Developed/being Developed.

Nucleophilic fluorination: The nucleophilic fluorination reaction using potassium fluoride (KF) has witnessed tremendous development in the last decade. Several promoters and catalysts such as ionic liquids, modified crown ethers, transition metal catalysts, etc. have been used to improve the reactivity, selectivity, and efficiency of KF towards nucleophilic substitution reactions. The commonly used nucleophilic fluorinating reagents include metal fluoride salts (KF, CsF, and AgF), HF-based reagents (Et3N•3HF and pyridine•9HF), tetraalkylammonium fluorides, and fluorinated hypervalent silicates.

Electrophilic fluorination: The areas of synthetic application of this technique include fluorination of 1,3-dicarbonyl compounds, aryl-alkyl ketones, styrene derivatives, α,β-unsaturated ketones and alcohols, homoallyl amine and homoallyl alcohol derivatives, 3-butenoic acids and alkynes. Commercially available and easy-to-handle electrophilic fluorinating reagents including N-fluorobenzenesulfonimide (NFSI), Selectfluor, N-fluoropyridinium salts (NFPY), and ArIF2

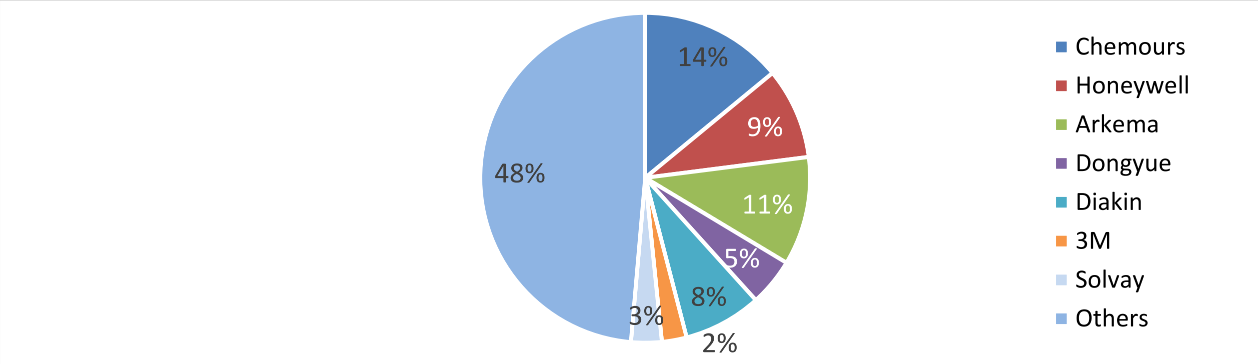
Fluorination of Natural products to enhance bioavailability especially in the pharmaceutical applications.

In recent years, there has been rapid development in fluorination and perfluoroalkylation reactions. Most of the advances are based on either transition-metal chemistry or radical chemistry. Additionally, electrophilic fluorination/perfluoroalkylation reagents are frequently used as they are both reactive oxidants and excellent Fluorine sources. While traditional methods are only suitable for simple fluorinated molecule synthesis and have a narrow substrate scope, the newly developed methods show great promise for preparing fluorine containing molecules with diversified substitution, especially for use in speciality intermediates. Biological efficacy is becoming more important than the disadvantages associated with the cost of producing fluorinated compounds. This shift is related to progress in the synthetic methodology used to obtain organofluorine since cost efficient synthetic tools for fluorination and trifluoromethylation have been a focus over the last two decades.

The advances in the fluorine chemistry space thus emphasizes on two most important aspects; Environmental sustainability and developing efficient, flexible, and mild fluorination/Perfluoroalkylation processes that are high yielding and non-hazardous in nature. This would require considerable investments by companies in the field from an R&D perspective. Even small companies in the domain have an R&D spend of over 2-3% of the revenue on a yearly basis. There are only limited players in this field with such advance technologies; there is also an entry barrier for the new players entering the segment. **Laxmi Organics has gained access to ECF technologies through acquisition of Miteni SpA (Italy) and well poised to offer new generation products through advance processing**.

Global Competition

Exhibit 5.7: Global Florochemicals Market, Market Share by Company, 2022 (USD 23.5 Bn)



Source: Frost & Sullivan

The fluorochemicals market is moderately fragmented with top 8-10 companies accounting slightly over 50% of the market. Depending on the sub segments, the fragmentation varies, for example fluorocarbons segment is highly consolidated compared to the inorganic fluorochemicals. The presence of Chinese manufacturers especially in segments of intermediates and inorganics is relatively fragmented with many boutique companies and Chinese suppliers. The level of fragmentation is limited due to the following reasons:

- **Complex chemistry** : Strong reactivity of fluorine makes is extremely difficult to segregate in any compound and also requires stringent reaction conditions , which requires extensive experience in the reaction chemistry

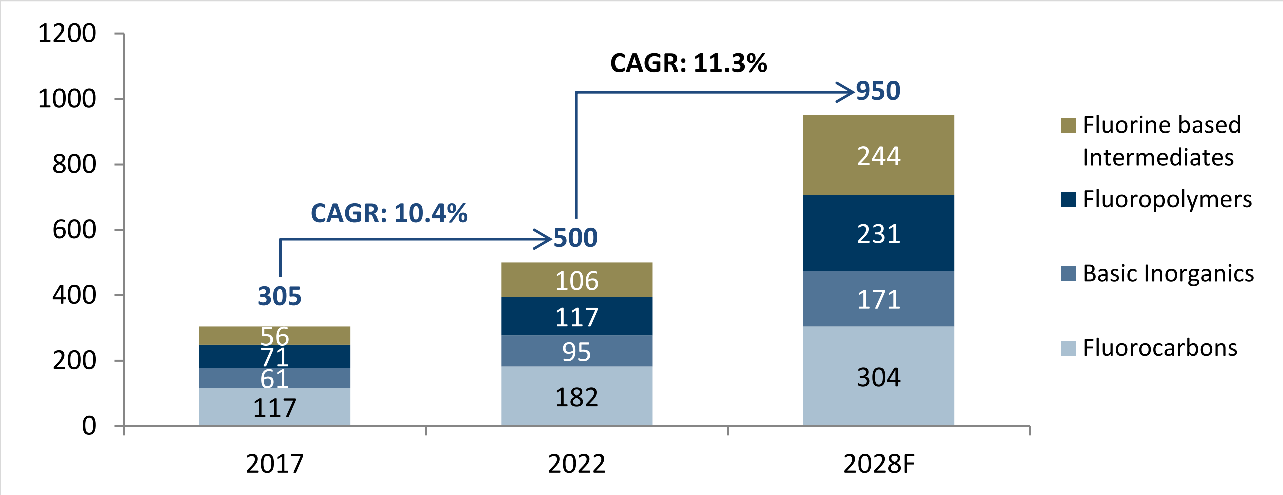
- **High capital investments**: Due to the complex reaction requirements the fluorine business requires, additional investments especially from a safety perspective are needed. Also, the key raw material is dependent on imports, so companies are also investing in JV’s for sustainable supplies.

- **R&D Focus:** Speciality fluorochemicals that are used in agrochemicals and pharmaceuticals need investments in R&D to support the new innovative products that are approved each year. The research could be in terms of having efficient process to make advance intermediates and /or for alternate routes for manufacturing the products. Not all companies can have such experience or investment profiles thus creating a strong entry barrier.

India Overview

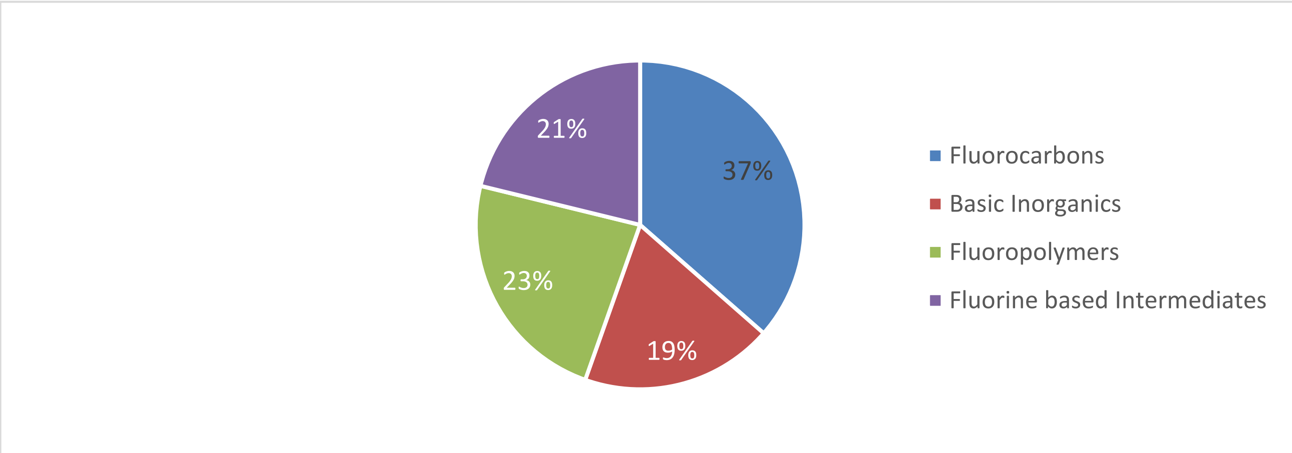
The market for fluorochemicals in India was valued at ~USD 500 Mn for the 2022. The largest share was held by fluorocarbons followed by fluoropolymers. With India being a major hub for manufacturing many advanced intermediates and actives for the Pharmaceuticals and Agrochemical segments in which fluorine-based intermediates have considerable share. The industry size was estimated to be over USD 960 Mn, however ~ 50% of the production is for export purpose.

Exhibit 5.8: India Florochemicals Market Growth Trend 2019, 2022, 2028F (USD Mn)



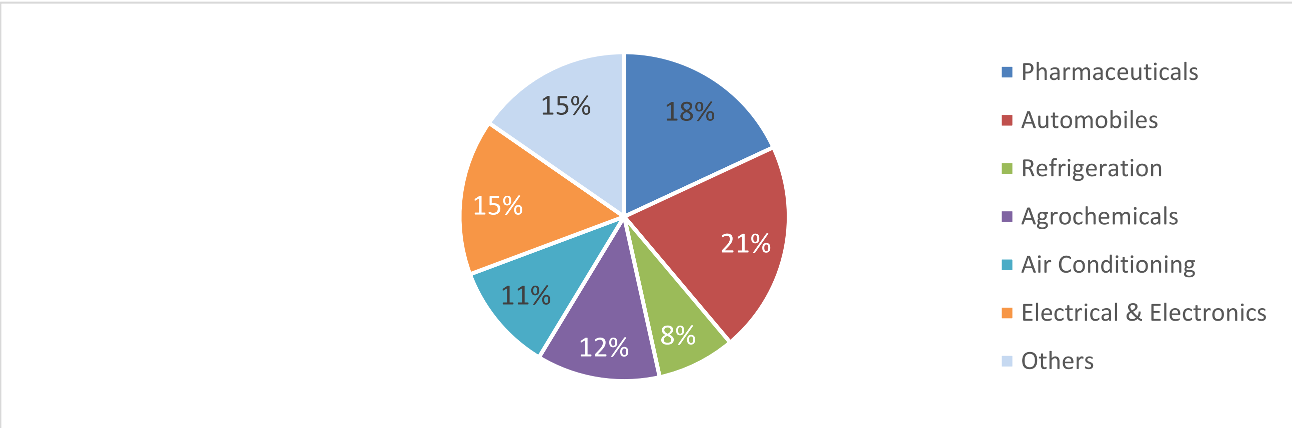
Source: Frost & Sullivan

Exhibit 5.9: India Fluorochemicals Market, 2022, Split by Type USD 500 Mn



Source: Frost & Sullivan

Exhibit 5.10: India Florochemicals Market , 2022, Split by Application (500 USD Mn)

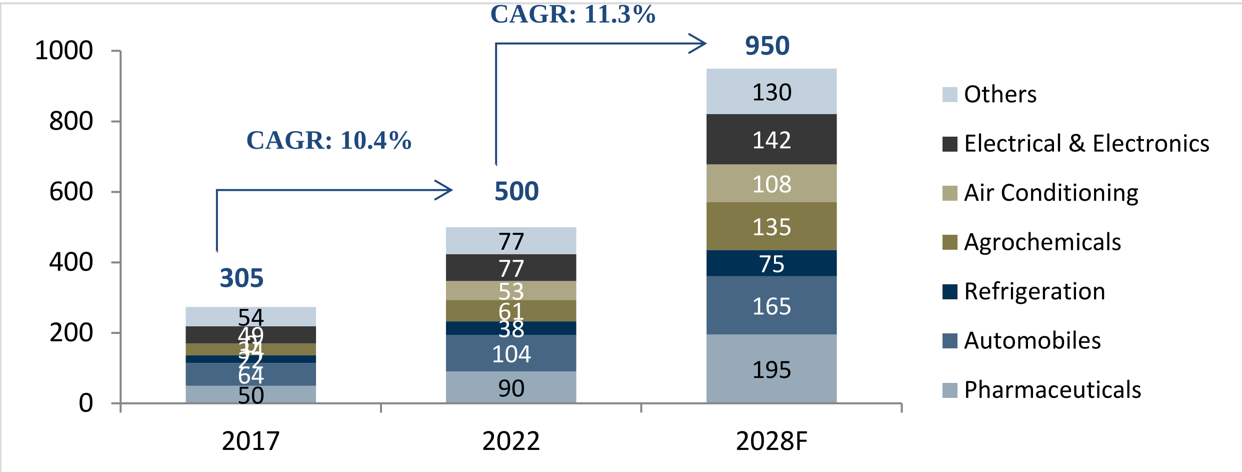


Source: Frost & Sullivan Research & Analysis

Growth Drivers

5 year growth forecast split by key industries highlighting key factors driving growth

Exhibit 5.11: India Florochemicals Market Growth Trend 2022, 2028F (USD Mn)



Segments	Key Growth Drivers	2022-2028 CAGR (Fluorochemical in specific segment)
Pharmaceuticals API	The Indian API market has shown steady growth at a CAGR of 10.4% from 2018 to 2022 and is expected to further expand at nearly 14 % going forward till 2028. By raising production yields, changing production processes and increasing sales in international markets, API manufacturers in India are making efforts to improve their marketing ability in the regulated markets. More than 30% of the APIs manufactured in India are exported to countries such as US, UK, Japan, etc. (2022)	14-15%
Agrochemicals & Fertilizers	India is one of the most prominent exporters of agrochemicals in the world, exporting to major end user countries of – USA, Japan, China and Brazil. The most prominent agrochemicals exported include mancozeb, 2,4D, acephate, chlorpyrifos, cypermethrin and profenos. For the financial year 2022-23, agrochemicals export from India reached a new peak of USD 5.4 bn.	14-15%
Refrigeration	India being an Agrarian economy, there is an increased need for cold storage facilities. The growth in industrial as well as commercial refrigeration requirements for processed products.	10-12%
Air Conditioning	AC sales have nearly quadrupled since 2010 to nearly one crore units in 2022-23. Increasing per capital income, urbanization and spending power of middle class is boosting this demand High-Rise Buildings, Shopping Complexes, Malls, Hypermarkets which are growing in tier II cities increasing requirements of AC.	10-12%
Electrical & Electronics	With focus on "make in India" electronics and ever-growing requirement for consumer electronics the market for fluorine based chemicals in E&E application is expected to see significant growth	10-12%
Automobiles	Exports from India expected to drive the growth especially for component and ancillary manufacturing segments. Increased emphasis on EV and smart vehicles.	7-8%
Others	Other applications like coatings , cookware, textiles, medical appliances are in niche stage but being accelerated by growth in Infrastructure and urbanization	8-9%

The domestic room air conditioner market had a volume of 6.4-6.8 million units and value of USD 2.0-2.5 Bn in FY22. The industry has significant growth potential considering its low penetration of 7-9% of total urban Indian households.

For more than three decades, India has been fulfilling the regulated market's drug agro technical export demand and is expected to continue the same. Leading multinational companies have set up their formulation facilities in India, which will also cater to the fast growing demand of technical grade products and intermediates. While international pharmaceutical markets face regulatory pressures, geopolitical tensions and higher R&D spends, the domestic market has been a high growth potential market and a good defence against recession. On 20th March 2020 the GOI incorporated the Scheme for Promotion of bulk drugs initiative through bulk drug parks. This is likely to bring top class infrastructure into the Indian bulk drug industry aiding further growth of the domestic pharmaceutical sector.

The growth in the fluorine-based intermediates segment will be the highest with a CAGR of 15%, more so with India moving towards in-house manufacturing of many actives and intermediates which were otherwise imported from China.

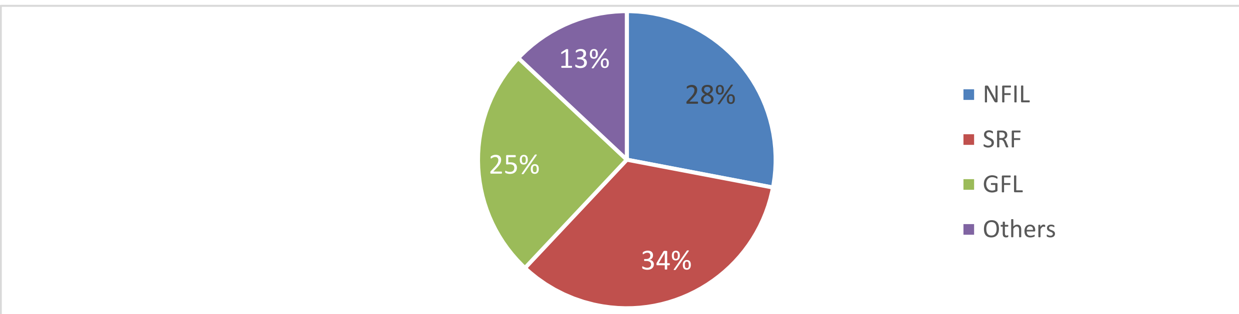
List of Large End Users

End Use Industries	List of Large Players
Pharmaceuticals	Dr. Reddy's Laboratories, Divis Laboratories, Sun Pharmaceuticals, Cipla, Aurobindo Pharma, Lupin Ltd, Zydus Cadila Healthcare, Abott India, Alkem Laboratories etc.
Agrochemicals	Rallis India, Gharda Chemicals, Bayer India United Phosphorous Ltd., Indofil Industries, Coramandel International, Crystal Crop Protection etc.
Refrigeration	Samsung, Voltas, LG, Haier, Electrolux etc.
Air Conditioning	Daikin, Blue Star, Carrier, Llyod, Mitsubishi, Godrej etc.
Electrical & Electronics	ABB India, Bajaj Electricals, Bharat Electronics, Exide Industries, Polycab India etc.
Automobiles	Tata Motors, Maruti Suzuki, Bajaj Auto, Mahindra & Mahindra, Wabco India, Minda Industries, Sundaram Clayton etc

Domestic Competition

The Indian market is consolidated with top 3 players controlling over 85% of the market. The key players are SRF Ltd, Navin Flourine International Ltd (NFIL), Gujarat Fluorochemicals Ltd (GFL) and Tanfac Industries.

Exhibit 5.13: India Florochemicals Market, 2022, Market Competition (USD 500 Mn)



Source: Frost & Sullivan

Over the past 6-7 years, the industry has transformed business from the commodity products to the niche R&D-driven specialty business. The key strength of the Indian companies includes being a backward integrated industry making its operations more streamlined.

There is ample scope for niche players who can manage the complexity of handling the fluorine chemistry as well as a good understanding of the high growth segments such as that of intermediates. Laxmi Organics with their capabilities to match the requirements is well poised to leverage the opportunity. **Through their acquisition of Miteni they have access to ECF technology**

Company	Major Products	Capacity	Fluorination Capabilities	Future Plans
SRF	Trifluoro Acetyl Chloride, ETFAA, TFBA, Crotonate derivative of ETFAA (account for 40-50% of Fluoro-specialty revenue) , PTFE	Multi-Purpose Plant - Capacity over 10 KT	**Electrochemical** **Nucleophilic** - HF, KF, SF4, DAST and **Electrophilic** - elemental fluorine	Fluoropolymers and specialities especially in the agrochemical space by tying up with innovator companies. As of November 2022- The Board has approved capex aggregating INR 604 crore (USD 0.075 Bn) for four new plants in the agrochemical space and capacity enhancement of an existing plant at Dahej
GFL	Hexafluoropropylene Oxide & Derivatives, Tetrafluoropropanol & Derivatives,	Multipurpose plant – 8-9 KT	**Nucleophilic** - HF, KF, and TFEDMA	GFL is currently investing/has planned capex towards expanding its capacities for Chemicals for backward integration, Fluoropolymers and New Age Products. Capex of INR 1,250 crore (USD 0.15 Bn) for FY23 and FY24 each. This will be towards Fluoropolymers and products for EV batteries/ segment
NFIL	5 difluoro-methoxy 2 mercapto 1 H benzimidazole, benzo tri fluorides, boron tri fluorides & bromo fluoro-benzenes	Multipurpose plant – over 10 KT	**Nucleophilic** – AHF, HF amine complexes, SF4 and Alkali Metal Fluorides **Electrophilic** – N-F class reagents (primarily done at the Manchester Organics site)	New age refrigerants and speciality products for the global market. March 23 Announced a capital expenditure of INR 450 crores (USD 0.056 Bn) of setting up a new 40 KTPA hydrochloric acid plant at Dahej.

*ETFAA - ETHYL 4,4,4 TRIFLUOROACETOACETATE; TFBA - 2,3,5,6 -TETRAFLUORO BENZYL ALCOHOL; PFP - 2,3,4,5,6 – PENTAFLUOROPHENOL; DCTFP - 2,3-DICHLORO-5-TRIFLUOROMETHYL PYRIDINE; 3 ABT – 3-AMINO BENZO TRIFLUORIDE

Of the 3 commercial technologies in India, nucleophilic fluorination is the most commonly used technology in India, while electrophilic fluorination is not preferred as it extremely challenging to perform due to the high reactivity of the reagents – electrochemical fluorination is relatively new and so far has only been adopted by SRF.

India being a signatory to Montreal Protocol on HCFC phase-out is on the path to reduce domestic HCFC consumption. This will lead to substitutes gaining advantage in areas where HCFC’s are used today. The bulk of this change is likely to happen in mobile Air Conditioning segment. On the domestic front with R22 moving out, the market is likely to split between R32, R410a and Hydrocarbons.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 49 and 102, respectively, for a discussion of certain risks and analysis of factors that may affect our business, financial condition or results of operations or cash flows. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

Industry and market data in this section has been derived from the Frost & Sullivan Report, which was exclusively prepared for the purpose of this Issue. Unless otherwise indicated, all operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year. Neither we, nor the BRLMs, nor any other person connected with the Issue has independently verified this information. For more details, see "Presentation of Financial and Other Information" and "Industry and Market Data" on pages 14 and 16, respectively.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Preliminary Placement Document in "Financial Statements" on page 261.

Overview

Laxmi Organic Industries limited was established almost three decades ago and presently is involved in large scale manufacturing of chemicals. Since our inception in 1989, we have been on a journey of transformation. We initially started manufacturing acetaldehyde and acetic acid in 1992, and soon thereafter moved on to manufacturing ethyl acetate in 1996. We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market (*Source: Frost & Sullivan Report*). We held the top position in 2022 Ethyl Acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (*Source: Frost & Sullivan Report*). In Fiscal 2010, post acquiring Clariant's assets we diversified into manufacturing ketene and diketene derivatives namely esters, amides, arylides and other chemicals. We believe that the diversification of our product portfolio into varied chemistries has enabled us to create a niche for ourselves. We are the only manufacturer of diketene derivatives in India with a market share of approximately 53 % of the Indian diketene derivatives market in terms of revenue in Fiscal 2023 and one of the largest portfolios of diketene products (*Source: Frost & Sullivan Report*). In Fiscal 2020, we acquired the assets (including plant & machinery, design and operating paperwork, REACH registrations and patents) of Miteni SpA, a manufacturer of organic fluorospecialties and electrochemical fluorination. Post the acquisition we have commenced the manufacturing of Fluro Specialty Intermediates in Fiscal 2024.

The business till Fiscal 2023 was steered via three broad products categories, namely the Acetyl Intermediates, the Specialty Intermediates and Fluorine Intermediates. The Acetyl Intermediates included ethyl acetate, acetaldehyde, fuel-grade ethanol and other proprietary solvents. The Specialty Intermediates comprises of ketene diketene derivatives and other chemicals. The Fluorine Intermediates will only commence meaningful production from Fiscal 2025 onwards. From Fiscal 2024 we have taken the approach of customer interaction models and consolidated our products into two categories, namely Essentials and Specialties. While the Essentials category is the erstwhile Acetyl Intermediaries category along with Acetic Anhydride which was earlier in the Specialty Intermediates category, the Specialties category consists of all other ketene and diketene derivatives, fluorine intermediates and other chemicals. Our products find application in various high-growth industries, including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavors & fragrances, adhesives and other industrial applications. According to the Frost & Sullivan Report, given our expertise in the Acetyl Intermediates and the Specialty Intermediates segments, our entry into the fluorochemicals space will put us at a differentiated position from other chemicals manufacturers.

Over the years, we have significantly expanded our scale of operations and global footprint with customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. We have established long-standing relationships with marquee players across industry segments and geographies. We have offices in Leiden (Netherlands) and Shanghai (China) which enables us to assess international demand and increase our customer outreach thereby bolstering our product development initiatives. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice. We held the top position in 2022 ethyl acetate exports from India, which amounts to over 55% of the total ethyl acetate exports from the country. (source: Frost & Sullivan Report). For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis.

We currently have three fully operational manufacturing facilities in Mahad, Maharashtra (the "**Manufacturing Facilities**") which are strategically located in proximity to several ports and each other. We also have two distilleries located in Satara district (the "**Jarandeshwar Distillery**") and Kolhapur district in Maharashtra (the "**Panchganga Distillery**" and together with the Jarandeshwar Distillery, the "**Distilleries**") for the manufacturing of ethanol or specially denatured spirit. The ethanol manufactured at the Distilleries is primarily consumed for the manufacturing of fuel-grade ethanol and ethyl acetate. Further, the upcoming manufacturing facility at Lote Parshuram, Maharashtra, 70 kms away from Mahad, Maharashtra is where the fluorospecialty assets of Miteni have been rehoused (the "**Lote Facility**"). The first commercial production from the first phase of the Lote Facility commenced in Fiscal 2024 and the first year of meaningful revenue of the flurointermediary products from Lote Facility is expected in Fiscal 2025.

The Mahad facilities, spread over 40 acres, are almost fully occupied. Thus, to enable further expansion and provide for manufacturing diversification, we acquired a land parcel of 84 acres in Dahej, Gujarat in Fiscal 2023 ("**Dahej Facility**"). The Board has approved a capex spend of about ₹ 7,100.00 million to develop the first phase of the Dahej Facility. For further details in this regard, see "*Use of Proceeds*" on page 83.

We have two Department of Scientific and Industrial Research, Government of India ("**DSIR**") recognised research and development facilities, with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(source: Frost & Sullivan Report)*.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our consolidated revenue from operations was ₹7,335.79 million, ₹27,966.43 million, ₹30,842.66 million and ₹17,684.48 million, respectively. Our consolidated EBITDA for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 812.89 million, ₹ 2,565.83 million, ₹ 3,825.20 million and ₹ 2,213.30 million respectively, while our consolidated profit after tax for the period from continuing operations for the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021 was ₹ 383.29 million, ₹1,246.12 million, ₹ 2,574.18 million and ₹1,270.63 million respectively.

We have strong and well experienced Board and Key Managerial Personnel who actively contribute to our operations and participate in our strategy. Our Promoter, Ravi Goenka, who is also our Executive Chairman has extensive experience in the chemicals industry and has played a significant role in our development and growth. For further, details in relation to Ravi Goenka and our other Directors and Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page *202*.

Our strengths

Cost Competitiveness

One of the key focus areas for the Company has been ensuring cost competitiveness, which is also the reason we have invested in data and technology services. Proximity to the ports further strengthens our cost competitiveness as the time and money spent on logistics is efficient. Both the essentials and the specialty products have common raw materials and that further adds to our cost competitive advantage along with the cogeneration power plant that we operate. Lastly, given the large capacity that we operate, we have significant economies of scale. All these factors, and our focus on operational excellence enable us to be cost competitive in the markets in which we operate.

In the erstwhile Acetyl Intermediates and the now Essentials business, our conversion efficiencies have been strong and maintained consistently helping in consistent contribution margin maintenance throughout business cycles *(source: Frost & Sullivan Report)*. This has also ensured robust Return on Capital Employed over business cycles.

Lean and Reliable Large Scale Operations of Essentials

The global acetyl market is expected to grow at a CAGR of more than 5.9% over the next decade in terms of volume and is projected to grow from 16 MMT in calendar year 2022 to 22.6 MMT in calendar year 2028 *(Source: Frost & Sullivan Report)*. In terms of revenue, the global acetyl market stands approximately at USD 27.3 billion globally and is expected to grow at 3.2% CAGR over the next half decade *(Source: Frost & Sullivan Report)*. The scale that we have along with our quality control that we have, has enabled us to provide our essentials customers with a differentiated experience in that they can rely on one supplier for timely, quality based supplies in volumes that are relevant. These capabilities will help us cater to the growing markets as well.

We are a leading manufacturer of acetyl intermediates ethyl acetate in India with a market share of approximately 34% of the Indian ethyl acetate market *(Source: Frost & Sullivan Report)*. Further, we have the single largest ethyl acetate manufacturing site in India. *(Source: Frost & Sullivan Report)*. We were also among the top ten producers of Ethyl Acetate globally in fiscal 2022. *(Source: Frost & Sullivan Report).*

For the Fiscals 2023, 2022 and 2021, our Company's revenue, on a consolidated basis from manufactured Acetyl Intermediates (including exports to Laxmi Netherlands) was ₹ 18,354.46 million, ₹ 19,157.88 million, and ₹ 12,492.41 million, comprising of 65.63%, 62.12%,and 70.64%, respectively, of our total revenue from operations, on a consolidated basis. The revenue from essentials, on a consolidated basis for quarter ended June 30, 2023 was ₹ 4,981.04 million which constituted 67.90 % of our total revenue from operations, on a consolidated basis.

In addition to our large manufacturing sites, we also have significant storage *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) to ensure reliable and in time supplies for customer. We believe that our large manufacturing capacity, consistent growth, experienced management, global footprint and high-quality products makes us a reliable supplier across various industries.

Only large scale Indian manufacturer of diketene derivatives with a significant market share and one of the largest portfolios of diketene products

According to Frost & Sullivan, the global market for diketene and ketene derivatives was estimated to be around USD 1.5-1.6 Bn for the year 2022 and the volume was estimated to be between 1.0-1.1* MMT in 2022 and is expected to grow to 1.4 -1.5 MMT[5] by 2028 growing at a CAGR of ~4.5%. The market in India was valued at USD 160-165 Mn and is expected to reach ~USD 250 Mn by 2028F. The overall growth will be driven by new applications and locking in the value chains.

Our Specialties portfolio is amongst the top five most comprehensive globally as we are amongst the handful of producers who have a backward integrated site that manufactures derivatives right from diketene to the downstream product *(Source: Frost & Sullivan Report).* The current portfolio has 48 products of which two products came on stream in Fiscal 2023. This portfolio has grown from 18 products in Fiscal 2011 at the time of acquisition to 48 products in Fiscal 2023. Our specialties business caters to pharmaceuticals, colorants and agrochemical industries and also provides substitutes for possible imports. We were one of the largest suppliers of diketene based specialty intermediates in Europe from India in calendar year 2022 *(Source: Frost & Sullivan Report).*

As the Fluorine Intermediaries business comes on stream this specialties product basket will grow. For the Fiscals 2023, 2022 and 2021, our revenue from the sale of manufactured Specialty Intermediates, on a standalone basis (including exports to Laxmi Netherlands) was ₹ 9,590.25 million, ₹8,998.72 million, and ₹ 5,187.54 million respectively, comprising of 34.29%, 29.18% and 29.33%, respectively, of our total revenue from operations, on a consolidated basis. For quarter ended June 30,2023 our specialties business revenue was ₹ 2,352.80 million which constituted 32.07 % of our total revenue from operations, on a consolidated basis.

We believe that we are well poised to capture the growing demand for diketene derivatives globally. In view of investments that we made in technology and expertise in diketene chemistry, relationships with customers and track record in commercialization of products across the value chain.

Diversified customer base across high growth industries and long-standing relationships with marquee customers

- [5] Estimates based on average price and basic derivatives only

Our products find application in a number of high growth industries including pharmaceuticals, agrochemicals, dyes & pigments, inks & coatings, paints, printing & packaging, flavours & fragrances, adhesives and other industrial applications. Amongst the industries to which we cater, the global active pharmaceutical ingredients market size is estimated to be USD 215 – 230 Bn in CY 2022 and is projected to reach ~USD 355 Bn by CY 2028 at a CAGR of 9-10% during the forecast period, the global Agrochemicals & Fertilizer Market is estimated to be around USD 240-250 Bn in CY 2022 and is expected to garner revenue of ~USD 360-370 Bn by CY 2028 with a CAGR of 8-9% during the forecast period of CY 2022-28 *(Source: Frost & Sullivan Report).*

Our top ten customers basis revenue from manufactured products on a standalone basis, for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, constituted 26.28%, 30.25%, 37.21% and 37.00% respectively of the total revenue from manufactured products on a standalone basis. A majority of our Company's top ten customers in the three months ended June 30, 2023, have been our customers since Fiscal 2021.

We believe that the diversification of our customer base across various industries has enabled us to minimize impact of industry-specific disruptions on our business. The key industries to which we cater to and the corresponding revenue from sales of manufactured products and services by our Company to customers in such industry is set forth below:

(₹ in million)

Industry	Three months ended June 30, 2023	Fiscal 2023
Pharmaceuticals	1,804.25	5,618.99
Agrochemicals	444.64	1,457.25
Colour and pigments	233.95	1,320.84
Printing and packaging	464.94	1,496.06
Other Industrial applications	3,834.40	15,807.47
Distributors	147.24	1,166.64
Total	**6,929.42**	**26,867.23**

Further, we have low customer concentration and no single customer contributed to more than 10% of our revenues from operations during the three-month period ended June 30, 2023 and Fiscals 2023, 2022 and 2021. We have adopted a diversified sales model wherein we sell on spot, through short term contracts (typically two or three months), annual contracts and multi-year contracts based on customers preference and value proposition. To obtain greater assurance of demand and visibility in our manufacturing operations, we have entered into off-take arrangements with some of our customers which involve multi-year agreements, for certain specific products to give the necessary supply assurance to the customer.

We believe our speedy execution and timely response to customer needs, coupled with our high-quality products and innovation have enabled us to successfully establish our market presence and nurtured our customer relationships. Further, our long-term relationships with marquee customers provides us with steady revenue flows.

Strategically located manufacturing facilities, ample land available for expansion, vertical integration and supply chain efficiencies

We currently have three strategically located Manufacturing Facilities located in Mahad, Maharashtra, in close proximity to several ports including the Jawaharlal Nehru (Nhava Sheva) Port, JSW port and Mumbai port which ensures that we have ready access to port facilities and are able to expediently import our raw materials and export our products; thereby providing us with a cost and logistical advantage. The proximity of the facilities to one another adds to logistics and operational efficiencies. Our Manufacturing Facilities are located close to the southern and western regions of India, where some of the major pharmaceutical manufacturers are located. Our Manufacturing Facilities have received a number of accreditations such as ISO 45001:2018, ISO 9001:2015 and ISO 14001:2015. Further, we are one of the few Indian chemical companies to be recognized with Responsible Care certification by the Indian Chemical Council ("**ICC**"). This certificate was renewed third time in a row by the ICC in January 2023.

Our new fluorospecialty facility being set up at Lote Parshuram is on a 30 acre plot and post the completion of the current installation of all Miteni assets there will still be ample land available for expansion. To add expansion capacity and provide geographic de-risking, we acquired a new land parcel in Dahej, Gujarat in Fiscal 2023. The 85 acre plot will see the first expansion being constructed from Fiscal 2024 onwards. This phase will be expanding product capacities across currently produced products.

We also have two Distilleries located in Maharashtra for the manufacturing of ethanol and specially denatured sprit from molasses. These Distilleries and our Manufacturing Facilities are located close to sugar mills in Maharashtra thereby providing us with easy supply for molasses and reducing transportation costs. Ethanol is a basic raw material required for the manufacture of Acetyl Intermediates including acetic acid, acetaldehyde and ethyl acetate. Our Distilleries enable backward integration by acting as feeder plants and provide effective control over raw materials and also reduce our dependence on third parties for ethanol.

Further, acetic acid and ethanol are common raw materials for both essentials and specialties thereby enabling us to procure such raw materials from the same supplier and reducing costs.

As part of our manufacturing operations we require a steady supply of steam (majorly for essentials) and power (for specialties). We have a co-generation power plant within one of the manufacturing units at Mahad, Maharashtra (the "**Captive Power Plant**") with a capacity of 7.5 MW, two windmills located in Maharashtra and Karnataka, with a capacity of approximately 1.25 MW each, and a hydro-electric power project at Yedgaon Maharashtra with a capacity of 4 MW (collectively, the "**Power Facilities**"). We also have solar power started in Fiscal 2023 with 3 MW generation capacity. During Fiscal 2023, 42.16% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 14.89% of the total consumption being met from the renewable Power Facilities (the "**Renewable Power Facilities**"). Our Power Facilities reduce our dependence on the electricity grid and third parties and ensure a regular supply of power and steam. We believe that such vertical integration provides us greater control on the manufacturing process, reduces our manufacturing costs and improves our conversion efficiency, thereby improving our profitability.

In order to further bolster our logistics and cost efficiencies on the import as well as export side, we have strategic arrangements with third parties for usage of storage tanks at ports in *inter alia* Mumbai (Maharashtra) for storage of raw materials and finished goods and Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products. We also have large storage tanks at our Manufacturing Facilities, which are multi-purpose and can be used for storage of different raw materials (including raw materials of seasonal nature) and products.

In-house research and development capabilities and consistent track record of technology absorption

We believe that research and development of new products is the cornerstone to meet our customers' requirements and the most important growth driver of our business. We have two DSIR recognised research and development facilities ("**R&D Facilities**"), comprising of one R&D Facility located within one of our units at Mahad, Maharashtra which primarily deals with projects related to the direct application of ketene and diketene and our innovation center located at Rabale, Navi Mumbai, Maharashtra (the "**Rabale Innovation Centre**"), which predominantly works on development of new products for us based on complex chemistries.

Our R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates *(Source: Frost & Sullivan Report)*. We have demonstrated a track record of concept to commercialization. We acquired the ketene/diketene business and its downstream products from Clariant Chemicals (India) Limited ("**Clariant**") in Fiscal 2010 and successfully relocated the plant and machinery and other assets from Clariant's manufacturing site at the Balkum, Thane, Maharashtra to our then greenfield site at Mahad, Maharashtra, i.e. the SI Manufacturing Facility ("**Clariant Acquisition**"). Pursuant to the Clariant Acquisition, our Company acquired the technology and know-how of 18 products from Clariant of which our Company is currently producing 16 products which form part of our Company's Specialty Intermediates product portfolio. Through our R&D efforts, in addition to the products acquired from Clariant, we have added 30 new products (the "**New Products**") to our Specialty Intermediates portfolio over the last decade and expanded our product portfolio to 48 products, as on June 30, 2023. In order to expand our product portfolio, we have also developed five different chemistry platforms on a commercial scale, which include the following chemistries: ethyoxylation, chlorination, amination, methoxylation, thiolation and acylation.

We have consistently invested in R&D and technology and have successfully implemented some of them based on market/customer demand at our Manufacturing Facilities over the years. During the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, we have incurred research and development expenditure aggregating to ₹ 39.21 million, ₹153.51 million ₹176.26 million and ₹127.66 million respectively, including capital expenditure of ₹0.06 million, ₹6.62 million, ₹51.22 million and ₹41.81 million during such periods respectively. We have a dedicated team of research scientists comprising 73 employees, as on June 30, 2023, focused on innovation in chemistries and engineering, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. We believe our R&D team has enabled us to unlock the value of various complex chemistries and introduce new products resulting in higher margins and revenues.

Our technology development efforts and execution capabilities have enabled us to not only garner leading position in the domestic Specialty Intermediates market, but also made us a leader in several product groups globally *(Source: Frost & Sullivan Report)*. Further, implementation of the latest technology and built-in-processes enables us to produce high quality products consistently.

We are now constructing a new innovation center at Mahape, Maharashtra which should be operational in the first quarter of Fiscal 2025. This facility will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline.

Global presence and low geographical concentration

In addition to India, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our international operations are supported by our offices in Leiden (Netherlands), Shanghai (China) and Sharjah (United Arab Emirates). We believe our local presence in such international markets facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. We also have arrangements with third parties for usage of storage tanks in *inter alia* Rotterdam (Netherlands), Antwerp (Belgium) and Genoa (Italy) for storage of finished products which enables us to deliver our products on short notice.

For the three months ended June 30, 2023 and the Fiscals 2023, 2022 and 2021, our Company's revenue from exports of manufactured products contributed 25.60%, 46.17%, 35.26% and 29.23%, respectively, of our revenue from operations on a consolidated basis. Our revenue from exports has grown at a CAGR of 13.12% between Fiscal 2021 and the three months ended June 30, 2023 (annualized).

Our global operations have demonstrated geographical diversification over the periods mentioned below. A geography-wise break-up of our Company's percentage of revenues from sale of manufactured products and services (on a consolidated basis) is as under:

(% of revenue from sale of manufactured products and services on standalone basis)

Geography	Three months ended June 30, 2023	Fiscal 2023
India	69.59	63.39
Europe*	8.87	19.10
Middle East**	4.39	4.27
Africa#	3.20	2.01
China	1.06	1.20
Rest of Asia	2.92	2.57
Rest of the World##	9.96	7.46
Total	**100.00**	**100.00**

**Includes Armenia, Austria, Belgium, Cyprus, Czech Republic, France, Germany, Italy, Netherlands, Portugal, Romania, Russia, Spain, Sweden and United Kingdom.*
***Includes Egypt, Iran, Israel, Jordan, Lebanon, Oman, Saudi Arabia, Syria, Turkey and United Arab Emirates.*
#Does not include Egypt.
Includes USA and Oceania countries .

We believe our presence in various markets reduces our dependence on one market and thereby minimizing the risk of any adverse developments or material changes in economic outlook in any one market.

Our differentiated business model, asset base, product mix and experience in handling complex chemistries create high entry barriers

The essentials business that we operate in requires cost competitiveness while the specialties business in which we operate has high entry barriers due to *inter alia* the involvement of complex chemistries in the manufacturing of our products and the requirement to be enlisted as a supplier after due qualification of the products with certain customers, particularly with the customers in the pharmaceutical and agrochemical industries. The specialty chemicals industry is highly knowledge intensive. Given the nature of the application of our products, our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications. Further, with respect to end products manufactured by certain of our customers, we believe if the usage of our products has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer.

We believe that our customer credit management abilities act as a strong entry barrier for smaller players trying to enter the market which is further augmented by vendor relationships for key raw materials.

We believe that we have achieved a high capital efficiency with high asset turnover and working capital turnover ratios, which enables us to utilise our capital in the optimal manner and remain competitive in the industry we operate in. For the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, our asset turnover ratio was 0.30, 1.21, 1.52 and 1.22 respectively.

Handling of certain hazardous raw materials and products such as those that we produce requires a high degree of technical skill and expertise. We believe that the level of technical skill and expertise that is essential for handling products and raw materials can only be achieved over a period of time, creating a further barrier for new entrants.

We believe that given our diversified product portfolio, investment in technology, and R&D, our working capital management, our Power Facilities and consequent cost efficiencies coupled with our global footprint and customer relationships have helped us create a differentiated position in the markets in which we operate.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

No.	Particulars	Three months ended June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
1	Total Revenue	7,375.32	28,086.96	30,990.56	17,730.61
2	EBITDA	812.89	2,565.83	3,825.20	2,213.30
3	*EBITDA Margin(%)*	11.02	9.14	12.34	12.48
4	PAT	383.29	1,246.12	2,574.18	1270.63
5	*PAT Margin(%)*	5.20	4.44	8.31	7.17
6	*ROCE(%)*	3.70	11.64	25.38	16.34
7	*ROE(%)*	2.67	9.22	22.15	17.39
8	*Cash from operations (CFO)*	1,644.40	1,990.58	649.90	1225.29
9	Revenue Contribution of Acetyls Intermediate *(%)* (for three months ended June 30, 2023, Revenue Contribution of Essentials *(%)*)	67.90	65.63	62.12	70.64
10	Revenue Contribution of Specialties Intermediate*(%)* (for three months ended June 30, 2023, Revenue Contribution of Specialities*(%)*)	32.07	34.29	29.18	29.33
11	Total Export Sales as a % of Revenues	25.60	46.17	35.26	29.23

Notes:

1. *EBITDA = Profit/(loss) for the respective period (after exceptional item) + tax expenses + finance costs + depreciation and amortisation.*
2. *EBITDA Margin = EBITDA / Total Revenue*
3. *PAT Margin = Profit after tax for the respective period / total income for the respective period.*
4. *EBIT = Profit/(Loss) for the respective period (after exceptional item) + tax expenses + finance costs*
5. *Capital Employed = Total assets minus current liabilities*
6. *Return on Capital Employed = EBIT / Capital Employed*
7. *Return on Equity = Profit attributable to owners of the Company / Average shareholders equity*
8. *Shareholders equity = Equity share capital + Other Equity*

Experienced promoter, board of directors and key managerial personnel

We have a strong and well experienced Board, which is supported by highly qualified functional heads and key managerial personnel who actively contribute to and participate in our strategies, operations and business development. Our Promoter, Ravi Goenka, who is also our Chairman and Managing Director, has extensive experience in the chemicals industry and has played a significant role in the development of our business. We believe that we have benefitted significantly from our Promoter's experience and capabilities, as well as our senior management's diverse backgrounds which has enabled us to understand and anticipate market trends, expand our product portfolio, manage our business operations and growth, leverage customer relationships and respond to changes in the business environment and customer preferences.

Our non-independent and Independent Directors are experienced and qualified professionals from varied fields such as the securities market, banking and human resources. Our key managerial personnel are experienced across various functions such as finance, legal and secretarial and business development. For further details in relation to our Board and our Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page 202.

Our Strategies

Customer centric approach to business steering

We follow a collaborative process of product and chemistry development while working with our potential customers, thereby enabling us to establish long-term relationships with them. We recently developed a new route of synthesis for a product supplied to a customer, which eventually culminated in us entering into a long term supply contract with such customer. This customer centric approach is also the reason that we moved to the business steering via essentials and specialties. The asks from essential (across products) is for lean and reliable supplies where price consciousness is higher. The asks from specialties (across products) is for more product / process innovation, catalog products etc. In these products performance of the product is more important than the cost. These clear asks mean that having customer facing teams where the mindset of the teams is attuned to the customers asks make the relationship more synergistic.

Volume maximisation at our Manufacturing Facilities by expanding installed capacities to support our growth initiatives

As a part of our growth strategy, we intend to maximise production volumes at our Manufacturing Facilities. Further, we also intend to expand the installed capacities at our Manufacturing Facilities via debottlenecking initiatives. These efforts are ongoing on the existing sites in Mahad, Maharashtra and will be our principles for all new sites that are commenced as well.

As the infrastructure at Mahad, Maharashtra is now saturated and we still have market demand that we are not able to cater to across essentials and specialties, the expansion at Dahej Facility will add to the capacity of the Mahad units and provide business continuity to customers.

Expanding and optimising our product portfolio

We intend to diversify our existing product portfolio by adding new products (including downstream and value added products) which are synergistic with our existing products and chemistries. We intend to perform and deliver products pursuant to the long-term contracts already entered into with certain customers. We believe that introduction of such products would increase our profit margins and the long-term contracts would provide us incremental and steady revenues. Further, we also intend to focus on growing our recently launched products in order to grow our customer base and revenues.

We also intend undertaking manufacturing of certain products on a contract manufacturing basis with our customers to ensure efficient utilisation of our Manufacturing Facilities and to increase our cash flows. In the past, we have also undertaken custom-manufacturing of certain products for our customers. Custom-manufacturing involves manufacturing of a new product or customizing our existing products based on customer specifications. We believe that such arrangements would further increase our profit margins, and accordingly, we intend to enter into custom-manufacturing for select customers. Such custom-manufacturing also adds to our existing knowledge of chemistries, thereby aiding product development.

Increasing our global footprint and augmenting growth in current geographies

With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic markets. Currently, we have customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and USA. We have recently commenced sales of our products in Vietnam. Further, we have also received orders from new customers in the United States of America and also grown our sales in China during the current fiscal.

We will continue to focus our efforts in select geographies such as United States of America, and establish a greater presence there. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality products and innovation.

Continuing focus on deepening innovation and leveraging chemistries and technology absorption

Given the importance of R&D to our business, we are committed to continuing our investment in innovation to diversify our product portfolio across essentials and specialties. As part of our strategy, we will continue to leverage our know-how in complex chemistries and our experience in engineering to focus on the addition of downstream and value-added products to our product portfolio as well as addition of fluorospecialty products to our portfolio.

It is for this reason that we are setting up a new innovation center in Mahape, Maharashtra. This center is spread across a plot area of 2,100 square meters having built-up construction area of 2,687 square meters will not only enable the current chemistry platform research to be done more efficiently but will also provide ample infrastructure for new platforms and scaling up of existing teams and technologies. As the company and business expand this innovation center is being set up to keep pace with the same growth. The R&D in India, across the group, is envisaged to be housed at this new innovation center.

Our Products

The products currently manufactured by us are divided into two categories, namely the Acetyl Intermediates and the Specialty Intermediates. This was the basis of business steering till March 2023. From Fiscal 2024 onwards the business is being steered as Essentials which includes the erstwhile AI and the Acetic Anhydride product and the Specialties which includes ketene & diketene derivatives, fluoro intermediaries and other chemicals.

Set forth below is the contribution of our manufactured Acetyl Intermediates and the Specialty Intermediates manufactured by our Company and others (including traded goods) to our revenue from sale of manufactured products and services, on a consolidated basis, for the periods of Fiscal 2021, Fiscal 2022 and Fiscal 2023, and that of essentials and specialties in the three months ended June 30, 2023:

Product category	Three months ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Acetyl Intermediates *	4,981.04	67.90%	18,354.46	65.63%	19,157.88	62.12%	12,492.41	70.64%
Specialty Intermediates *	2,352.80	32.07%	9,590.25	34.29%	8,998.72	29.18%	5,187.54	29.33%
Others (including traded goods)	2.00	0.03%	22.04	0.08%	2,685.25	8.71%	4.51	0.03%

Product category	Three months ended June 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services	Revenue	As % of our total revenue from sale of manufactured products and services
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Revenue from sale of manufactured products and services	**7,335.79**	**100.00%**	**27,966.74**	**100.00%**	**30,842.66**	**100.00%**	**17,684.46**	**100.00%**

**Acetyl Intermediates and Specialty Intermediates manufactured by us including exports to Laxmi Netherlands.*

A brief description of the Acetyl Intermediates and the Specialty Intermediates is set forth below:

Acetyl Intermediates

We have an experience of almost three decades in manufacturing Acetyl Intermediates and have a well-established market presence in the Acetyl Intermediates market. For Fiscal 2023, the Acetyl Intermediates comprise of 5 products including ethyl acetate, acetaldehyde and fuel- grade ethanol. From Fiscal 2024, the Acetyls Intermediates group is combined with Acetic Anhydride to form the Essentials product basket.

The Acetyl Intermediates find application in inter alia the pharmaceuticals, agrochemicals, inks and paints, coatings, printing, packaging and adhesives industries. Ethyl acetate is used in multiple industries as a solvent. Its faster evaporation rate and quick drying time makes it one of the preferred solvents in *inter alia* the pharmaceuticals, flexible packaging and printing inks industries *(Source: Frost & Sullivan Report).*

Specialty Intermediates

As on June 30, 2023, the Specialty Intermediates comprise of more than 43 products which include ketene, diketene derivatives namely esters, amides, arylides and other chemicals. Our product portfolio includes over 48 diketene derivatives and we have one of the largest portfolios of diketene products *(Source: Frost & Sullivan Report).*

Our Specialty Intermediates find application in inter alia the pharmaceuticals, agrochemicals, dyes and pigments, flavor and fragrance and paints and coatings industries. Diketene derivatives have versatile applications in *inter alia* agrochemicals, dyes, pigments, pharmaceuticals, vitamins, and stabilizers for *inter alia* PVC and polyester *(Source: Frost & Sullivan Report).*

In addition to the products mentioned above, we also provided contract manufacturing services, pursuant to which we utilise our expertise to manufacture specific chemicals for customers based on their specification and requirements.

Fluorine Intermediaries

As on June 30, 2023, the Fluorine Intermediaries is a part of the specialties product basket. Revenue from the flurospecialty plants will start in Fiscal 2025.

Our Manufacturing Facilities and Distilleries

We currently have three strategically located Manufacturing Facilities in Maharashtra located on over 162,000 square meters of land. Our Manufacturing Facilities are located in proximity to several ports which ensures that we have ready access to port facilities and are able to economically and expediently import our raw materials and export our products to customers located outside India.

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

Further, our Distilleries are used for the manufacturing of ethanol or specially denatured sprit from molasses. Ethanol is a raw material in the manufacturing of ethyl acetate.

In addition to the Manufacturing Facilities and the Distilleries, for the manufacturing of fluorospecialty chemicals, a new facility of 20 acres]is being set up at Lote Parshuram Maharashtra and mechanical completion is proposed to be achieved by the end of Fiscal 2024. In calendar year 2023 the first phase of this unit was commissioned. Product for customer sampling has already been despatched from this unit.

Utilities

As part of our manufacturing operations we require a steady and abundant supply of power and steam. The Power Facilities enable us to have ready access to cheap power and steam and reduces our costs of power and steam. Our power and fuel expenses accounted for 9.29%, 9.55%, 6.28% and 5.96%, respectively, of our total consolidated expenses for the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021. For the three months ended June 30 , 2023, 83.03% of our Manufacturing Facilities' power consumption was met from the Power Facilities, with 16.97% being met from the Renewable Power Facilities. The Captive Power Plant has a capacity of 7.5 MW, the hydro-electric power project at Yedgaon Maharashtra has a capacity of 4 MW and the windmills have a capacity of approximately 1.25 MW each. Our Manufacturing Facilities were dependent on the grid for 46.96% of our power consumption during the three months ended June 30, 2023.

On January 25, 2021, our Company was inducted as a partner in Cleanwin Energy One LLP ("**Cleanwin**") pursuant to an acquisition of 26% stake in Cleanwin. Cleanwin is engaged in the business of generating electric power by operating wind energy generation plants located in certain locations. With a view to secure power supply, our Company has on January 25, 2021 entered into a power purchase agreement with Cleanwin pursuant to which Cleanwin is required to sell at least 51% of the power generated from the wind energy generation plants to our Company in terms of the power purchase agreement. On February 2022 we acquired 26% in Radiant energy and have entered into a power purchase agreement with Radiant to sell 3 MW to us.

We primarily source water for our Manufacturing Facilities from Maharashtra Industrial Development Corporation ("**MIDC**").

Manufacturing process

We manufacture bulk and specialty products at our facilities and have a large range of processes, technologies, chemistries and equipment's to choose from. Each of our product/product groups would be unique and have their individual processes of manufacturing. Our equipment's are made from different materials to suit product characteristics and allow us to operate flexibly between changeovers.

Regulatory and environmental matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in relation to our Manufacturing Facilities and Distilleries. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations.

Our Manufacturing Facilities possess effluent treatment processes in compliance with applicable law. Further, we are members of hazardous waste treatment and disposal facilities with respect to our Manufacturing Facilities. We are one of the few Indian chemical companies to be recognized with Responsible Care certification by the Indian Chemical Council ("**ICC**"). This certificate was renewed third time in a row by the ICC in January 2023.

Health and safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, occupational health and safety policy that is aimed at *inter alia* preventing environmental pollution, preventing injury and ill health to our personnel and other interested parties, complying with applicable legal and regulatory and other environmental, occupational health and safety requirements and optimising use of resources.

Our Company is a signatory to the Responsible Care Program instituted in India by the Indian Chemical Council. Our Company has a well-established Occupational Health and Safety Management System ("**OHSMS**") which has received the ISO 45001:2018 certification. We believe that our Company's OHSMS has enabled our Company to prevent the occurrence of any material reportable incidents at our Manufacturing Facilities during the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021.

Raw materials

We procure our raw materials essential for manufacturing our products from domestic and international vendors. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. 81.61% and 72.22% of our Company's total purchases on a consolidated basis, for the three months ended June 30, 2023 and Fiscal 2023, was incurred on imported raw materials and coal. However, our dependence on imports from China is low as the materials are sourced from across the world including North America, South East Asian and the Middle East.

The most voluminous raw materials for the Company include ethanol and acetic acid. The other key raw materials include aniline, monomethyl amine, ortho anisidine and ortho toluidine; which are used largely in the erstwhile SI products. Going forward, the primary raw materials for our flurointermediate products will include chloro-toluene, hydro fluroic acid and others. The primary raw material for our Distilleries is molasses.

In the three months ended June 30, 2023 and Fiscals 2023, 2022 and 2021, purchases of raw materials made by us represented 86.18%, 61.54%, 61.92% and 53.12%, respectively, of our total expenses on a consolidated basis for such periods. We enter into agreements with our suppliers and negotiate prices on an ongoing basis. While we do not enter into long-term fixed price contracts, we enter to volume based agreements with our key suppliers.

Quality control and quality assurance

We believe that maintaining a high standard of quality of our products and our Manufacturing Facilities is critical to our growth and continued success. Certain of our customers perform their own quality checks at our Manufacturing Facilities to ensure that our products meet their demands and comply with the requirements. In addition, our Manufacturing Facilities are subject to compliance audits in relation to quality management by third party agencies appointed by our customers.

We have put in place quality systems that cover all areas of our business processes from manufacturing to product delivery for ensuring consistent quality, efficacy, and safety of our products. Various in-process quality checks are performed to monitor product quality during the manufacturing process. We also conduct supplier quality evaluation processes, and our quality control department ensures that materials received comply with our internal standards and specifications which are designed to satisfy the requirements set forth by our customers. We believe that provision of high-quality products is a key differentiator in our business, critical to our continued success and the maintenance of long-term relationships with key customers.

We have a dedicated team of qualified professionals that is responsible for maintaining our required quality standards. We believe that we implement and maintain best industry practices including for, adequate premises and space, suitable equipment, appropriate use of raw materials, carrying out our manufacturing through approved procedures and instructions. All products are tested to specification before release to our customers and monitored throughout shelf life.

Inventory management

Our finished products are stored on-site at our Manufacturing Facilities as well as at storage tanks of third parties utilised by us. The raw materials are stored at our Manufacturing Facilities, Distilleries and certain storage tanks of third parties utilised by us. These inventory levels are planned based on contractual quantities and expected orders. We maintain a lead-time material requirement planning system and utilize our ERP software to manage our levels of inventory on a real-time basis.

Research and development

We believe that research and development is crucial for our future growth. Our research and development efforts are driven by the requirements of customers (potential and current) and we regularly monitor industry trends to ensure our products and production techniques remain relevant given the evolving market and customer requirements.

We have two DSIR recognised R&D Facilities, comprising of one R&D Facility located within the SI Manufacturing Facility which primarily deals with projects related to the direct application of ketene and diketene and the Rabale Innovation Centre, which predominantly works on development of new products for us based on complex chemistries. The R&D Facilities are equipped with state-of-the-art research and development infrastructure to synthesise specialty molecules and advanced intermediates (Frost & Sullivan Report). We regularly monitor and update our research and development capabilities.

Further we are now constructing a new innovation center at Mahape, Maharashtra which should be operational in the first quarter of Fiscal 2025. This facility will provide us the opportunity to scale our R&D efforts in line with the growing manufacturing sites and product pipeline.

We have a dedicated team of highly qualified research scientists holding advanced degrees, who seek to identify and develop new potential marketable products after carrying out a thorough study including product specifications, potential products costs and production timeline, based on the leads brought in by our business development and marketing teams. The R&D team also aims to provide solutions to improve manufacturing efficiency on the existing products and reduce production costs with respect to existing products. As at June 30 , 2023, we had 73 permanent employees engaged in the research and development function.

Logistics

Our Manufacturing Facilities are strategically located in proximity to several ports in Maharashtra including the Jawaharlal Nehru (Nhava Sheva) Port located in Navi Mumbai, Maharashtra, JSW port in Jaigarh, Maharashtra and Mumbai port. We transport our raw materials and our finished products by air, road and sea. We outsource the transport of our raw materials to third-party logistics companies for our transportation and logistics requirements.

We predominantly sell our products on a cost, insurance and freight basis. For exports, our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading waybills.

Sales, marketing and distribution

We maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers as well as their future requirements. We have a well-established distribution network housed in our Subsidiaries in Europe, the middle east and China enables us to service international demand, including demand in China. Our International Subsidiaries have offices in Leiden (Netherlands), and Shanghai (China) While in India we have offices in Mumbai and Pune (Maharashtra). We engage distributors in select jurisdictions for the storing, promoting, selling and distributing our products in such jurisdictions and engage agents for promoting certain of our products and the procurement and execution of orders for our products. We have an in-house team dedicated to the sale, marketing and distribution of our products, in India and abroad.

Customers

We have a diversified customer base, in India and abroad. We supply our products to customers in over 52 countries including China, Netherlands, Russia, Singapore, United Arab Emirates, United Kingdom and United States of America. Our customers include multinational companies as well as domestic companies.

We have established long-standing relationships with marquee players across industry segments and geographies. We believe that the long-term relationships with key customers is a testament to our ability to evolve our capabilities to meet our customers’ requirements.

The products manufactured by us find application in a number of high growth industries. The Acetyl Intermediates find application in inter alia the pharmaceuticals, agrochemicals, inks and paints, coatings, printing, packaging and adhesives industries. Our Specialty Intermediates find application in inter alia the pharmaceuticals, agrochemicals, dyes and pigments, flavor and fragrance and paints and coatings industries.

Human resources

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce is critical in strengthening our competitive position. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. Our training programmes are focused on industry practices, recent trends and new technologies. We believe this enables us to achieve higher level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

As of June 30, 2023, our Company had 858 permanent employees.

Information technology

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our Manufacturing Facilities are connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and contract suppliers and receivables from customers. We also utilize an enterprise resource planning solution which covers production, finance, sales, marketing logistics, purchase and inventory, across our Manufacturing Facilities.

Competitors

We compete with different companies depending on the market and type of products. We compete with large multinational pharmaceutical companies and smaller regionally based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions.

Intellectual property

Our Company has obtained trademark registrations under the Trade Marks Act, 1999 with respect to “Laxmi” (under classes 1, 2,3,4,5,9,35 and 42) “Laxmisolv” (under classes 1,2,3,4 and 5). Further, our Company has also obtained a copyright registration under the Copyrights Act, 1957 with respect to our logo.

We, through our subsidiary hold patents in Italy, Japan, and United States of America. We have additionally, filed applications for the grant of five process patents in India and PCT application for two its process for national phase in Europe and USA.

Insurance

Our Company has public and product liability insurance, industrial all risk insurance policies with respect to our Manufacturing Facilities, Jarandeshwar Distillery and Rabale Innovation Centre, fire floater policies/standard fire and special perils policies with respect to our Corporate Office and stock in certain locations and a marine export import insurance open policy. Our Company has also obtained cyber and data protection, commercial crime and commercial general liability insurance policies.

Additionally, we have obtained a directors and officers liability insurance policy with respect to the directors and officers of our Company and our Subsidiaries incorporated in India. Our Company has also obtained a group mediclaim policy and a term insurance with respect to certain employees.

Corporate social responsibility

We incurred an expenditure of ₹ 36.50 million, ₹ 22.80 million and ₹ 41.88 million in Fiscals 2023, 2022 and 2021 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act,

2013. We have also incurred an expenditure of ₹ 10.77 million towards corporate social responsibility expenditure during the three months ended June 30, 2023. This includes contributions and donations made for *inter alia* providing medical aid, promoting education and community development services. Please see "*Risk Factors - There are certain amounts which remain unspent by our Company towards CSR expenditure. Any failure to spend these amounts in accordance with Section 135 of the Companies Act, 2013 (read with the relevant rules prescribed thereunder) may adversely impact our cash flows and reputation*" on page 73.

Properties

Our Manufacturing Facilities are located in Mahad, Maharashtra on premises held by us on 95-year leases from Maharashtra Industrial Development Corporation. Our Registered Office and Captive Power Plant are located within the AI manufacturing facility at Mahad, Maharashtra. The Jarandeshwar Distillery is located on leased premises and is currently utilised by us on a build, operate and transfer basis, while we utilise the Panchganga Distillery on a leasehold basis. Further, our Corporate Office and one of our windmills are located on owned premises, while most of our other offices and Renewable Power Facilities are located on leased or licensed premises. We also have arrangements with third parties for usage of storage tanks in *inter alia* Mumbai (Maharashtra), Rotterdam (Netherlands), Genoa (Italy) and Antwerp (Italy).

The premises underlying the Proposed Facility are currently licensed to us by MIDC for a period of three years. Post erection of the factory building and works on such premises and our compliance with the stipulations and conditions of such license, we shall be granted a 95 year lease (calculated from the earlier of the date of the license and the date of taking possession).

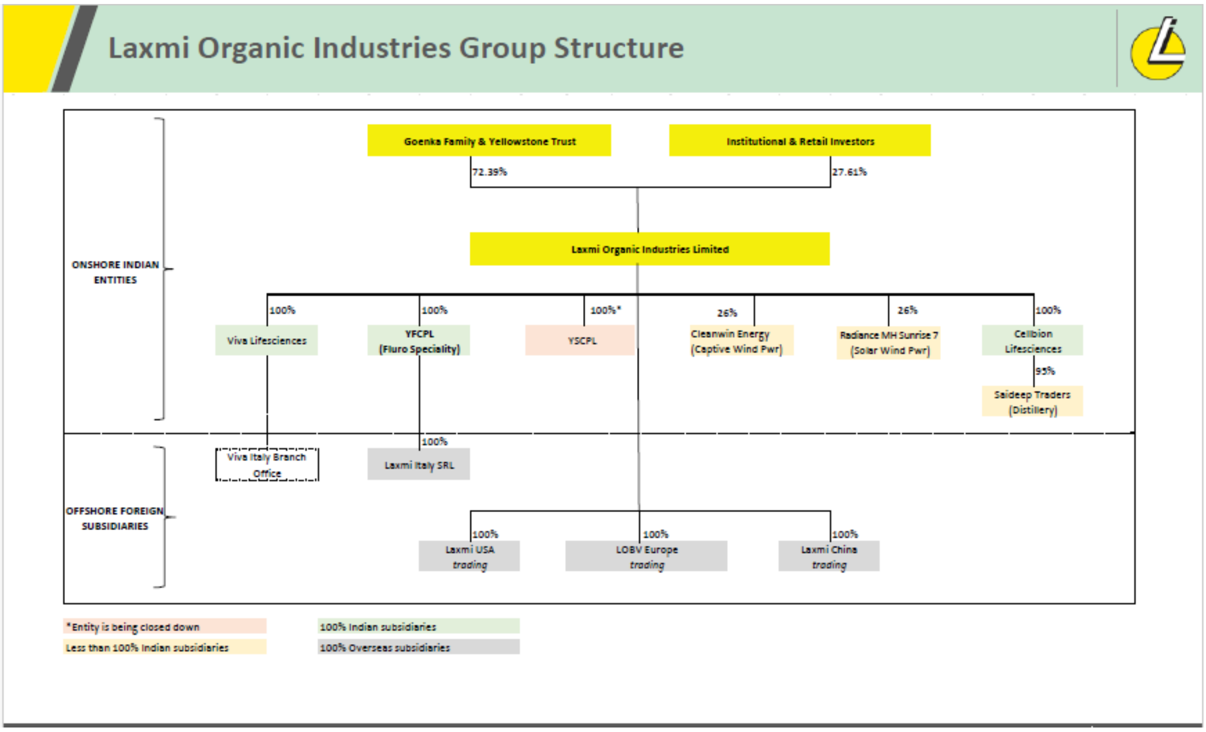
ORGANIZATIONAL STRUCTURE

Corporate history

Our Company was incorporated as Laxmi Organic Industries Limited at Mumbai, Maharashtra as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989, issued by the RoC. Our Company received a certificate for commencement of business on December 20, 1989, pursuant to the provisions of the Companies Act, 1956.

Our Company's CIN is L24200MH1989PLC051736. The Registered Office of our Company is located at A-22/2/3 MIDC Mahad Area, Raigad, – 402 309 Thane, Maharashtra. The Corporate Office of our Company is located at Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400 021, Maharashtra.

The organisational structure of our Company as on the date of this Preliminary Placement Document is as follows:



Subsidiaries

As of the date of this Preliminary Placement Document, our Company has seven direct Subsidiaries, two step-down Subsidiaries and two Associates.

Direct Subsidiaries

(i) Cellbion Lifesciences Private Limited
(ii) Laxmi Organic Industries (Europe) B.V.
(iii) Laxmi Speciality Chemicals (Shanghai) Co. Ltd.
(iv) Laxmi USA LLC
(v) Viva Lifesciences Private Limited
(vi) Yellowstone Fine Chemicals Private Limited
(vii) Yellowstone Speciality Chemicals Private Limited (under process of striking off)

Step-down Subsidiaries

(i) Saideep Traders
(ii) Laxmi Italy Srl

Associates

(i) Radiance MH Sunrise Seven Private Limited
(ii) Cleanwin Energy One LLP

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its powers subject to the Memorandum of Association and Articles of Association and as per the requirements of the applicable laws. The composition of our Board is governed by the provisions of the Companies Act, the Articles of Association and the SEBI Listing Regulations. The Articles of Association provides that the number of Directors shall not be less than three and not more than fifteen. As on the date of this Preliminary Placement Document, our Company has nine Directors on its Board, comprising three Executive Directors, one Non – Executive Director and five Independent Non – Executive Directors, including one woman Independent Non – Executive Director.

Pursuant to the provisions of the Companies Act and in accordance with the Articles of Association, at least two-third of the total number of Directors, excluding Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. Additionally, if the number of Directors retiring is not three or a multiple of three, then the nearest number to one-third are liable to retire by rotation. A retiring Director is eligible for reappointment. Further, as per the provisions of Companies Act, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. However, the reappointment of an Independent Director for a second consecutive term shall, amongst other things, be on the basis of the performance evaluation report and shall be approved by the Shareholders by way of a special resolution.

The following table sets forth details regarding the Board of Directors as of the date of this Preliminary Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	**Ravi Goenka** **Address**: 221-C, Grand Paradi Apartments, A.K. Marg, Kemps Corner, Mumbai - 400 036, Maharashtra **Occupation**: Business **DIN**: 00059267 **Term:** Liable to retire by rotation **Nationality**: Indian	61	Executive Chairman
2.	**Rajan Venkatesh** **Address**: Flat No. 6, Daji Pandu Bhuvan, Plot No.472 A, Behind Khalsa Collage, Kings Circle East Matunga, Mumbai 400 019, Maharashtra **Occupation**: Professional **DIN**: 10057058 **Term:** Liable to retire by rotation **Nationality**: Indian	48	Managing Director and Chief Executive Officer
3.	**Harshvardhan Ravi Goenka** **Address:** 221/C, Grand Paradi Apartments, A. K. Marg, Kemps Corner, Mumbai – 400 036, Maharashtra **Occupation:** Business **DIN:** 08239696	34	Whole-time Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	Term: Liable to retire by rotation **Nationality:** Indian		
4.	**Rajeev Vasudeo Goenka** **Address**: 241-C, Grand Paradi Apartments, August Kranti Marg, Kemps Corner, Mumbai - 400 036, Maharashtra **Occupation**: Business **DIN**: 00059346 **Term**: Liable to retire by rotation **Nationality**: Indian	56	Non-Executive Director
5.	**Omprakash Venkatswamy Bundellu** **Address:** Building. no. 16, Flat No. 61, Ashiyana CHS, Next to Infinity Mall off New Link Road, Oshiwara, Mumbai - 400 102, Maharashtra **Occupation:** Retired **DIN:** 00032950 **Term:** For a period of five years, with effect from September 5, 2019 **Nationality:** Indian	73	Independent Director
6.	**Manish Chokhani** **Address**:161, Silver Arch, 66, L Jagmohandas Marg, Mumbai - 400 006, Maharashtra **Occupation**: Business **DIN**: 00204011 **Term**: For a period of five years, from September 5, 2019 **Nationality**: Indian	56	Independent Director
7.	**Sangeeta Kapil Jit Singh** **Address**: 9-A, Harbour Heights, A-Building, N. A. Sawant Marg, Colaba, Mumbai - 400 005, Maharashtra **Occupation**: Consultant **DIN**: 06920906 **Term**: For a period of five years, with effect from July 29, 2022 **Nationality**: Indian	63	Independent Director
8.	**Rajeev Arvind Vaidya** **Address**: 1212, Delpa Drive, Landenberg Pensylvannia USA 19350 **Occupation**: Retired consultant	65	Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	DIN: 05208166 **Term**: For a period of five years with effect from November 25, 2020 **Nationality**: American		
9.	**Rajiv Manohar Banavali** **Address**: 4971, Wyntergate DR, Atlanta, GA 30338-4350, United States **Occupation**: Retired Consultant **DIN**: 09128266 **Term**: For the term of 5 (five) consecutive years commencing from May 18, 2021 up to May 17, 2026 **Nationality**: American	65	Independent Director

Biographies of our Directors

Ravi Goenka, aged 61 years, is the Executive Chairman of our Company. He holds a bachelors' degree in chemical engineering from Bangalore University. He has been associated with our Company since inception, and has approximately 32 years of experience in the chemicals and paper industries, 18 years of experience in the education industry, and 23 years in the power industry. He is a director on the board of International Knowledge Park Private Limited which established Ecole Mondiale World School and Russell Square International College. He was also the ex-trustee of Mumbai Port Trust and Jawaharlal Nehru Port Trust, and ex-president of the executive committee of the Indian Chemical Council.

Rajan Venkatesh, aged 48 years, is the Managing Director and the Chief Executive Officer of our Company. He holds a bachelor's degree in science (chemistry) from S.I.E.S College of Arts, Science and Commerce and master's degree in science (chemistry) from University of Mumbai. He holds a master's degree in philosophy in polymer science and technology from the University of Manchester Institute of Science and Technology and degree of doctorate from the Eindhoven University of Technology in Netherlands. He was with BASF for 19 years where he held positions such as research scientist, global key account manager, regional head (Asia Pacific), vice president and senior vice president in locations across Germany, Singapore, India and Hong Kong.

Harshvardhan Goenka, aged 34 years, is a Whole-time Director – business development and strategy of our Company. He holds a bachelors' degree in science from Babson College, School of Business, Boston USA. Since his appointment to the board in November 2020, he has played a key role in shaping the Company's strategic direction. He has 11 years of experience in the chemicals industry. He is an active member of the Entrepreneurs Organisation, Mumbai, and the Babson Alumni Club.

Rajeev Goenka, aged 56 years, is a Non-Executive Director of our Company. He holds a masters' degree in business administration from Lehigh University. He has been associated with our Company since August 12, 1994 and has over 28 years of experience in the chemicals industry. He has also accumulated 24 years of experience in the renewable energy sector and 19 years in the education sector. He 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 which established Ecole Mondiale World School and Russel Square International College. He is also a trustee of the Laxmidevi Nathmal Goenka Charitable Trust.

Omprakash Venkatswamy Bundellu, aged 73 years, is an Independent Director of our Company. He holds a master's degree in science (other than mathematics and statistics), and a master's degree in financial management from the University of Bombay. He has participated in the "Middle Management Course of the 3-Tier Programme for Management Development" conducted by the Indian Institute of Management, Ahmedabad, and has completed the 152nd session of the "Advanced Management Program, the "International Senior Managers Program" conducted by the Harvard University Graduate School of Business Administration, and part I of the associate examination conducted by the Indian Institute of Bankers. He has been associated with our Company since February 21, 2011 and has approximately 39 years of experience in the banking industry. Prior to joining the Company, he was associated with Indian Bank as manager, and with IDBI Bank Limited as whole-time director (designated as deputy managing director).

Manish Chokhani, aged 56 years, is an Independent Director of our Company. He holds a masters' degree in business administration from London Business School, University of London. He is an associate of the Institute of Chartered Accountants of India and has been admitted as a fellow of the All India Management Association. He has been associated with our Company since March 30, 2012 and has 17 years of experience in the industry. Prior to joining the Company, he was the director of Enam Securities Private Limited from 2006 to 2019. He served as the managing director and chief executive officer of Axis Capital Limited from 2012 to 2013. He served as chairman of TPG Growth India during 2015-2016, and as senior advisor to TPG Growth during 2013 to 2019. He currently holds the position of independent director on the boards of various companies including Westlife Foodworld Limited (formerly known as Westlife Development Limited), Shoppers Stop Limited, Landmark Cars Limited and Welspun Corp Limited. He also serves on the governing board of Flame University. He is a member of the Young Presidents' Organization. He has also served as a member of SEBI's Alternative Investment Policy Advisory Committee.

Sangeeta Singh, aged 63 years, is an Independent Director of our Company. She holds a bachelors' degree in arts from Wilson College, University of Bombay. She has successfully completed the "Strategic Human Resource Management" programme by the Harvard Business School. She has been associated with our Company since September 4, 2017.Prior to joining the Company, she was associated with KPMG as an executive director, heading human resources in India.

Rajeev Vaidya, aged 65 years, is an Independent Director of our Company. He holds a bachelors' degree of technology in chemical engineering from Indian Institute of Technology, Mumbai, and a doctorate degree from The University of Southern Mississippi. He has approximately 32 years of experience in the chemicals industry and around seven years of experience in investment advisory services. He is presently associated with Alpha Investments and Services LLC as a its initial member. In the past, he has been associated with Dupont Specialty Products USA, LLC and has held varied capacities within the Dupont business divisions and companies, ranging from research engineer to global president for the DuPont Building Innovations business.

Rajiv Banavali, aged 65 years, is an Independent Director of our Company. He holds bachelors', and a doctorate degree in Philosophy Chemistry from The University of Missouri. He is currently Senior Vice President, Science & Innovation at WestRock Corporation in the USA. In the past, he has been associated with Rohm & Haas Texas Incorporated, Honeywell, and Huntsman.

Relationship amongst the Directors

Except Ravi Goenka and Rajeev Goenka who are brothers and Harshvardhan Goenka who is the son of Ravi Goenka, none of our other Directors are related to each another.

Borrowing powers of the Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders by way of postal ballot process held on June 6, 2023, our Board has been authorized to borrow any sum or sums of monies (including by way of advances, loans, issue of debentures or bonds and/or other instruments), notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), will or may exceed our Company's aggregate paid-up share capital, free reserves and securities premium, provided that the total amount of money so borrowed by the Board shall not at any time together with interest payable exceed a sum of ₹ 20,000 million.

Interest of the Directors

Our Executive Directors are interested to the extent of any remuneration, reimbursement of expenses and Equity Shares held by them or their relatives and associates or held by the companies, firms, partnerships or entities in which they are interested as a director, member, partner and/or trustee, executive officer and to the extent of benefits arising out of such shareholding.

All of our Non-Executive Directors may be deemed to be interested to the extent of sitting fees being paid to them for attending Board meetings and commission or incentive, if any, payable to them pursuant to the authorization of our Board in its meeting dated November 25, 2020 and to the extent of reimbursement of expenses and Equity Shares held by their relatives and associates or held by the companies, firms, partnerships or entities in which they are interested as a director, member, partner and/or trustee, executive officer and to the extent of benefits arising out of such shareholding.

Other than as disclosed in this Preliminary Placement Document or in the ordinary course of business, there are no outstanding transactions undertaken by our Company in which the Directors are interested parties.

Except as otherwise stated in this Preliminary Placement Document and as set out in the section "*Related Party Transactions*" on page 48, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Preliminary Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on date of this Preliminary Placement Document, no Director has taken any loans from our Company.

Shareholding of Directors

The following table sets forth details regarding the shareholding of the Directors as on the date of this Preliminary Placement Document:

Name of the Director	Number of Equity Shares	Percentage shareholding (%)
Ravi Goenka	1,809,179	0.68
Rajeev Goenka	109,437	0.04
Harshvardhan Goenka	125	0.00
Omprakash Venkatswamy Bundellu *	56,301	0.02

**jointly with Sunita O. Bundellu*

Remuneration of the Directors

Terms of appointment and remuneration of our Executive Directors:

Particulars	Remuneration (in ₹ Mn)
Ravi Goenka, Executive Chairman	
Fixed pay	58.45
Variable pay / performance bonus	In addition to the Fixed Pay & Perquisites and Allowances, Ravi Goenka 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 Companies 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.
Retiral and other benefits	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.
Rajan Venkatesh, Managing Director & CEO	
Fixed pay	40.00
Variable pay / performance bonus	35.00
Retiral and other benefits	1. One-time joining bonus of 4 to be payable in two equal instalments. The first instalment shall be paid within thirty (30) days of joining and the second instalment shall be payable upon the completion of twelve (12) months from the date of joining.

Particulars	Remuneration (in ₹ Mn)
	2. Annual Equity Grant: A grant of 14,06,250 ESOPs convertible into 14,06,250 equity shares of the Company, having a value equal to 225, upon such terms and conditions including exercise price, vesting period and exercise period, as may be approved by the Nomination & Remuneration Committee of the Board. 3. All the employee benefit plans currently and hereafter maintained by the Company of general applicability to other employees of the Company.
Harshvardhan Goenka, Executive Director – Business Development & Strategy	
Fixed pay	20.06
Variable pay / performance bonus	4.41
Retiral and other benefits	All the employee benefit plans currently and hereafter maintained by the Company of general applicability to other employees of the Company.

Remuneration paid to our Executive Directors

The following tables set forth the details of managerial remuneration (including salary, wages, bonus and employee stock compensation expense and excluding the liability for gratuity and compensated leave absences as it is provided on an actual basis for the Group as a whole) paid by our Company to the Executive Directors (who are also the Key Managerial Personnel) of our Company during the Fiscals 2023, 2022 and 2021 and the three months ended June 30, 2023 is as set forth below:

(₹ million)

Name	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Ravi Goenka	12.75	93.33	101.37	78.90
Satej Nabar*	Nil	25.83	28.67	43.78
Harshvardhan Goenka	4.41	23.38	24.65	12.24
Rajan Venkatesh	11.17	-	-	-

**Resigned w.e.f. .from April 3, 2023]*

Compensation of our Independent Non-Executive Directors

The Board of Directors at their meeting held on November 25, 2020 and May 4, 2022, approved the payment of ₹ 50,000 and ₹ 40,000 each for every board and committee meeting attended by the Independent Non-Executive Directors, respectively. The sitting fees / commission paid to our Independent Non – Executive Directors during the Fiscals 2023, 2022 and 2021 and three months ended June 30, 2023 is as set forth below:

(₹ million)

Name	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Manish Chokhani	0.15	2.51	2.41	2.42
Omprakash Venkatswamy Bundellu	0.18	2.54	2.43	2.52
Sangeeta Singh	0.21	2.57	2.46	2.48
Rajeev Vaidya	0.15	2.79	2.38	0.99
Rajiv Banavali	0.13	2.61	2.04	NA

Key Managerial Personnel and Senior Management

The details of our Key Managerial Personnel and Senior Management as on the date of this Preliminary Placement Document, are set out below:

Sr No.	Name	Age	Designation
Key Managerial Personnel			
1.	Rajan Venkatesh	48 years	Executive Chairman and Director
2.	Tanushree Bagrodia	44 years	Chief Financial Officer
3.	Aniket Hirpara	41 years	Company Secretary and the Senior Vice President – Legal and Secretarial
Senior Management			
4.	Sruti Bora	45 years	Chief Transformation Officer and Head HR
5.	Jitendra Agrawal	54 years	President - AI Business
6.	Virag Shah	45 years	Executive Vice President - SI Business

Sr No.	Name	Age	Designation
7.	Ajay Audi	55 years	Executive Vice President
8.	Bhagwati Prasad Pant	50 years	Executive Vice President
9.	Prashant Patil	58 years	Executive Vice President
10.	Uday Vaishampayan	55 years	Senior Vice President – Environment, Health and Safety

* *Also Senior Management in accordance with the provisions of the SEBI ICDR Regulations.*

Biographies of our Key Managerial Personnel and Senior Management

For biographies of our Executive Chairman and Director and our Managing Director see *"- Biographies of our Directors"* on page 204:

Aniket Hirpara, aged 41 years, is the Company Secretary of our Company and the Senior Vice President – Legal and Secretarial. He is responsible for overlooking the secretarial and legal matters of our Company. He joined our Company on August 3, 2012. He holds a bachelor's degree in commerce and a master's degree in business administration (part time) (finance) from Narsee Monjee Institute of Management Studies. He is an associate member of the Institute of Company Secretaries of India. He has more than 17 years of experience in secretarial and legal matters. In the past, he has been associated with Hemanshu Kapadia & Associates, Company Secretaries, Provogue (India) Limited, Neesa Leisure Limited and Bharat Serums and Vaccines Limited. In Fiscal 2023, he received remuneration of ₹ 15.12 million.

Tanushree Bagrodia, aged 44 years, is the Chief Financial Officer of our Company. She is responsible for heading the finance, treasury and IT function in our Company. She joined our Company on April 11, 2022. She holds a bachelor's degree in engineering (computer engineering branch) degree from Vivekananda Education Society's Institute of Technology and a master's degree in business administration from INSEAD. As an investment banker, she worked in London and Mumbai with large American, European, and Indian investment banks such as Merrill Lynch International, KBC Financial Products UK Ltd and IDFC Limited. She was previously associated with Regency Healthcare – Kanpur in the capacity of nominee director of International Finance Corporation (IFC). In Fiscal 2023, she received remuneration of ₹ 19.79 million.

Sruti Bora, aged 45 years, is the Chief Transformation Officer and the Head Human Resource of our Company. He is responsible for the human resources and transformation initiatives of our Company. He holds a master's degree in arts in personnel management and industrial relations from Tata Institute of Social Sciences. He joined our Company on October 15, 2018. In the past, he was associated with Kellogg India Private Limited, Lakme Lever Private Limited, and Cadbury India. In Fiscal 2023, he received remuneration of ₹ 57.79 million.

Jitendra Agarwal, aged 54 years, is the President- Acetyls Intermediate Business of our Company. He joined our Company on June 1, 2018. He is an associate member of the Institute of Chartered Accountants of India. He has over 29 years of experience in multi-domain such as finance, accounts, global procurement, supply chain, sales and marketing, operations and industrial relations and BU management. In the past, he was associated with Huhtamaki India Ltd, as head-strategic sourcing. In Fiscal 2023, he received remuneration of ₹ 47.80 million.

Virag Shah, aged 45 years, is the is Executive Vice President- Specialities Intermediate Business of our Company. He joined our Company on July 30, 2020. He holds a master's degree of science in applied chemistry and a master's degree of business administration from Maharaja Sayajirao University of Baroda. He has approximately 18 years of experience in marketing, sales, and business development of specialty chemicals, pharmaceutical intermediates and active pharmaceutical ingredients. In Fiscal 2023, he received remuneration of ₹ 22.04 million.

Ajay Audi, aged 55 years, is the Executive Vice-President of our Company. He joined our Company on December 9, 2013, and is responsible for synthesis and analytical developments of old and new molecules and intermediates of future prospects for our Company at its R&D centres. He holds a doctorate degree in philosophy (science) for a thesis in organic chemistry from the University of Mumbai. He has over 34 years of experience in the field of process developments and scale ups of agro –AIs and pharma – active pharmaceutical ingredients. In the past, he was associated with Gharda Chemicals Limited, Glenmark Pharmaceuticals Limited in the capacity of senior research officer-bulk actives, and Arch Pharmalabs Limited in the capacity of general manager-research and development. In Fiscal 2023, he received remuneration of ₹ 31.05 million.

Bhagwati Prasad Pant, aged 50 years, is the Executive Vice President of our Company. He joined our Company on February 28, 2018. He holds a master's degree of science in organic chemistry from the University of Pune. He has over 26 years of experience in the field of process research, program management, business development, sales and marketing of agrochemical intermediates/AIs, pharmaceutical intermediates and specialty chemicals. In the past, he has worked with SRF Limited, Nicholas Piramal India Limited, Gujarat Insecticides Limited, PI Industries Limited, and IPCA Laboratories Limited. In Fiscal 2023, he received remuneration of ₹ 34.55 million.

Prashant Patil, aged 58 years, is the Executive Vice President of our Company. He joined our Company on November 3, 2016.He holds a bachelor's degree in engineering (chemical plant engineering branch) from University of Bombay. He also holds a diploma in materials management from Prin. L.N. Welingkar Institute of Management Development and Research. Previously, he has been associated with Reliance Industries Limited, Hindustan Organic Chemicals Limited, Hikal Limited, Petroskills and Deepak Fertilisers and Petrochemicals Corporation Limited. In Fiscal 2023, he received remuneration of ₹ 21.19 million.

Uday Vaishampayan, aged 55 years, is the Senior Vice President – Environment, Health and Safety of our Company. He joined our Company on December 2, 2019. He holds a bachelor's degree in science from University of Mumbai, a diploma in industrial safety from Board of Technical Examination, Maharashtra State and international diploma in occupational safety and health from British Safety Council Awards. He has also been awarded a certification on successful completion of a course 'Managing Safely', approved and validated by the Institute of Occupational Safety and Health in association with the British Institute of Safety. Previously, he has been associated with SMP Private Limited, Excel Industries Limited, Supreme Petrochem Limited, Saudi Kayan Petrochemical Company and Reliance Industries Limited. In Fiscal 2023, he received remuneration of ₹ 8.38 million.

Shareholding of our Key Managerial Personnel and Senior Management

The following table sets forth details regarding the shareholding of the Key Managerial Personnel and Senior Management in our Company as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage shareholding (%)
Key Managerial Personnel		
Rajan Venkatesh	Nil	Nil
Tanushree Bagrodia	Nil	Nil
Aniket Hirpara	Nil	Nil
Senior Management		
Sruti Bora	22,429	0.01
Jitendra Agrawal	Nil	Nil
Virag Shah	27,694	0.01
Ajay Audi	22,936	0.01
Bhagwati Prasad Pant	32,211	0.01
Prashant Patil	11,060	0.00
Uday Vaishampayan	Nil	Nil

Relationship amongst the Key Managerial Personnel and Senior Management and Directors

None of our Key Managerial Personnel or Senior Management are related to each other or to the Directors.

Interest of Key Managerial Personnel and Senior Management

None of the Key Managerial Personnel or Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business or other incidental expenses and to the extent of the Equity Shares held by them or the companies, firms and trusts in which they are interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

Corporate governance

The Board of Directors presently consists of nine Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board has five Independent Directors including one woman Director. Our Company is in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the SEBI Listing Regulations and Companies Act.

Committees of the Board of Directors

The Board of Directors have constituted the following committees, in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the details of the members of the said committees as of the date of this Preliminary Placement Document:

Committee	Members
Audit Committee	Omprakash Venkatswamy Bundellu (Chairman) Sangeeta Singh Ravi Goenka
Nomination and Remuneration Committee	Sangeeta Singh (Chairman) Manish Chokhani Rajeev Vaidya
Stakeholders' Relationship Committee	Manish Chokhani (Chairman) Ravi Goenka Harshvardhan Goenka
Risk Management & ESG Governance Committee	Rajeev Vaidya (Chairman) Rajiv Banavali Rajan Venkatesh Harshvardhan Goenka
Corporate Social Responsibility Committee	Ravi Goenka (Chairman) Sangeeta Singh Rajeev Goenka

Additionally, our Company has constituted various committees of its Board.

Policy on disclosures and internal procedure for prevention of insider trading

Our Company has adopted a code of conduct for prohibition of insider trading ("**Insider Code**") with a view to regulate trading in securities by the directors and employees of our Company while in possession of unpublished price sensitive information ("**UPSI**"). The Insider Code requires pre-clearance for dealing in our Company's shares and prohibits the purchase or sale of our Company's shares by the persons falling within the scope of definition of 'designated persons', as defined under the Insider Code, while in possession of UPSI in relation to our Company or its securities. Our Company has appointed the Company Secretary and Compliance Officer of our Company as a compliance officer to ensure compliance of the Insider Code by all the directors and employees likely to have access to UPSI. Further, our Company has also adopted the code of fair disclosure of UPSI to regulate and monitor the flow of UPSI.

Other confirmations

None of the Directors, Promoter, Key Managerial Personnel or Senior Management of our Company have any financial or other material interest in the Issue.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Except as disclosed under "*Remuneration of the Directors*" above, our Company does not have any bonus or profit-sharing plan with its Directors, Key Managerial Personnel and Senior Management.

Other than as disclosed in the "*Capital Structure - Employee stock option schemes*" on page 98, none of our Directors, Key Managerial Personnel and Senior Management hold employee stock options of our Company.

None of the Directors or the companies with which they are or were associated as promoter or director, are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental authority. Neither our Company, nor our Promoter or the companies with which our Promoter is or has been associated with as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

Neither our Company, nor any of our Directors or Promoter have been declared as a Wilful Defaulter or Fraudulent Borrower.

None of our Directors or Promoter have been declared as a Fugitive Economic Offender.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscal Years immediately preceding the date of this Preliminary Placement Document, please see "*Related Party Transactions*" on page 48.

Employee stock option schemes

For details with respect the employee stock option schemes of our Company, please see "*Capital Structure - Employee stock option schemes*" on page 98.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2023:

Category of the Shareholder	**No. of Shareholders**	**No. of fully paid-up Equity Shares held**	**No. of partly paid-up Equity Shares held**	**No. of shares underlying depository receipts**	**Total No. of shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of voting rights**	**Total as a % of (A+B+C)**	**No. of shares underlying outstanding convertible securities (including warrants)**	**Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of Equity Shares held in dematerialized form**
(A) Promoters & Promoter Group	8	192,262,806	0	0	192,262,806	72.3944	192,262,806	72.51	0	0	192,262,806
(B) Public	455,329	73,314,148	0	0	73,314,148	27.6056	72,886,219	27.49	0	0	72,886,219
(C) Non-Promoter Non-Public:											
(C1) Shares underlying DRs	0	0	0	0	0	0.0000	0	0	0	0	0
(C2) Shares held by Employee Trusts	0	0	0	0	0	0.0000	0	0	0	0	0
Total:	**455,337**	**265,576,954**	**0**	**0**	**265,576,954**	**100.0000**	**265,149,025**	**100.0000**	**0**	**0**	**265,149,025**

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on June 30, 2023:

Name of the Shareholder	**No. of Shareholders**	**No. of fully paid-up Equity Shares held**	**No. of shares underlying depository receipts**	**Total No. of shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of voting rights**	**Total as a % of (A+B+C)**	**No. of shares underlying outstanding convertible securities (including warrants)**	**Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of Equity Shares held in dematerialized form**
I. Individuals										
Ravi Vasudeo Goenka	1	176,704,984	0	176,704,984	66.5363	176,704,984	66.64	0	0	176,704,984
Manisha Ravi Goenka	1	8,882,646	0	8,882,646	3.3447	8,882,646	3.3447	0	0	8,882,646
Ravi Vasudeo Goenka	1	1,809,179	0	1,809,179	0.6812	1,809,179	0.6812	0	0	1,809,179

Name of the Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialize d form
Rajeev Vasudeo Goenka	1	109,437	0	109,437	0.0412	109,437	0.0412	0	0	109,437
Prashant Sarawgi Huf	1	56,310	0	56,310	0.0212	56,310	0.0212	0	0	56,310
Harshvardhan Goenka	1	125	0	125	0.0000	125	0.0000	0	0	125
Niharika Ravi Goenka	1	125	0	125	0.0000	125	0.0000	0	0	125
II. Any Other										
Brady Investments Pvt Ltd	1	4,700,000	0	4,700,000	1.7697	4,700,000	1.7697	0	0	4,700,000
Total	**8**	**192,262,806**	**0**	**192,262,806**	**72.3944**	**192,262,806**	**72.51**	**0**	**0**	**192,262,806**

The following table sets forth the details regarding the equity shareholding of the members of the public as on June 30, 2023:

	Name of the Shareholder	No. of Sharehol ders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialize d form
1	Institutions (Domestic)										
(a)	Mutual Fund	9	3,726,184	0	3,726,184	1.4031	3,726,184	1.4031	0	0	3,726,184
(b)	Venture Capital Funds	0	0	0	0	0.0000	0	0.0000	0	0	0
(c)	Alternate Investment Funds	2	363,890	0	363,890	0.1370	363,890	0.1370	0	0	363,890
(d)	Banks	0	0	0	0	0.0000	0	0.0000	0	0	0
(e)	Insurance Companies	0	0	0	0	0.0000	0	0.0000	0	0	0
(f)	Provident Funds/ Pension Funds	0	0	0	0	0.0000	0	0.0000	0	0	0
(G)	Asset Reconstruction Companies	0	0	0	0	0.0000	0	0.0000	0	0	0
(h)	Sovereign Wealth Funds	0	0	0	0	0.0000	0	0.0000	0	0	0
(i)	NBFCs registered with RBI	1	3,000	0	3,000	0.0011	3,000	0.0011	0	0	3,000
(j)	Other Financial Institutions	0	0	0	0	0.0000	0	0.0000	0	0	0
(k)	Any Other (Specify)	0	0	0	0	0.0000	0	0.0000	0	0	0

	Name of the Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
	Sub Total (B)(1)	**12**	**4,093,074**	**0**	**4,093,074**	**1.5412**	**4,093,074**	**1.5412**	**0**	**0**	**4,093,074**
2	Institutions (Foreign)			0					0	0	
(a)	Foreign Direct Investment	0	0	0	0	0.0000	0	0.0000	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0.0000	0	0.0000	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0.0000	0	0.0000	0	0	0
(d)	Foreign Portfolio Investors Category I	30	1,132,923	0	1,132,923	0.4266	1,132,923	0.4266	0	0	1,132,923
(e)	Foreign Portfolio Investors Category II	2	134,841	0	134,841	0.0508	134,841	0.0508	0	0	134,841
(f)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0.0000	0	0.0000	0	0	0
(g)	Any Other (Specify)	0	0	0	0	0.0000	0	0.0000	0	0	0
	Sub Total (B)(2)	**32**	**1,267,764**	**0**	**1,267,764**	**0.4774**	**1,267,764**	**0.4774**	**0**	**0**	**1,267,764**
3	Central Government/ State Government(s)										
(a)	Central Government / President of India	1	252		252	0.0001	252	0.0001			252
(b)	State Government / Governor	0	0	0	0	0.0000	0	0.0000	0	0	0
(C)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0	0.0000	0	0.0000	0	0	0
	Sub Total (B)(3)	**1**	**252**	**0**	**252**	**0.0001**	**252**	**0.0001**	**0**	**0**	**252**
4	Non-Institutions		0	0	0	0.0000	0	0.0000	0	0	0
(a)	Associate companies / Subsidiaries	0	0	0	0	0.0000	0	0.0000	0	0	0

	Name of the Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0	0.0000	0	0.0000	0	0	0
(C)	Key Managerial Personnel	0	0	0	0	0.0000	0	0.0000	0	0	0
(D)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoters and Promoter Group' category)	2	759,938	0	759,938	0.2861	759,938	0.2861	0	0	759,938
(E)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', ‘beneficiary’, or ‘author of the trust’’	0	0	0	0	0.0000	0	0.0000	0	0	0
(f)	Investor Education and Protection Fund (IEPF)	0	0	0	0	0.0000	0	0.0000	0	0	0
(g)	i. Resident Individual holding nominal share capital up to Rs. 2 lakhs.	446,818	50,882,853	0	50,882,853	19.1594	50,882,853	19.19	0	0	50,882,853
(h)	ii. Resident individual holding nominal share capital in excess of Rs. 2 lakhs.	11	7,259,021	0	7,259,021	2.7333	6,831,092	2.58	0	0	6,831,09
(i)	Non Resident Indians (NRIs)	3,137	1,217,636	0	1,217,636	0.4585	1,217,636	0.4585	0	0	1,217,636
(j)	Foreign Nationals	1	100	0	100	0.0000	100	0.0000	0	0	100

	Name of the Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
(k)	Foreign Companies	2	3,751,029	0	3,751,029	1.4124	3,751,029	1.4124	0	0	3,751,029
(l)	Bodies Corporate	534	2,275,495	0	2,275,495	0.8568	2,275,495	0.8568	0	0	2,275,495
(m)	Any Other (Specify)	4779	1,806,986	0	1,806,986	0.6804	1,806,986	0.6804	0	0	1,806,986
	Trusts	1	50	0	50	0.0000	50	0.0000	0	0	50
	Body Corp-Ltd Liability Partnership	42	113,123	0	113,123	0.0426	113,123	0.0426	0	0	113,123
	Hindu Undivided Family	4,730	1,691,659	0	1,691,659	0.6370	1,691,659	0.6370	0	0	1,691,659
	Clearing Member	6	2154	0	2154	0.0008	2154	0.0008	0	0	2154
	Sub Total (B)(4)	**455,284**	**67,953,058**	**0**	**67,953,058**	**25.5870**	**67,525,129**	**25.47%**	**0**	**0**	**67,525,129**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+ b(4)	**455,329**	**73,314,148**	**0**	**73,314,148**	**27.6056**	**72,886,219**	**27.49%**	**0**	**0**	**72,886,219**

The following table sets forth the details of our non-promoter, non-public shareholders as on June 30, 2023:

Name of the Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	No. of shares underlying depository receipts	Total No. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of (A+B+C)	No. of shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
NA	0	0	0	0	0	0	0	0	0	0

The following table sets forth the details of disclosure made by the trading members holding 1.00% or more of the total number of shares of our Company as on June 30, 2023:

Sl. No	Name of the trading member	Name of the beneficial owner	Number of shares held	% of total number of shares	Date of reporting by the trading member
1.	NA	NA	0	0	NA
2.	NA	NA	0	0	NA
3.	NA	NA	0	0	NA
4.	NA	NA	0	0	NA

The following table shows the details of the significant beneficial owners as of June 30, 2023:

Details of the SBO (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect: (III)					Date of creation / acquisition of significant beneficial interest (IV)
				Whether by virtue of:					
Name	Nationality	Name	Nationality	Shares	Voting rights (%)	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
Ravi Goenka	India	Yellow Stone Trust	India	67	67	67	Yes	No	08/02/2019
ManishaGoenka	India	Yellow Stone Trust	India	67	67	67	Yes	No	08/02/2019
Rajeev Goenka	India	Yellow Stone Trust	India	67	67	67	Yes	No	08/02/2019
Aditi Goenka	India	Yellow Stone Trust	India	67	67	67	Yes	No	08/02/2019

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 234 and 241, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, our Company may issue equity shares to Eligible QIBs provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP, and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on Stock Exchanges for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek approval of our Shareholders for the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application form, serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer made, except as permitted under the Companies Act, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- in accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and

- our Promoters and Directors are not Fugitive Economic Offenders.

At least 10.00% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5.00% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated April 20, 2023, and our Shareholders by way of a special resolution through postal ballot passed on June 6, 2023, have authorised our Board to decide the quantum of discount of up to 5.00% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Board or Fundraising Committee decides to open the Issue and "Stock Exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue, being June 6, 2023, and also within 60 days from the date of receipt of Bid Amount from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and
- five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50.00% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "**—***Bid Process—Application Form*" on page 225.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on April 20, 2023, and our Shareholders by way of a special resolution through postal ballot passed on June 6, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S .state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 234 and 241, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Bid / Issue Opening Date, our Company in consultation with the BRLMs shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company in consultation with the BRLMs. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed**

to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case of an upward revision before the Bid/Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the escrow account specified in the application form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.

5. Bidders will be required to indicate the following in the Application Form:

   - a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and it has agreed to certain other representations set forth in the Application Form;
   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - Equity Shares held by the Bidder in our Company prior to the Issue;
   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue; and
   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

6. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*LAXMI ORGANIC INDUSTRIES LTD-QIP-ESCROW ACCOUNT*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment

has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid/Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 230.

7. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case of an upward revision before the Bid/Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/Issue Closing Date, our Company shall, in consultation with BRLMs determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs on behalf of our Company will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it.

10. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

11. Upon determination of the Issue Price and issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records

of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- *Refunds*" on page 230.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds, VCFs, AIFs, each registered with SEBI;
- pension funds with minimum corpus of ₹25 crores registered with the Pension Fund Regulatory and Development Authority established under sub – section (1) of Section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crores;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 100.00% under the automatic route. As of June 30, 2023, the aggregate FPI shareholding in our Company is 0.65% of our Company's paid-up Equity Share capital on a fully diluted basis. For further details, see "*Shareholding Pattern of our Company*" on page 212.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 05, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSE as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on page 234 and 241, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00%

(sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our Promoters, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10.00% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties, acknowledgements and undertakings, and the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 4, 234 and 241, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid/Issue Closing Date;

6. Each Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Bidder confirms that in the event it is resident outside India, it is not an FVCI;

9. Each Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. Each Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

11. Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. Each Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs.

13. Each Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50.00% of the Issue. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. Each Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

15. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

16. Each Eligible QIB acknowledges, represents and agrees that its total voting rights in our Company does not exceed 10.00% of the total issued share capital of our Company.

17. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) in our Company does not exceed 10.00% of the post-Issue paid-up capital of our Company on a fully diluted basis.

18. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

19. The Eligible QIB confirms that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form, whether signed or not, and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at the following address(s):

Name	Address	Contact Person	Website and Email	Phone (Telephone)
DAM Capital Advisors Limited	One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India	Chandresh Sharma	Website: www.damcapital.in E-mail: laxmi.qip@damcapital.in	Tel: +91 22 4202 2500
Jefferies India Private Limited	16th Floor, Express Towers, Nariman Point, Mumbai 400 021, India	Suhani Bhareja	Website: www.jefferies.com E-mail: Laxmi.QIP@jefferies.com	Tel: +91 22 4356 6000

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the duly completed Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*LAXMI ORGANIC INDUSTRIES LTD-QIP-ESCROW ACCOUNT*" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*LAXMI ORGANIC INDUSTRIES LTD-QIP-ESCROW ACCOUNT*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "- *Refunds*" on page 230.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5.00% of the Floor Price in accordance with the approval of our Shareholders, accorded by way of a special resolution through postal ballot passed on June 6, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or Fundraising Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. The book shall be maintained by the BRLMs.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10.00% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, Company in consultation with BRLMs have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the details of amount to be refunded, if any, probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5.00% of the Equity Shares offered in the Issue, namely, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12.00% p.a from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the Income Tax Act, 1961. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see " - *Bid Process*" and "- *Refunds*" on pages 225 and 230, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs have entered into the Placement Agreement with our Company, pursuant to which the BRLMs have agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and, subject to certain conditions procure subscription for the Equity Shares to be issued pursuant to the Issue, on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 11 and 4, respectively.

Relationship with the Book Running Lead Managers

Affiliates of the Book Running Lead Managers may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of Offshore Derivative Instruments. Please see "*Offshore Derivative Instruments*" on page 11. From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock-up

Our Company agrees, subject to the exceptions set out below, not to: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for equity share; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of equity shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of equity shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the date of Allotment of the Equity Shares without the prior written consent of the BRLMs. However, the foregoing restriction shall not be applicable to the (i) the issuance of Equity Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to conversion of ESOPs issued by our Company pursuant to the ESOP Scheme; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Promoters and Promoter Group Lock – in

Our Promoters and members of our Promoter Group agree that, without the prior written consent of the BRLMs, they shall not, publicly announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date of this Preliminary Placement Document and ending 60 days from the date of the Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly:

(1) offer, issue, pledge, sell, encumber, contract to sell, lend, purchase any option, grant or sell any option, right, contract or warrant to purchase, make any short sale or otherwise transfer or dispose of any Lock-up Shares or any other securities of our Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares, whether now owned or hereinafter acquired;

(2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Lock-up Shares or any securities that are convertible into, exercisable or exchangeable for Lock-up Shares, whether now owned or hereinafter acquired; or

(3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility

Provided, however, that none of the foregoing or below restrictions shall apply:

(i) any sale, transfer or disposition of any of the Lock-up Shares by our Promoters or member of Promoter Group (other than the sale of Equity Shares by our Promoters under (i) above) with prior consent of the Book Running Lead Managers to the extent such sale, transfer or disposition is required by applicable law; and

(ii) any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by our Promoters or member of Promoter Group as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Lock-up Shares to any third party pursuant to the invocation of any pledge in relation to the Lock-up Shares.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Purchaser Representations and Transfer Restrictions" on pages 1, 4 *and* 241*, respectively.*

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Purchaser Representations and Transfer Restrictions"* on page 241.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLMs of such fact in writing and has received the consent of the BRLMs in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the BRLMs are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the BRLMs are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any BRLMs to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 241.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 234.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S.
- It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity

Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and the stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25.00%. Further, where the public shareholding in a listed company falls below 25.00% at any time, such company is required to bring the public shareholding to 25.00% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (“**BOLT**”) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"). The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, employees and directors, with respect to their shareholding in the company, and the changes therein. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Insider Trading Regulations prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹760,000,000 divided into 380,000,000 equity shares having a face value of ₹2 each. For further details please see "*Capital Structure*" on page 95.

Dividends

Under the Companies Act, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived in a manner laid down by the Companies Act and remaining undistributed or out of both; or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15.00% of the company's paid up share capital as per the most recent audited financial statement of the company.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities or engagement in respect of which the lien exists. No member shall be entitled to receive payment of interest and dividend in respect of his Equity Shares while any money may be due or owing from him to our Company and our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to our Company on account of calls in relation to the Equity Shares of our Company or otherwise. A transfer of Equity Shares shall not pass the right to any dividend declared therein before the registration of the transfer unless the registered holder of the Equity Shares authorises our Company to pay the dividend to the transferee.

According to the Articles of Association, dividends may be paid to the members according to their respective rights but the amount of dividend shall not exceed the amount recommended by our Board of Directors.

Unclaimed and unpaid dividend shall not be forfeited by our Company before the claim becomes barred under the applicable laws. Subject to applicable provisions of the Companies Act, if our Company has declared a dividend but which has not been paid or claimed or dividend warrant or such other instrument has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, our Company shall within seven days from the date of the expiry of the aforesaid 30 days period transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened in that behalf in any scheduled bank called "Unpaid Dividend of Laxmi Organic Industries Limited" account.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid up bonus shares to its members out of (a) the free reserves of the company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalise its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus, and (e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Our Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act, or any other applicable law in force, from time to time, may reclassify, increase, consolidate, divide or sub-divide its authorized share capital, provided that (i) no consolidation and sub-division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the tribunal on an application made in the manner prescribed under the Companies Act; (ii) in the event our Company carries out a sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived. Subject as aforesaid, our Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of shares so cancelled.

General Meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM *suo motu* when it deems fit.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95.00% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are entitled to vote and who represent not less than 95.00% of the paid up share capital of the company. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with, unless exempted by appropriate authority.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than three and not more than 15. The Articles of Association also permit our Directors to appoint any other person as a director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director so appointed shall hold office only up to the date of the next following annual general meeting of our Company but shall be eligible for re-election at such meeting.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares issued upon special terms and conditions. On winding up, the preference shares issued by our Company shall rank in priority to Equity Shares but shall not be entitled to any further participation in profits or assets.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY

4th October 2023

To
The Board of Directors
Laxmi Organic Industries Limited
A-22/2/3, MIDC, Mahad
Raigad – 402309
Maharashtra, India

Re: Qualified institutions placement of equity shares of face value of ₹ 2 each of Laxmi Organic Industries Limited (the "Company") (the "Equity Shares") in reliance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the "SEBI ICDR Regulations") and under Section 62(1)(c) of the Companies Act, 2013, as amended, and the rules framed thereunder (the "Placement")

Sub: Statement of possible tax benefits ("Statement") available to the Company, its Shareholders and Material Subsidiary under the Indian tax laws, prepared in accordance with the SEBI ICDR Regulations

1. We, Dayal & Lohia, Chartered Accountants (the "**Firm**"), independent chartered accountants, hereby confirm the enclosed Statement prepared and issued by the Company, which provides the possible tax benefits available to the Company, its Shareholders and its Material Subsidiary, namely Laxmi Organic Industries (Europe) B.V., as per the provisions of the Indian direct and indirect tax laws including [the Income-tax Act, 1961 (read with the Income-tax rules, circulars, notifications), as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 (read with the rules, circulars and notifications, collectively, the "**GST Law**"), the Customs Act, 1962 and the Customs Tariff Act, 1975 (together, the "**Customs Law**"). Several of these benefits are dependent on the Company, its Shareholders and its Material Subsidiary, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company, its Shareholders and its Material Subsidiary to derive the tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company, its Shareholders and its Material Subsidiary may face in the future, the Company, its Shareholders and its Material Subsidiary may or may not choose to fulfil.

2. The possible tax benefits stated in the enclosed Statement dated 4th October, 2023 (Stamped & and initialed for identification purpose only) are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Placement and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
3. In respect of the Material Subsidiary, we have relied on the certificate from its director that the Material Subsidiary is not eligible for any special tax benefits.

4. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

6. We do not express any opinion or provide any assurance whether:

   i) The Company, its Shareholders and its Material Subsidiary will continue to obtain these benefits in future;
   ii) The conditions prescribed for availing the benefits have been/would be met;
   iii) The revenue authorities/courts will concur with the views expressed herein.

7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

8. We confirm that the information in this certificate is true, fair and accurate, and is in accordance with the requirements of the Companies Act, the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

9. This certificate may be relied upon by the Lead Managers (LM) and legal counsel appointed by the Company and the Lead Managers in relation to the Placement. We hereby consent to the inclusion of extracts of this certificate in part or in full, in the preliminary placement document, the placement document ("**Offering Documents**") and any other document to be issued or filed in relation to the Placement, including in any corporate or investor presentation made by or on behalf of the Company. We confirm that we will immediately communicate any changes in writing in the above information to the Lead Managers. In the absence of any such communication from us, the Lead Managers and the legal advisor, each to the Company and the Lead Managers, can assume that there is no change to the above information. All capitalized terms used herein and not specifically defined shall have the meaning ascribed to them in the Offering Documents.

10. We hereby consent to this certificate being disclosed by the LMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation. We hereby consent to the aforementioned details being included in the Offering Documents and submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the LMs in connection with the Placement and in accordance with applicable laws.

For Dayal and Lohia
Chartered Accountants
Firm Registration No: 102200W

Anil Lohia
(Partner)
Membership No. 031626
Place: Mumbai
UDIN: 23031626BGRBKP7094

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA (“STATEMENT”)

1. **Special tax benefits available to the Company**

There are no possible special tax benefits available to the Company as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961 (read with the Income-tax rules, circulars, notifications), as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 (read with the rules, circulars and notifications, collectively, the “**GST Law**”), the Customs Act, 1962 and the Customs Tariff Act, 1975 (together, the “**Customs Law**”).

2. **Special tax benefits available to the Material Subsidiary**

The material subsidiary is not eligible for special tax benefits.

3. **Special tax benefits available to the Shareholders**

The shareholders of the Company are also not eligible for special tax benefits as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961 (read with the Income-tax rules, circulars, notifications), as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 (read with the rules, circulars and notifications, collectively, the “**GST Law**”), the Customs Act, 1962 and the Customs Tariff Act, 1975 (together, the “**Customs Law**”).

Notes:

a. We have not considered the general tax benefits available to the Company, or shareholders of the Company,
b. The above is as per the prevalent Tax Law as on date.
c. The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of al the existing and potential tax consequences of the purchase ownership and disposal of Equity Shares.
d. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

Mumbai
Dated: 04 October 2023

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal cases, tax proceedings, regulatory and statutory actions. These legal proceedings may have been initiated by us or by customers, business partners, regulators, or other parties, and are pending at different levels of adjudication before various courts and tribunals. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

There are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy for Determination of Materiality of Events and Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated July 28, 2023. Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section of the Preliminary Placement Document:

(i) *Any outstanding actions (including show-cause notices) initiated by any regulatory and/or statutory authorities such as Securities and Exchange Board of India or such similar authorities or stock exchanges, involving our Company and our Subsidiaries, Promoters or Directors;*

(ii) *All outstanding criminal litigation filed by and against our Company, and our Subsidiaries, Promoters or Directors;*

(iii) *All outstanding civil litigation involving (which includes cases filed by and against) our Company and our Subsidiaries, where the amount involved exceeds 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company (being ₹ 1,696.98 million), which is approximately equivalent to ₹ 84.85 million or above ("**Materiality Threshold**" and such proceedings "**Material Civil Proceedings**"). The Materiality Threshold was adopted by our Fundraising Committee solely for the purpose of the Issue pursuant to its resolution dated* October *4, 2023;*

(iv) *A consolidated disclosure of all claims related to direct and indirect taxes (including show cause notices) involving our Company and our Subsidiaries, giving the number of cases and total amount; and*

(v) *(i) Other outstanding litigation involving our Company, and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and (ii) other outstanding litigation involving the Promoters and Directors of our Company wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis ("**Other Material Proceedings**")*

Except as disclosed elsewhere, this section of the Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or any previous companies law in the last three years preceding the year of this Preliminary Placement Document involving our Company, our Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or our Subsidiaries; (ii) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern of our Company or its future operations; (iv) any default by our Company (on a consolidated basis) including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act or the rules made thereunder; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any, will be disclosed.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries and our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

I. Litigation Involving our Company

Criminal proceedings against our Company

Jarandeshwar Co-operative Sugar Factory Limited through its administrator ("**Complainant**") filed a complaint against our Company before the Civil Judge Junior division, Junior Magistrate First Class, Koregaon. The Complainant and our Company had entered into an agreement on October 26, 2007 pursuant to which our Company would engage in the production of alcohol at the premises of the factory owned by the Complainant. The Complainant and our Company entered into a second agreement dated March 23, 2010, which would be valid up to February 21, 2023 ("**Second Agreement**"). The Complainant has alleged that our Company had executed the Second Agreement illegally without obtaining the requisite approvals. The matter is currently pending.

Criminal proceedings by our Company

1. Our Company has filed a complaint under Section 138 read with Section 142 of the Negotiable Instruments Act 1881, against Adarsh Enterprises and another in respect of dishonor of eight cheques ("**Cheques**") amounting to total of ₹ 6.60 million against Adarsh Enterprises ("**Respondents**") in the court of Metropolitan Magistrate, Mumbai. The Cheques had been issued against the invoice towards the supply of acetic acid pursuant to a letter dated September 10, 2020. The matter is currently pending.

2. Our Company has filed a complaint under Section 138 read with Section 141 and Section 142 of the Negotiable Instruments Act 1881, in respect of dishonor of sixteen cheques ("**Security Cheques**") amounting to total of ₹ 80.00 million against Karmayogi Shankarraoji Patil SSK Ltd. ("**Respondent**"), in the court of Chief Judicial Magistrate, Pune. The Security Cheques were issued by the Respondent towards the security of repayment of advance amount paid by the Company pursuant to supply agreement. The complaint is currently pending.

3. Our Company has filed a complaint under Section 138 read with Section 141 and Section 142 of the Negotiable Instruments Act 1881, in respect of dishonour of three cheques ("**Security Cheques**") amounting to total of ₹ 2.40 million against Indershwar Sugar Mills Ltd ("**Respondent**") in the court of Additional Chief Judicial Magistrate, Pune. The Security Cheques were issued by the Respondent towards the security of repayment of advance amount paid by the Company pursuant to supply agreement. The complaint is currently pending.

Material Civil Proceedings against our Company

Pursuant to a petition filed by our Company in relation to the alleged arbitrary levy of wheeling charges and applicable losses amounting to ₹ 50.30 million by Maharashtra State Electricity Distribution Company Limited ("**Appellant**" or "**MSEDCL**"), the Maharashtra Electricity Regulatory Commission ("**Respondent no. 1**" or "**MERC**") passed an order dated June 3, 2016 ("**Order**") against our Company directing our Company to pay wheeling charges and applicable losses amounting to ₹ 50.30 million to the Appellant. The Respondent no.1 through the Order directed our Company to pay the applicable wheeling charges and losses incurred due to the usage of a mega-watt captive power plant set up by our Company in September 2012 at one of its industrial units for internal energy consumption. As on June 30, 2023, we have provided for ₹ ₹ 278.12 million in our Unaudited Consolidated Financial Results in relation to the wheeling charges and losses.

Thereafter, our Company filed a review petition before the Respondent no.1 challenging the Order, pursuant to which the Respondent no.1 passed a review order dated April 2, 2018, in favour of our Company, directing the Appellant to not levy the wheeling charges and the applicable losses on our Company and to refund the amounts already paid with the applicable interest to our Company ("**Review Order**"). Pursuant to the Review Order, the Appellant filed an appeal before the Appellate Tribunal for Electricity at New Delhi (the "**Appellate Tribunal**") against the Respondent no.1, our Company and other parties. This matter is currently pending.

Pursuant to the Review Order, our Company filed another petition before the MERC due to the failure by MSEDCL to refund and give adjustments amounting to ₹ 50.30 million in terms of the Review Order. Thereafter on November 3, 2018, the MERC on, ordered MSEDCL to comply with the terms of the Review Order and to refund and give adjustments in accordance with the Review Order ("Compliance Order"). However, the Compliance Order also stated that our Company was liable to pay certain applicable transmission charges to MERC in terms of the applicable provisions of the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2016. Pursuant to the Compliance Order, MSEDCL sought to recover a sum of ₹ 64.28 million (along with interest) from our Company as transmission charges, and issued notices in this regard ("Recovery Notices"). In response, our Company filed an appeal before the Appellate Tribunal against MSEDCL and MERC for setting aside the Compliance Order (to the extent it deals with transmission charges and transmission losses) and the Recovery Notices. This matter is currently pending. As on June 30, 2023 we have provided for ₹ 90.31 million in our Unaudited Consolidated Financial Results in relation to the transmission charges and losses.

Our Company filed an appeal before the Appellate Tribunal for electricity at New Delhi against Maharashtra State Electricity Distribution Company Limited and Maharashtra Electricity Regulatory Commission. The appeal filed by our Company before the Appellate Tribunal for Electricity at New Delhi has been clubbed with the appeal filed by the Appellant before the Appellate tribunal.

Material Civil Proceedings by our Company

As on the date of this Preliminary Placement Document, there are no Material Civil Proceedings initiated by our Company.

Regulatory and/or statutory proceedings involving our Company

As on the date of this Preliminary Placement Document, there are no regulatory and/or statutory proceedings involving our Company.

Tax proceedings involving our Company

Nature of cases	Number of cases	Amount involved (in ₹ million)*
Direct Tax	3	83.40
Indirect Tax	11	239.59

* *To the extent quantifiable*

II. *Litigation Involving our Subsidiaries*

Criminal proceedings against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no criminal proceedings initiated against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no criminal proceedings initiated by our Subsidiaries.

Material Civil Proceedings against our Subsidiaries

As on the date of this Preliminary Placement Document, there are no Material Civil Proceedings initiated against our Subsidiaries.

Material Civil Proceedings by our Subsidiaries

As on the date of this Preliminary Placement Document, there are no Material Civil Proceedings initiated by our Subsidiaries.

Regulatory and/or statutory proceedings involving our Subsidiaries

As on the date of this Preliminary Placement Document, there are no regulatory and/or statutory proceedings involving our Subsidiaries.

Tax proceedings involving our Subsidiaries

Nature of cases	Number of cases	Amount involved (in ₹ lacs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

III. Litigation involving our Directors

Criminal proceedings against our Directors

O.V. Bundellu

1. The Central Bureau of Investigation ("**CBI**") has filed a case in the court of Special Judge for CBI, Mumbai, dated July 29, 2015, under the section 120-B read with 409 and 12(2), read with 13(1)(d) of the Prevention of Corruption Act, 1988, against, inter-alia, Vijay Mallya, Kingfisher Airlines Limited and officers of IDBI Bank Limited including, our Director, O.V. Bundellu who had served as the deputy managing director of IDBI Bank Limited from March, 2006 to January, 2010 (collectively, the "**Accused**"). The CBI has alleged in the chargesheet filed in relation to the present matter, that the Accused have engaged in criminal conspiracy and cheating in the process of IDBI Bank Limited granting term loan facilities amounting to ₹ 7,500 million to Kingfisher Airlines Limited. The Accused has filed a discharge application in the court of special judge for CBI, Mumbai. This matter is currently pending.

2. The Enforcement Directorate ("**ED**") has filed a case against, inter-alia, Vijay Mallya, Kingfisher Airlines Limited and officers of IDBI Bank Limited including, our Director, O.V. Bundellu, who had served as the deputy managing director of IDBI Bank Limited from March, 2006 to January, 2010 (collectively, the "**Accused**"). The ED has alleged that the Accused have violated the provisions of the Prevention of Money Laundering Act, 2002, in the process of IDBI Bank Limited granting term loan facilities amounting to ₹ 7,500 million to Kingfisher Airlines Limited. This matter is currently pending.

Criminal proceedings by our Directors

As on the date of this Preliminary Placement Document, there are no criminal proceedings initiated by our Directors.

Material Civil Proceedings against our Directors

As on the date of this Preliminary Placement Document, there are no civil proceedings initiated against our Directors.

Material Civil Proceedings by our Directors

As on the date of this Preliminary Placement Document, there are no Material Civil Proceedings initiated by our Directors.

Regulatory proceedings involving our Directors

As on the date of this Preliminary Placement Document, there are no regulatory and/or statutory proceedings involving our Directors.

IV. Other Material Proceedings

As on the date of this Preliminary Placement Document, there are no other material proceedings involving our Company.

V. ***There are no litigation, inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law against our Company and / or our Subsidiaries in the last three years immediately preceding the year of issue of this Preliminary Placement Document.***

VI. ***Except as stated below, there are no prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by our Company and/or our Subsidiaries under the Companies Act in the last three years immediately preceding the year of issue of this Preliminary Placement Document:***

(i) for the Financial Year 2021 -22 for the delay in furnishing prior intimation about meeting of the Board of Directors for approval of quarterly results; and

(ii) for the Financial Year 2021 -22 for delay in filing of Related Party Transaction Statement for the half year ended March 31, 2022.

VII. ***There have not been any acts of material frauds committed against our Company in the last three years preceding the year of this Preliminary Placement Document.***

VIII. ***As on September 28, 2023, there have been no defaults by our Company in respect of repayment of (i) statutory dues; (ii) debentures (including interest thereon); (ii) deposits (including interest thereon); and (iv) loans from any bank or financial institution (including interest thereon).***

IX. ***There is no litigation or legal action pending or taken against our Promoter by any ministry or department of the government or any statutory authority in the last three years immediately preceding the year of issue of this Preliminary Placement Document and directions issued by such ministry or department of the government or statutory authority upon conclusion of such litigation or legal action.***

X. ***As on the date of this Preliminary Placement Document, our Company has not defaulted in submitting the annual filings under the Companies Act or rules made thereunder.***

XI. ***As on the date of this Preliminary Placement Document, neither us, nor our Promoter or Directors are Wilful Defaulter or Fraudulent Borrower.***

XII. ***As on the date of this Preliminary Placement Document, none of the Promoter or Directors of our Company are Fugitive Economic Offender.***

XIII. ***There have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations***.

OUR STATUTORY AUDITORS

Our Company's Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants, are independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI. They were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the annual general meeting held on August 3, 2023 for a period of five years, commencing from Fiscal 2024 to Fiscal 2028.

The audited consolidated financial statements for Fiscal 2021, Fiscal 2022 and Fiscal 2023 and limited reviewed unaudited consolidated financial results for the three months period ended June 30, 2023, have been audited and reviewed by the erstwhile Statutory Auditors, M/s. Natvarlal Vepari & Co., Chartered Accountants.

GENERAL INFORMATION

- Our Company was incorporated as Laxmi Organic Industries Limited ("**Company**" or "**Issuer**") at Mumbai, Maharashtra, as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 15, 1989 issued by the RoC. Our Company received a certificate for commencement of business on December 20, 1989 pursuant to the provisions of the Companies Act, 1956.

- Our Registered Office is located at A-22/2/3, MIDC Mahad, Raigad – 402 309 Maharashtra, India and our Corporate Office is located at Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400 021, Maharashtra, India.

- Our CIN is L24200MH1989PLC051736. The website of our Company is www.laxmi.com.

- Our Equity Shares are listed on BSE and NSE since March 25, 2021.

- The Issue was authorized and approved by our Board of Directors on April 20, 2023. Our Shareholders have authorized and approved the Issue by way of a special resolution through postal ballot passed on June 6, 2023.

- Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from each of BSE and NSE on October 4, 2023, to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

- Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office and Corporate Office.

- Except as disclosed in this Preliminary Placement Document, there has been no material adverse change in our financial or trading position since June 30, 2023, the date of the latest Unaudited Consolidated Financial Results included in this Preliminary Placement Document.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.

- The Floor Price is ₹283.27 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5.00% on the Floor Price in accordance with the approval of our Shareholders accorded by way of a special resolution through postal ballot passed on June 6, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- Except as disclosed in this Preliminary Placement Document, there are no litigation pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 254.

- The Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

- Aniket Hirpara is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  Chandermukhi Building, 3rd Floor,
  Nariman Point, Mumbai – 400021
  Maharashtra, India
  Telephone: +91 22 4910 4467
  E-mail: aniket.hirpara@laxmi.com

FINANCIAL STATEMENTS

Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results of Laxmi Organic Industries limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as Amended)

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Laxmi Organic Industries Limited (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income of its associates for the quarter ended June 30,2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

5. The Statement includes unaudited standalone financial results of the following entities:

Sr. No.	Name of the Entities
	Laxmi Organic Industries Limited- Holding Company
	Wholly owned Subsidiary
1	Cellbion Lifesciences Private Limited

Sr. No.	Name of the Entities
2	Laxmi Lifesciences Private Limited
3	Laxmi Organic Industries (Europe) BV
4	Viva Lifesciences Private Limited
5	Laxmi Speciality Chemicals (Shanghai) Co. Limited
6	Yellowstone Fine Chemicals Private Limited
7	Yellowstone Speciality Chemicals Private Limited
8	Laxmi Itlay SRL (Through Yellowstone Fine Chemicals Private Limited)
	Step down Subsidiary
9	Saideep Traders
	Associate
10	Cleanwin Energy One LLP
11	Radiance MH Sunrise Seven Private Limited

6. Based on our review conducted and procedures performed as stated in paragraph 3 and 4 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. A) We did not review the financial results of two subsidiaries, whose financial statements reflect total assets of Rs. 179.63 million as at June 30, 2023, total revenues of Rs.67.32 million and net cash outflow amounting to Rs.0.02 million for the quarter ended June 30,2023, as considered in the preparation of the consolidated Ind AS financial statements. These financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion 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. Our conclusion is not modified on this account.

   B) We did not review the financial results of three subsidiaries whose financial statements reflects total assets of Rs 896.59 million, total revenue of Rs. 668.49million and net cash outflow of Rs. 53.45 million for the quarter ended June 30, 2023. These financial statements, which have been reviewed by other auditors, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the management for consolidation purpose and these Ind AS adjustment entries were verified by us and our conclusion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and INDAS adjustments reviewed by us. Our conclusion is not modified on this account.

C) We did not review the financial results of one immaterial subsidiary whose financial statement reflects total assets of Rs.0.95 million, total revenue of Rs.0.21 million and net cash inflow of Rs.0.22 million for the quarter ended June 30,2023. These financial statements have been prepared by the management for consolidation purposes and are incorporated in these consolidated financial statements on the basis of the management accounts on which we have not carried out any review procedures. Our conclusion is not modified on this account.

Other Matters

8. We invite attention to the Note no 5 in the Statement relating to the order of the merger of 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 2, 2021 which has been approved vide order dated August 28, 2022. The Company has given the effect of the merger in the quarter ended September 30, 2022. Since the appointed date is October 2, 2021, the prior period comparative of the quarter ended June 30,2022 has been restated.

9. Attention is drawn to the fact that the figures for the three months ended March 31,2023 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the year to date reviewed figures upto the third quarter of the previous financial year.

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

Nuzhat Khan
Partner
M. No. 124960
Mumbai Dated: July 28,2023
UDIN: 23124960BGVGEO6586

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :L24200MH1989PLC051736
Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2023
(All figures are rupees in million unless otherwise stated)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Reviewed	Reviewed	Reviewed	Audited
1	**Income**				
	Revenue from operations	7,335.35	7,331.90	7,566.11	27,966.43
	Other income	39.53	38.38	21.17	120.53
	Total income	**7,374.88**	**7,370.28**	**7,587.28**	**28,086.96**
2	**Expenses**				
	Cost of materials consumed	4,478.03	4,017.98	4,179.39	16,677.64
	Purchases of stock-in-trade	171.85	556.13	875.90	1,648.23
	Change in inventories of finished goods, work in progress and stock-in-	128.30	306.06	(475.00)	226.37
	Employee benefits expense	346.61	291.60	283.83	1,159.01
	Finance cost	45.99	(12.35)	24.19	112.58
	Depreciation and amortisation expense	209.60	230.46	135.87	724.12
	Other expenses	1,437.19	1,553.06	1,697.97	5,809.88
	Total expenses	**6,817.57**	**6,942.94**	**6,722.15**	**26,357.83**
3	**Profit before share of profit/(loss) of associate/ joint venture and exceptional items**	**557.31**	**427.34**	**865.13**	**1,729.13**
	Share of profit/(loss) of joint venture/associates	-	-	-	-
	Profit /(loss) before exceptional items and tax	**557.31**	**427.34**	**865.13**	**1,729.13**
	Exceptional items	-	-	-	-
	Profit/(loss) before tax	**557.31**	**427.34**	**865.13**	**1,729.13**
4	Tax expense	174.02	184.63	220.67	483.01
	-Current tax	182.91	162.81	232.57	378.77
	-Deferred tax	(8.89)	21.82	(11.90)	104.24
	-Income tax (excess)/short provision of previous year	-	-	-	-
5	**Profit for the period**	**383.29**	**242.71**	**644.46**	**1,246.12**
6	**Other comprehensive income (OCI)**				
	Remeasurement of the net defined benefit liability / asset (net of tax)	2.43	(3.34)	6.39	3.85
	Other comprehensive income /(loss) for the period	**2.43**	**(3.34)**	**6.39**	**3.85**
7	**Total comprehensive income/(loss) for the period**	**385.72**	**239.37**	**650.85**	**1,249.97**
8	**Profit/(loss) attributable to:**				
	Owners of the company	383.29	243.16	644.31	1,245.72
	Non-controlling interest	-	(0.45)	0.15	0.40
9	**Other comprehensive income attributable to:**				
	Owners of the company	2.43	(3.34)	6.39	3.85
	Non-controlling interest	-		-	-
10	**Paid up share capital (face value Rs. 2/- per share)**	531.15	530.35	530.19	530.35
11	**Other equity**				13,587.35
12	**Earnings per equity share (face value Rs. 2/- per share)**				
	Basic (Rs.)	1.44	0.92	2.44	4.70
	Diluted (Rs.)	1.44	0.91	2.42	4.67

LAXMI ORGANIC INDUSTRIES LIMITED

CIN :L24200MH1989PLC051736

Notes to Unaudited Consolidated Financial Results for the period ended June 30, 2023

1 The above Unaudited Consolidated Financial Results as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on July 28, 2023.

2 The Statutory Auditors have carried out limited review of the aforesaid Unaudited Consolidated Financial Results and have issued their Unmodified Limited Review report thereon.

3 These Consolidated financial results have been prepared in acordance with Companies (Indian Accounting Standards) Rules 2015, as amended (Ind AS) prescribed under Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India.

4 The Group deals 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.

5 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 2, 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 Consolidated Financial Result.

The impact of the merger has been given as per the scheme in the quarter ended September 30, 2022. Since the appointed date was October 2, 2021, the prior period comparatives of quarter ended June 30,2022 has been restated in these Unaudited Consolidated Financial Results for the purposes of comparability.

6 During the quarter under review, the Company has allotted 4,00,746 equity shares equity shares of the face value of Rs.2/- each to the option grantee on June 2, 2023. Accordingly, the issued, subscribed and paid-up capital of the Company has increased from Rs. 530.35 million consisting of 26,51,76,208 Equity shares of Rs.2 each to Rs. 531.15 million consisting of 26,55,76,954 Equity shares of Rs.2 each. The basic and diluted EPS for quarter ended June 30, 2023 has been calculated in accordance with Ind As 33. During the quarter, the Company has granted further ESOP's to eligible employees aggregating to 14,06,250 ESOP's.

7 The figures for the quarter ended 31st March, 2023 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures for the nine months period ended 31st December, 2022.

8 Figures for the previous period have been regrouped/reclassified as required to conform to the figures of the current period.

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

Ravi Goenka
Executive Chairman
DIN-00059267
Place : Mumbai
Date : July 28, 2023

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.	**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)** 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.	**Our audit procedures included the following:** • 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; • 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; • Tested the underlying workings prepared by management for transfer of assets and liabilities at its carrying values pertaining to business as per the Scheme; • Assessed accounting in accordance with Scheme and as per applicable accounting standards which includes the following;

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditors' Response</th></tr>
<tr><td></td><td></td><td>• 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".
Assessed the disclosures in the standalone Ind AS Financial Statements for compliance with disclosure requirements.</td></tr>
<tr><td>2.</td><td>Realizability of Carrying value of Insurance claim recognized in the earlier period;
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.

The Company based on the Coverage and the Insurance conditions has accrued the claim receivable from the Insurance Company of ₹ 469.25 million.

This amount was accrued in the previous year and no adjustment has been made to the same.</td><td>Our audit procedure related to insurance claim receivable included the following among the others,
• We tested the effectiveness of controls relating to quantification of inventory loss due to flood, by carrying out Physical verifying the inventory and assets at the Plant post the event in the previous year,
• We tested the effectiveness of controls relating to identification of expenditure accounted as flood related expenses for materials, repairs and capital items.
• Enquired with the management about the Insurance coverage and insurance conditions along with the status of the claim.
• 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.
• Reviewed the submission of the various documents to the surveyor by the Company and the mails exchanged.
• 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.
• Obtained assertion from the management about the correctness and completeness of the insurance claim.
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.</td></tr>
</table>

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(xxi) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements, we report 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: 23124960BGVGDC3181

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: 23124960BGVGDC3181

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
ASSETS			
(1) Non-current assets			
(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
(f) Financial assets			
(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
		11,954.55	**7,764.58**
(2) Current assets			
(a) Inventories	6	2,942.14	3,738.09
(b) Financial assets			
(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
		12,167.45	**14,730.04**
Total assets		**24,122.00**	**22,494.61**
EQUITY & LIABILITIES			
Equity			
(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
Total Equity		**14,123.84**	**12,902.18**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(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	-	-
		1,696.98	**272.17**
(2) Current liabilities			
(a) Financial liabilities			
(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
		8,301.18	**9,320.26**
Total equity and liabilities		**24,122.00**	**22,494.61**

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

Dr. Rajan Venkatesh
Managing Director & CEO
DIN: 10057058

Tanushree Bagrodia
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No.: ACS18805

Place: Mumbai
Date: May 12, 2023

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
I)	**INCOME:**			
	Revenue from operations (gross)	16	27,966.43	30,842.66
	Other income	17	120.53	147.90
	Total income (I)		**28,086.96**	**30,990.56**
II)	**EXPENSES:**			
	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
	Total expenses (II)		**26,357.83**	**27,801.99**
III)	**Profit before share of profit/(loss) of associate/joint venture and exceptional items**		**1,729.13**	**3,188.57**
	Share of profit/(loss) of joint venture/associates		-	-
IV)	**Profit before exceptional items and tax**		**1,729.13**	**3,188.57**
V)	**Exceptional items**		**-**	**-**
	Profit before tax (IV+V)		**1,729.13**	**3,188.57**
	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)
	Profit for the period from continuing operations		**1,246.12**	**2,574.18**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the defined benefit (net of tax)		3.85	(11.08)
	Total other comprehensive income, net of tax		**3.85**	**(11.08)**
	Total comprehensive income for the year		**1,249.97**	**2,563.10**
	Profit/(loss) attributable to:			
	Owners of the Company		1,245.72	2,573.34
	Non-controlling interest		0.40	0.84
	Other comprehensive income attributable to:			
	Owners of the Company		3.85	(11.08)
	Non-controlling interest		-	-
	Earnings per equity share (face value of share ₹ 2/- each)			
	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

Dr. Rajan Venkatesh
Managing Director & CEO
DIN: 10057058

Tanushree Bagrodia
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No.: ACS18805

Place: Mumbai
Date: May 12, 2023

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
A. Cash flow from operating activities			
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
Total of non cash adjustments		**895.78**	**756.41**
Operating profit/(loss) before changes in working capital		**2,624.92**	**3,944.98**
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
Total of changes in working capital		**(132.93)**	**(2,731.46)**
Cash generated from operations		**2,491.99**	**1,213.52**
Net income tax (paid)/refunds		(501.41)	(563.62)
Net cash flow from operating activities (A)		**1,990.58**	**649.90**
B. Cash flow from investing activities			
Capital expenditure on property pant and equipment		(4,758.93)	(2,891.33)
Proceeds from sale of property pant 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
Net cash flow used in investing activities (B)		**(3,841.12)**	**546.06**
C. Cash flow from financing activities			
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)
Net cash flow from/(used in) financing activities (C)		**2,324.56**	**(1,238.90)**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		**474.02**	**(42.94)**
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
		474.02	**(42.94)**
Components of Cash and Cash Equivalents			
Cash on hand		2.97	3.50
Balances with bank		407.17	332.62
Fixed Deposit (Original maturity within 3 months)		400.00	-
Total Balance		**810.14**	**336.12**

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

Dr. Rajan Venkatesh
Managing Director & CEO
DIN: 10057058

Tanushree Bagrodia
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No.: ACS18805

Place: Mumbai
Date: May 12, 2023

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	-	-	-
Closing balance	**26,51,76,208**	**2**	**530.35**	**26,36,62,773**	**2**	**527.33**

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
Balance as at March 31, 2021	**4,900.82**	**9.55**	**4,765.85**	**49.01**	**50.29**	**(3.33)**	**46.36**	**-**	**9,818.56**	**4.54**
Profit for the year	2,574.19	-	-	-	-	-	-	-	**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)**	**-**
Balance as at March 31, 2022	**7,332.11**	**9.55**	**4,780.23**	**49.01**	**50.29**	**(9.01)**	**277.68**	**(118.69)**	**12,371.17**	**3.68**
Changes due to prior period- Refer Note(40)	(36.32)								**(36.32)**	**-**
Restated Balance as at March 31, 2022	**7,295.78**	**9.55**	**4,780.23**	**49.01**	**50.29**	**(9.01)**	**277.68**	**(118.69)**	**12,334.85**	**3.68**
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)	-
Balance as at March 31, 2023	**8,359.79**	**5.50**	**5,010.02**	**49.01**	**50.29**	**(21.34)**	**252.77**	**(118.69)**	**13,587.35**	**6.14**

(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

Dr. Rajan Venkatesh
Managing Director & CEO
DIN: 10057058

Tanushree Bagrodia
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No.: ACS18805

Place: Mumbai
Date: May 12, 2023

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 12months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.

2. Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are payable as a result of the Company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within twelve months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes:

Tax expenses comprise current tax and deferred tax:

i. Current tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred/current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

s) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. the Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and development:

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment/intangible assets.

u) Earnings per share:

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend distribution

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade payables & Trade receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

a. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the statement of profit and loss in a systematic basis over the expected life of the related assets and presented within other income.

b. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 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
As at April 1, 2021	**-**	**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)**
As at March 31, 2022	**-**	**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)**
As at March 31, 2023	**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**
Depreciation											
As at April 1, 2021	**-**	**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)**
As at March 31, 2022	**-**	**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)**
As at March 31, 2023	**-**	**7.83**	**297.13**	**87.33**	**2,360.18**	**44.79**	**20.85**	**31.50**	**45.36**	**13.36**	**2,908.33**
NET BLOCK											
As at March 31, 2022	**-**	**234.33**	**514.76**	**169.44**	**2,700.74**	**20.32**	**6.11**	**10.18**	**49.71**	**10.26**	**3,715.86**
As at March 31, 2023	**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:

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	2.69	Yellowstone Chemicals Private Limited	NCLT Order Date- August 25, 2022 Appointed Date- October 2, 2021	NA	Acquisition on business combination vide NCLT Order. Name transfer process has been initiated
Land under lease	Land Factory	20.90				
Land under lease	Land Factory	13.60				
Total		**37.18**				

(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
Cost		
As at April 1, 2021	22.42	22.42
Additions	3.21	3.21
Disposals/adjustments	-	-
As at March 31, 2022	**25.63**	**25.63**
Additions	0.49	0.49
Transfer to other Receivables	(0.07)	(0.07)
Disposals/adjustments	-	-
As at March 31, 2023	**26.05**	**26.05**
Depreciation		
As at April 1, 2021	12.87	12.87
Charge for the year	5.13	5.13
Disposals/adjustments		
As at March 31, 2022	**18.00**	**18.00**
Charge for the year	3.65	3.65
Transfer to other Receivables	(0.08)	(0.08)
Disposals/adjustments		
As at March 31, 2023	**21.57**	**21.57**
NET BLOCK		
As at March 31, 2022	**7.63**	**7.63**
As at March 31, 2023	**4.48**	**4.48**

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	-	-	-
Total	**4,470.56**	**-**	**4,470.56**

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
Total	**3,737.76**	**-**	**3,737.76**

(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**
Total	**4,324.08**	**2.14**	**-**	**-**	**4,326.22**

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**
Total	**1,660.18**	**818.97**	**-**	**-**	**2479.15**

3.4 Right-of-use asset

Class of Assets	Right of Use		Total
	Building	Land(*)	
Cost			
As at April 1, 2021	63.40	86.83	**150.23**
Additions	-	-	**-**
Disposals/adjustments	-	-	-
As at March 31, 2022	**63.40**	**86.83**	**150.23**
Additions	55.34	-	55.34
Disposals/adjustments	-	16.53	16.53
As at March 31, 2023	**118.74**	**70.30**	**189.04**
Depreciation			
As at April 1, 2021	37.00	25.16	62.16
Charge for the year	18.11	7.45	25.56
Disposals/adjustments	-	-	-
As at March 31, 2022	**55.11**	**32.61**	**87.72**
Charge for the year	18.20	14.74	32.94
Disposals/adjustments	-	16.53	16.53
As at March 31, 2023	**73.31**	**30.82**	**104.13**
NET BLOCK			
As at March 31, 2022	**8.29**	**54.22**	**62.51**
As at March 31, 2023	**45.43**	**39.48**	**84.91**

Notes

3.5 The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the Company is entitled to operate the Distillery till February 2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value.

(All figures are rupees in million unless otherwise stated)

The BOT agreement has expired as on date and hence the Company has transferrred 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)	-
Total	**-**	**50.20**

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	-
Total	**5.80**	**11.96**

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
Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	12.50	-	-
(Equity Method)				
Investments in Equity Instruments - Associates				
Radiances MH Sunrise Seven Private Limited of ₹ 10 each	15.12	-	-	-
(15,12,000 shares (March 31, 2022: Nil shares))				
Investments in mutual funds (Quoted)	**-**	**-**	**-**	**-**
Investments at fair value through P&L (fully Paid)				
SBI liquid Fund - Direct Growth	-	-	200.12	40.00
Total	**27.62**	**12.50**	**200.12**	**40.00**

*Cleanwin Energy One LLP

The Group has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Group on January 25, 2021, acquired 26% stake in Cleanwin Energy One LLP ("Cleanwin") for supply of 5 MW electricity generated through wind turbines at a concessional rate with a minimum entitlement of 51% of power generated in lieu of share of profits. Therefore, there will be no profit or loss accretion on application of the equity method.

(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
Aggregate value of quoted investments		
Book Value	200.12	40.00
Market Value	200.12	40.00
Aggregate value of unquoted investments	**27.62**	**12.50**

4.2 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	-	-	**5,702.47**	**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)
Trade Receivables – Credit Impaired			**28.99**	**86.64**
Less: Allowance for expected credit loss	-	-	(28.99)	(86.64)
Total	**-**	**-**	**5,702.47**	**6,684.24**

(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
Total	**5,731.46**	**11.54**	**5,743.00**

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
Total	**6,767.51**	**0.35**	**6,767.86**

Range of O/s period	Disputed		Total
	Considered Good	Significant increase in credit risk	
6 months - 1 year	0.28	-	0.28
1-2 year	3.10	-	3.10
Total	**3.38**	**-**	**3.38**

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 Non-current	As At March 31, 2022 Non-current	As at March 31, 2023 Current	As at March 31, 2022 Current
(Unsecured Considered Good)				
i) Loan to Related party considered good	-	-	-	12.02
ii) Others	-	-	-	0.05
Total	**-**	**-**	**-**	**12.07**
(a) Details of related party:				
Mr. Vinod Bhassin (related party of component)	-	-	-	12.02
Total	**-**	**-**	**-**	**12.02**

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

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

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	-
Total Loans and Advances in the nature of Loan and Advances (A)	**-**	**-**	**12.07**	**-**

4.4 CASH AND BANK BALANCES

	Particulars	As at March 31, 2023 Non-current	As At March 31, 2022 Non-current	As at March 31, 2023 Current	As at March 31, 2022 Current
A)	**Cash and cash equivalents**				
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	-
	Total	**-**	**-**	**810.14**	**336.12**
B)	**Other bank balances**				
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
	Total	**-**	**-**	**498.40**	**1,486.41**
	Total	**-**	**-**	**1,308.54**	**1,822.53**

*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 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 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	-	-
Total	**103.54**	**102.57**	**713.58**	**750.12**

(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 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	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
	Less: Impairment of doubtful advances	-	-	(125.63)	(87.28)
		-	**-**	**164.45**	**355.26**
vi)	Export incentive receivable	-	-	1.59	0.99
vii)	Export licenses on hand	-	-	3.43	7.67
viii)	Other receivables	-	-	66.33	42.80
	Total	**206.82**	**125.73**	**1,300.60**	**1,682.99**

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
	Total	**2,942.14**	**3,738.09**

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
		20,844.46	**21,630.03**

7. EQUITY SHARE CAPITAL

Particulars		As at March 31, 2023	As at March 31, 2022
i)	**Authorised shares:**		
	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
	Total	**760.00**	**610.00**
ii)	**Issued, subscribed and paid-up shares:**		
	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
	Total Issued, subscribed and paid-up share capital	**530.35**	**527.33**

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	-	-
Closing balance (Face Value of ₹ 2/- each)	**26,51,76,208**	**530.35**	**26,36,62,773**	**527.33**

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
	Total	**5,000.00**	**3,660.86**	**961.73**	**377.41**

“*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
	Total	**4,843.52**	**42.97**	**3,617.89**	**1,182.66**

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

(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%	-
	Total	**19,28,02,806**	**72.71%**	**-**
	Total No of Shares issued and Subscribed	**26,51,76,208**	**100.00%**	**-**

(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%	-
	Total	**19,22,62,806**	**72.92%**	**-**
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	**-**

(All figures are rupees in million unless otherwise stated)

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 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	**A. 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 other entities.	
	B. Yellowstone Chemicals Private Limited: ('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 & Specialty Chemicals (services).	
	C. Laxmi Organic Industries Limited ('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).	
* 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	**Assets Recognised**	
	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
	Total -	**₹ 1,512.87**
	Liabilities Recognised	
	Trade Payables -	₹ 1,036.45
	Loans -	₹ 96.55
	Other liabilities -	₹ 98.16
	Total -	**₹ 1,231.46**
	Consideration Paid -	**₹ 400.10**
	Amalgamation Adjustment Deficit Account -	**₹ (118.69)**
*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)
	Total	**13,587.35**	**12,371.17**

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
(a)	**Term loans:**				
	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)	**Vehicle loans:**				
	Vehicle loans - other than bank	-	-	-	18.47
(c)	**Government grant**	-	3.24	3.24	3.24
		1,303.40	**21.66**	**118.26**	**95.39**
	Less: Current Maturities disclosed under short term borrowings	-	-	(118.26)	(95.39)
	Total	**1,303.40**	**21.66**	**-**	**-**
	The break-up of above:				
	Secured	1,303.40	18.42	115.02	92.15
	Unsecured	-	3.24	3.24	3.24
		1,303.40	**21.66**	**118.26**	**95.39**

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 1st 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 1st disbursement

Interest:
Linked with Axsi 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:

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area, Dist Raigad, Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area, District. Raigad.

External Commercial Borrowing (Term Loan)

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area, Dist Raigad, Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area, District. Raigad.

c) First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra.

d) Second pari passu charge on all present and future current assets of borrower.

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	-
Total	**1,421.66**	**117.05**

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
Balance as at March 31, 2021	**98.66**	**2,171.05**	**2,269.71**
Changes from financing cash flows	-	(505.33)	(505.33)
Effects of changes in foreign exchange rates			-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	-	(858.81)	(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	-
Balance as at March 31, 2022	**21.66**	**1,311.51**	**1,333.17**
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	-
Balance as at March 31, 2023	**1,303.40**	**2,666.31**	**3,969.71**

(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 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	81.22	43.69	6.26	14.42
(Refer note 31)				
Total	**81.22**	**43.69**	**6.26**	**14.42**

9.3 Other 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
	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
	Total	**-**	**-**	**482.98**	**481.45**
a)	**Details of related party:**				
	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	-	-	8.63
	Total	**-**	**-**	**-**	**8.63**

10. PROVISIONS

	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)	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 March 31, 2023	As At March 31, 2022	As at March 31, 2023	As at 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	-
	Total	**40.59**	**39.28**	**129.34**	**125.54**

(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
(a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	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
	Defined benefit obligation at the year end	**98.67**	**87.58**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	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)	-
	Fair value of plan assets at the year end	**94.33**	**45.17**
(c)	**Reconciliation of fair value of assets and obligations**		
	Present value of defined benefit obligation	98.66	87.58
	Fair value of plan assets	94.33	45.17
	Net asset/(liability)	**(4.33)**	**(42.41)**

(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
(d)	**Expenses recognized during the year (Under the head "Employees benefit expenses")**		
	In Income Statement	13.28	10.18
	In Other Comprehensive Income	2.69	15.37
	Total expenses recognized during the period	**15.97**	**25.55**
(e)	**Actuarial (gain)/loss- Other comprehensive income**	**2.69**	**15.30**
(f)	**Net liabilities recognised in the balance sheet**		
	Long term provisions*	-	1.78
	Short term provisions	4.33	40.63
		4.33	**42.41**

*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
Changes in assumption				
March 31, 2023 (%)	1%	1%	50%	10%
March 31, 2022 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2023	94.63	102.06	93.68	98.56
March 31, 2022	81.65	88.33	80.34	85.15
Decrease in assumption				
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
a) Deferred tax liability on account of:		
i) Property plant & equipment	385.36	244.73
ii) Right-of-use assets (Net)	2.90	2.18
	388.26	**246.91**
b) Deferred tax asset on account of:		
i) Provision for doubtful advances and debts	58.52	36.05
ii) Tax disallowances	21.48	18.59
	80.00	**54.64**
Total deferred tax liability (net)	**308.26**	**192.27**

B) - Net deferred tax asset

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deferred tax asset on account of:		
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
Total deferred tax asset (net)	**36.49**	**24.74**
Net Deferred Tax Liability	**271.77**	**167.54**

12. OTHER LIABILITIES

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)	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	-
	Total	**-**	**-**	**352.95**	**123.30**

(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
From Banks		
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
Current Maturities of long term borrowings:		
Rupee term loan from bank	96.60	-
Rupee term loan from NBFC	-	-
Foreign Curreny Loan	18.42	73.68
Government grant	3.24	3.24
Vehicle Loan	-	18.47
Total	**2,666.31**	**1,311.51**
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
Total	**4,663.34**	**7,116.63**

(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	-
Total	**69.55**	**-**	**4,593.79**	**-**

(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	-
Total	**147.76**	**-**	**6,966.10**	**2.77**

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
Total	**-**	**147.41**

(All figures are rupees in million unless otherwise stated)

16. REVENUE FROM OPERATIONS

Particulars		2022-23	2021-22
i)	**Sales/Rendering:**		
	- Products	27,745.08	30,681.89
	- Services	127.87	114.57
		27,872.95	**30,796.46**
ii)	**Other operating revenue:**		
	Sale of scrap	54.74	22.24
	Export incentives	33.38	15.37
	Insurance claim	5.35	8.59
		93.48	**46.20**
	Total	**27,966.43**	**30,842.66**

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
Total	**27,872.95**	**30,796.46**

(b) Geographical region	2022-23	2021-22
India	15,004.47	19,938.76
International	12,868.48	10,857.70
Total	**27,872.95**	**30,796.46**

2. Movement in contract balances

Particulars	Opening	Billed for the Financial Year	Additional receipt outstanding as at year end	Closing
Contract Liabilities				
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 Provison 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
Total	**120.53**	**147.90**

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
Add: Purchases	16,214.95	18,965.75
	18,249.82	20,535.60
Less: Insurance claim of raw material destroyed in floods	-	(84.46)
Less: closing stock of raw material	(1,572.18)	(2,034.87)
Total	**16,677.64**	**18,416.27**

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
Total	**1,648.23**	**3,573.31**

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
Less: Inventory of Work-in-progress at the end of the year	(37.83)	(21.30)
	(16.53)	**53.89**
Inventory of Finished goods at the beginning of the year	987.80	297.63
On account of Business Combination	-	192.18
Less: Inventory of Finished goods at the end of the year	(674.47)	(987.80)
Less: Insurance claim of finished goods destroyed in floods	-	(113.56)
	313.33	**(611.55)**
Inventory of traded goods at the beginning of the year	375.53	195.93
Add: Foreign currency translation adjustments	7.81	3.63
Less: Inventory of traded goods at the end of the year	(453.77)	(375.53)
	(70.43)	**(175.97)**
Total	**226.37**	**(733.63)**

(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
	Total	**1,159.01**	**1,244.37**

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
	Total	**112.58**	**154.83**

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
	Total	**724.12**	**481.80**

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
Total	**5,809.88**	**4,665.04**

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

Particulars	2022-23	2021-22
To Statutory auditors		
For audit including consolidation and limited review	3.83	3.75
For certification and other services	0.09	0.29
Total	**3.92**	**4.04**

(b) Details of research and development expenditure

Particulars		2022-23	2021-22
A	**Revenue expenses**		
	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	**Capital Expenses**		
	Capital expenditure (Refer Note 3.6)	5.79	11.96
	Total	**143.39**	**125.95**

25. TAX EXPENSE

Particulars		2022-23	2021-22
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	378.77	655.18
	Deferred tax	104.24	13.92
	Income tax (excess)/short provision of previous year	-	(54.71)
	Income tax recognised in statement of profit or loss	**483.01**	**614.39**

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
A	**Current Tax**			
	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)
			378.77	**980.18**
	Less: MAT credit utilised*		-	(325.00)
	Income tax expenses - Net	A	**378.77**	**655.18**
	*Includes mat credit not recognised in the books on principle of prudence, now recognised and utilised.			
	Tax liability as per Minimum alternate tax on book profits			
	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
	Minimum alternate tax on book profits	B	**313.28**	**515.01**
	Higher of A or B		**378.77**	**655.18**

(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	-	-	-	-
As at March, 31, 2022	**(156.44)**	**(2.82)**	**(13.92)**	**(167.54)**
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
As at March, 31, 2023	**(167.53)**	**-**	**(104.24)**	**(271.77)**

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
For Basic EPS:		
Total number of equity shares outstanding at the beginning of the period	26,36,62,773	26,36,62,773
Add: Issue of equity shares	15,13,435	-
Total number of equity shares outstanding at the end of the period	**26,51,76,208**	**26,36,62,773**
For Basic EPS:		
Weighted average number of equity shares at the end of the period	26,49,83,009	26,36,62,773
For Dilutive EPS:		
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
(i)	Contingent liabilities		
	(a) Liabilities Disputed - Appeals filed with respect to:		
	(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 Disputed - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (PY: ₹ 2.30 million)	4.53	4.53
	(b) Guarantees:		
	(i) Given on behalf of wholly owned subsidiaries to their Lenders	-	-
	(ii) Furnished by banks on behalf of the Group	239.16	66.64
(ii)	Commitments (Net of advances):		
	(a) Capital Commitments - - Estimated amount of contracts remaining to be executed on capital account	5,728.50	1,276.78
	(b) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	100.32	782.61
(iii)	Letters of Credit	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
Segment Revenue				
- In India	15,004.47	53.83	19,938.76	64.74
- Outside India	12,868.48	46.17	10,857.70	35.26
Total	**27,872.95**	**100**	**30,796.46**	**100**

(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
	Total	**26.43**	**10.00**
	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
	Total	**9.40**	**17.03**	**2.46**	**7.54**

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)
Closing balance	**87.49**	**58.12**

(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
Total	**99.99**	**71.11**

(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
Closing balance	**87.48**	**58.11**

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 Lapes/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
Total		**33,37,255**	**50,56,446**

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 instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

B) Expense arising from share-based payment transactions

Particulars	2022-23	2021-22
ESOP compensation cost	114.17	231.32
Total expenses	**114.17**	**231.32**

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 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	-	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
	Fair Value through Profit & Loss				
	Investments	200.12	40.00	200.12	40.00
	Total financial assets	**7,828.15**	**9,371.53**	**7,828.15**	**9,371.53**
b)	**Financial liabilities**				
	Amortised cost				
	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
	Total financial liabilities	**9,203.51**	**8,989.36**	**9,203.51**	**8,989.36**

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)
Financial liabilities/(assets) measured at fair value:				
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 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 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
As at March 31, 2023				
Borrowings	2,666.31	331.16	900.48	71.76
Trade payables	4,663.34	-	-	-
Other financial liabilities	482.98	-	-	-
	7,812.63	**331.16**	**900.48**	**71.76**
As at March 31, 2022				
Borrowings	1,293.12	40.05	-	-
Trade payables	7,116.65	-	-	-
Other financial liabilities	481.45	-	-	-
	8,891.22	**40.05**	**-**	**-**

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
Net debt (A)	**3,159.57**	**1,068.81**
Total equity (B)	**14,123.84**	**12,902.18**
Gearing ratio (A/B)	**0.22**	**0.08**

*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)
Parent:				
Laxmi Organic Industries Limited				
Current year	99.01%	13,978.04	111.36%	1,391.98
Previous year	97.70%	(12,601.62)	88.92%	(2,279.04)
Subsidiary - Indian:				
Laxmi Lifesicences Private Limited				
Current year	0.00%	(0.10)	0.01%	0.11
Previous year	0.00%	0.21	0.00%	0.06
Viva Lifesicences Private Limited				
Current year	-0.57%	(80.99)	-6.56%	(82.03)
Previous year	-0.01%	1.02	0.11%	(2.72)
Cellbion Lifesicences Private Limited				
Current year	-0.08%	(11.88)	-0.04%	(0.45)
Previous year	-0.21%	27.36	-0.05%	1.39
Saideep Traders				
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)
Yellowstone Fine Chemical Private Limited				
Current year	-0.56%	(79.18)	-3.46%	(43.24)
Previous year	-0.01%	0.76	0.00%	0.04
Yellowstone Speciality Chemical Private Limited				
Current year	-0.01%	(1.00)	-0.07%	(0.89)
Previous year	0.00%	0.11	0.00%	(0.07)
Subsidiary - Foreign:				
Laxmi Petrochem Middle East FZE				
Current year	0.00%	(0.00)	-1.33%	(16.64)
Previous year	-0.24%	30.49	-1.25%	31.94
Laxmi Organic Industries (Europe) B.V.				
Current year	2.26%	319.26	-0.94%	(11.80)
Previous year	2.78%	(358.92)	12.03%	(308.24)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.				
Current year	0.00%	(0.59)	0.56%	7.03
Previous year	-0.05%	6.24	-0.23%	5.81
Laxmi Italy S.R.L				
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		
A	**Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise**	
1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd. (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	**Associates and joint ventures of the reporting enterprise**	
1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Joint Venture
C	**Key Management Personnel**	
1	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 (Deceassed on December 8, 2021)	Chairman & Non-Exective Director
12	Vinod Bhassin	Director
D	**Relatives of Key Management Personnel**	
1	Aditi Goenka	
2	Aryavrat Goenka	
3	Avantika Goenka	
4	Manisha Goenka	
5	Niharika Goenka	
6	Vimladevi Goenka (Deceassed on October 27, 2021)	

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
Commission to Non-Executive Directors	**2022-23**	**-**	**-**	**10.30**	**-**	**-**	**10.30**
	2021-22	**-**	**-**	**(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)
Interest Paid	**2022-23**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22	**-**	**-**	**(1.36)**	**-**	**-**	**(1.36)**
Harshvardhan Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
Ravi Goenka	2022-23	-	-	-	-	-	-
	2021-22	-	-	(0.68)	-	-	(0.68)
Donation	**2022-23**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22	**-**	**-**	**-**	**-**	**(0.20)**	**(0.20)**
Laxmi Foundation	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(0.20)	(0.20)
Commission & Other Expenses	**2022-23**	**-**	**-**	**-**	**-**	**0.82**	**0.82**
	2021-22	**-**	**(0.10)**	**(5.08)**	**-**	**(0.73)**	**(5.91)**
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)
Reimbursement of exp charged	**2022-23**	**-**	**0.02**	**-**	**-**	**0.21**	**0.23**
	2021-22	**(21.58)**	**-**	**-**	**-**	**(0.10)**	**(21.68)**
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)
Reimbursement of payment made on behalf of related party	**2022-23**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22	**(1.35)**	**-**	**-**	**-**	**-**	**(1.35)**
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
Sales	**2022-23**	**-**	**-**	**-**	**-**	**31.25**	**31.25**
	2021-22	**(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)
Sales of Asset	**2022-23**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22	**-**	**-**	**-**	**-**	**(1.31)**	**(1.31)**
Maharashtra Aldehydes & Chemicals Ltd.	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	(1.31)	(1.31)
Purchases	**2022-23**	**-**	**26.53**	**-**	**-**	**-**	**26.53**
	2021-22	**(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)
Sitting Fees	**2022-23**	**-**	**-**	**3.07**	**-**	**-**	**3.07**
	2021-22	**-**	**-**	**(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)
Directors Remuneration	**2022-23**	**-**	**-**	**140.67**	**-**	**-**	**140.67**
	2021-22	**-**	**-**	**(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)
Long Term Benefits	**2022-23**	**-**	**-**	**1.88**	**-**	**-**	**1.88**
	2021-22	**-**	**-**	**(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)
Dividend Paid	**2022-23**	**123.69**	**-**	**1.08**	**7.13**	**3.29**	**135.19**
	2021-22	**(88.35)**	**-**	**(0.32)**	**(5.46)**	**(2.35)**	**(96.48)**
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)
Balance Payable	**2022-23**	**-**	**-**	**0.05**	**-**	**-**	**0.05**
	2021-22	**(8.63)**	**(0.78)**	**(0.25)**	**-**	**(0.31)**	**(9.97)**
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)
Commission Payable to Non-Executive Directors	**2022-23**	**-**	**-**	**7.50**	**-**	**-**	**7.50**
	2021-22	**-**	**-**	**(10.00)**	**-**	**-**	**(10.00)**
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.)

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
Balance Receivable	**2022-23**	**7.01**	**-**	**-**	**-**	**12.49**	**19.51**
	2021-22		**-**	**(12.02)**	**-**	**(7.29)**	**(7.29)**
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)
Vinod Bhassin	2022-23	-	-	-	-	-	-
	2021-22	-	-	-12.02	-	-	-12.02
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2022-23**	**-**	**-**	**-**	**-**	**-**	**-**
	2021-22	**(79.58)**	**-**	**-**	**-**	**-**	**(79.58)**
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

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
Net assets	**484.04**	**513.29**	**-**	**(29.82)**
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
Net assets	**35.68**	**28.52**	**33.16**	**45.37**
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
Net assets	**1,304.62**	**50.24**	**(12.66)**	**1.15**
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
Net assets	**-**	**(0.11)**	**-**	**0.89**
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
Net assets	**2.99**	**(2.90)**	**2.88**	**3.14**
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	-	-	-	-

Independent Auditor's Report

To
The Members of
Laxmi Organic Industries Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Laxmi Organic Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("IndAS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, consolidated profit (including Consolidated Other Comprehensive Income), consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the Financial Statements and our Independent Auditors' Report.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including Consolidated Other Comprehensive Income) , consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

a. We did not audit the Financial Statements of six subsidiaries, whose Financial Statements reflect total assets of ₹ 3,442.28 million as at March 31, 2022, total revenue of ₹ 2,790.65 million and net cash inflows amounting to ₹ 11.87 million for the year ended on that date, as considered in the preparation of the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We did not audit the Financial Statements of three subsidiaries whose Financial Statements reflects total assets of ₹ 1,788.88 million, total revenue of ₹ 5,120.55 million and net cash inflows of ₹ 13.66 million for the year ended on that date. These Financial Statements, which have been audited by other auditors, were not prepared in accordance with the Ind AS. The management of the Company has furnished us details of Ind AS adjustments that are required in case of these financials so as to make these Financial Statements fit for consolidation. Our opinion on the consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors, review of INDAS adjustments by us and management certification.

c. We did not audit the Financial Statements of two foreign subsidiaries whose Financial Statements reflects total assets of ₹ 5.77 million, total revenue of ₹ 8.80 million and net cash outflows of ₹ 3.36 million for the year ended on that date. These Financial Statements, of the immaterial subsidiaries, have been prepared by the management for consolidation purposes and incorporated in these Consolidated Financial Statements on the basis of the management certification on which we have not carried out any audit procedures. Our report is not modified on this account.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of The Companies Act, 2013, we give in the attached Annexure A a statement of the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts, workings and records maintained for the purpose of preparation of the Consolidated Financial Statements.

   d. In our opinion, the Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31st March 2022, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of internal financial controls with reference to Financial Statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated Financial Statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group, and its associate– Refer Note 28 to the Consolidated Financial Statements.

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

   iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

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

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

   v. In respect of final dividend proposed in the previous year, declared and paid by the Company during the year, the same is in compliance with Section 123 of the Companies Act, 2013.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

ANNEXURE A

To the Independent Auditors' Report on the Consolidated Financial Statements of Laxmi Organic Industries Limited

As required by clause 3(xxi) of the Companies (Auditors Report) Order, 2020 relating to any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements, we report hereinbelow in the table qualifications/adverse reporting by the auditors.

S. No.	Name of the Company / CIN	Relationship Holding /Subsidiary / Associate /Joint Venture	Clause number of the Caro report which is qualified or adverse.
1	Laxmi Organic Industries Limited CIN - L24200MH1989PLC051736	Holding	iii (c), iii (d), ix (a)
2	Yellowstone Speciality Chemicals Private Limited CIN - U24100MH2020PTC339546	Subsidiary	xvii
3	Yellowstone Fine Chemicals Private Limited CIN - U24299MH2020PTC338508	Subsidiary	xvii
4	Laxmi Life Science Private Limited CIN - U24233MH2013PTC245224	Subsidiary	xvii
5	Cellbion Life Science Private Limited CIN - U24233MH2007PTC170041	Subsidiary	xvii

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

Annexure B to the Auditors' Report

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

In conjunction with our audit of the Consolidated Financial Statements (Financial Statements) of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to Financial Statements of **Laxmi Organic Industries Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS.

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

OPINION

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to Financial Statements of subsidiaries, which are companies incorporated in India, are based on the corresponding reports of the auditor of such companies.

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

N Jayendran
Partner
M. No. 040441
Mumbai, Dated: May 04, 2022
UDIN: 22040441AIJYVS2636

Consolidated Balance Sheet as at March 31, 2022

(All figures are rupees in million unless otherwise stated)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS				
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3.1	3,840.91	3,152.97
	(b) Capital work-in-progress	3.3	3,737.76	1,479.28
	(c) Goodwill on Consolidation	3.2	32.88	-
	(d) Other intangible assets	3.2	7.63	9.55
	(e) Right-of-use assets	3.4	62.52	88.06
	(f) Financial assets			
	(i) Investment	4.1	12.50	12.50
	(ii) Trade receivables	4.2	-	-
	(iii) Loans		-	-
	(iv) Others	4.5	102.57	139.20
	(g) Deferred tax assets	11	24.73	-
	(h) Other non-current assets	5	125.89	443.89
	Total Non current assets		**7,947.39**	**5,325.45**
(2)	**Current assets**			
	(a) Inventories	6	3,736.17	2,033.01
	(b) Financial assets			
	(i) Investment	4.1	40.00	20.00
	(ii) Trade receivables	4.2	6,684.24	4,346.35
	(iii) Cash and cash equivalents	4.4	330.29	166.16
	(iv) Bank balance other than (iii) above	4.4	1,492.20	5,227.69
	(v) Loans		13.91	-
	(vi) Others	4.5	750.09	320.85
	(c) Other current assets	5	1,681.04	936.69
	Total Current assets		**14,727.94**	**13,050.75**
	Total ASSETS		**22,675.33**	**18,376.20**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	7	527.33	527.33
	(b) Other Equity	8	12,479.38	9,818.56
			13,006.71	**10,345.89**
	(c) Non-controlling interest	8	3.68	4.54
	Total Equity		**13,010.39**	**10,350.43**
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	9.1	21.66	98.66
	(ii) Lease liability	9.2	43.69	57.70
	(b) Provisions	10	36.98	35.43
	(c) Deferred tax liabilities	11	240.07	156.44
	(d) Other non-current liabilities	12	-	-
	Total Non current liabilities		**342.40**	**348.23**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	1,311.51	1,312.24
	(ii) Lease liability	9.2	14.42	25.88
	(iii) Trade payables	14		
	- total outstanding dues of micro and small enterprise		147.76	164.96
	- total outstanding dues of other than micro and small enterprise		6,968.87	4,584.64
	(iv) Other financial liabilities	9.3	479.30	1,270.93
	(b) Other current liabilities	12	125.43	162.39
	(c) Provisions	10	127.84	131.84
	(d) Current tax liabilities (net)	15	147.41	24.65
	Total Current liabilities		**9,322.54**	**7,677.54**
	Total EQUITY & LIABILITIES		**22,675.33**	**18,376.20**

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

As per our report of even date

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 04, 2022

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of Profit & Loss

for period Year ended 31, 2022

(All figures are rupees in million unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
I)	**INCOME:**			
	Revenue from operations (gross)	16	30,841.87	17,684.48
	Other income	17	148.76	46.13
	Total income (I)		**30,990.63**	**17,730.61**
II)	**EXPENSES:**			
	Cost of raw materials consumed	18	17,163.13	8,092.49
	Purchase of traded goods	19	4,708.70	3,652.56
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(747.13)	(2.47)
	Employee benefits expense	21	1,244.37	929.01
	Finance cost	22	154.21	163.97
	Depreciation & amortisation	23	492.84	465.23
	Other expenses	24	4,795.57	2,845.71
	Total expenses (II)		**27,811.69**	**16,146.50**
III)	**Profit before share of profit/(loss) of associate/ joint venture and exceptional items**		**3,178.94**	**1,584.11**
	Share of profit/(loss) of joint venture/associates		-	-
IV)	**Profit before exceptional items and tax**		**3,178.94**	**1,584.11**
V)	**Exceptional items**		**-**	**-**
	Profit before tax (IV+V)		**3,178.94**	**1,584.11**
	Tax expense	25	614.39	313.47
	1. Current tax		655.18	277.13
	2. Deferred tax liability / (asset)		13.92	36.34
	3. Income tax (excess)/short provision of previous year		(54.71)	-
	Profit for the period from continuing operations		**2,564.55**	**1,270.64**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Remeasurement of the defined benefit (net of tax)		(11.08)	(3.81)
	Total other comprehensive income, net of tax		**(11.08)**	**(3.81)**
	Total comprehensive income for the year		**2,553.47**	**1,266.83**
	Profit/(loss) attributable to:			
	Owners of the Company		2,563.71	1,270.34
	Non-controlling interest		0.84	0.30
	Other comprehensive income attributable to:			
	Owners of the Company		(11.08)	(3.81)
	Non-controlling interest		-	-
	Earnings per equity share (face value of share ₹ 2/- each)			
	Basic (₹)	26	9.72	5.58
	Diluted (₹)	26	9.59	5.58

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

As per our report of even date

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 04, 2022

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of Cash flows

for the period ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
Profit / (Loss) before exceptional items and tax	3,178.10	1,583.81
Adjustments for:		
Depreciation and amortisation expense	492.84	465.23
(Profit) / loss on sale / write off of assets	(0.04)	6.85
Finance costs	56.57	145.07
Interest on direct tax	6.23	3.35
Interest income	(112.90)	(36.84)
Amortisation of upfront fees	11.76	5.51
Provision/ (reversal) of expected credit loss	90.17	(0.15)
Profit on sale of investments	(5.62)	(4.60)
Sundry balances written back	(2.22)	(4.04)
ESOP compensation cost	231.32	46.36
Total of non cash adjustments	**768.11**	**626.74**
Operating profit / (loss) before changes in working capital	**3,946.21**	**2,210.55**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,235.83)	(514.12)
Trade receivables	(2,015.87)	(752.53)
Financial assets	(621.42)	(83.95)
Non financial assets	(365.42)	(432.98)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	1,375.05	637.43
Financial liabilities	(57.70)	145.11
Non financial liabilities	(39.83)	100.29
Provisions	32.23	12.46
Total of changes in working capital	**(2,928.79)**	**(888.30)**
Cash generated from operations	**1,017.43**	**1,322.25**
Net income tax (paid) / refunds	(560.63)	(260.57)
Net cash flow from operating activities (A)	**456.80**	**1,061.68**
B. Cash flow from investing activities		
Capital expenditure on property plant and equipment	(2,891.35)	(1,151.12)
Proceeds from sale of property plant and equipment	8.47	0.23
Advance paid towards purchase of equity	-	(200.00)
Payment for Business Purchase	(200.10)	-
Movement in other bank balances	3,735.49	(5,061.09)
Loan given	(13.91)	-
Capital contribution	-	(12.50)
Purchase of investments	(10,355.00)	(1,705.00)
Sale of investments	10,340.61	1,689.60
Interest received	114.20	29.60
Net cash flow used in investing activities (B)	738.41	(6,410.28)

C. Cash flow from financing activities		
Non-controlling interest	(3.70)	0.67
Proceeds from issue of share capital (including securities premium)	-	5,000.00
Share issue expenses	-	(156.99)
Proceeds from long term borrowings	-	650.00
Repayment of long term borrowings	(1,365.15)	(944.46)
Net Proceeds from short term borrowings	332.05	975.79
Interest paid	(42.60)	(141.62)
Lease Liabilities:		
Principal	(25.46)	(23.89)
Interest	(5.19)	(7.08)
Dividends paid	(131.83)	(78.78)
Net cash flow from / (used in) financing activities (C)	**(1,241.87)**	**5,273.66**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(46.66)**	**(74.94)**
Cash and cash equivalents at the beginning of the year	166.16	241.10
Addition on account of Business Purchase	(210.79)	-
Cash and cash equivalents at the end of the year	330.29	166.16
	(46.66)	**(74.94)**
Components of Cash and Cash Equivalents		
Cash on Hand	3.50	3.09
Balances with Bank	326.79	163.07
Total Balance	**330.29**	**166.16**

Notes:
(i) Figure in brackets denote outflows
(ii) Refer note no. 9.1 (G) for reconciliation of liabilities from financing activities
Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements
In terms of our report attached.

As per our report of even date

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 04, 2022

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Consolidated Statement of changes in equity

for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

A EQUITY SHARE CAPITAL

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

Split of Shares

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

B OTHER EQUITY

Particulars	Retained Earnings	Capital Reserve	Security Premium	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Share Option Outstanding Account	Total	Non Controlling Interest
Balance as at April 01, 2020	**3,713.08**	**9.55**	**-**	**49.01**	**50.29**	**(2.94)**	**-**	**3,819.00**	**3.87**
Profit for the year	1,270.33	-	-	-	-	-	-	1,270.33	0.30
Dividend Paid	(78.78)	-	-	-	-	-	-	(78.78)	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-
Securities Premium on account of fresh issue of shares	-	-	4,922.84	-	-	-	-	4,922.84	-
Offer Expenses	-	-	(156.99)	-	-	-	-	(156.99)	-
Re-measurement of net defined benefit plans	(3.81)	-	-	-	-	-	-	(3.81)	-
ESOP Compensation Cost	-	-	-	-	-	-	46.36	46.36	-
NCI drawing/ infusion of capital	-	-	-	-	-	-	-	-	0.37
Effects of Foreign Exchange	-	-	-	-	-	(0.39)		(0.39)	-
Balance as at 31 March 2021	**4,900.82**	**9.55**	**4,765.85**	**49.01**	**50.29**	**(3.33)**	**46.36**	**9,818.56**	**4.54**
Profit for the year	2,563.71	-	-	-	-	-	-	2,563.71	0.84
Remeasurement of net defined benefit plans	(11.08)	-	-	-	-	-	-	(11.08)	-
ESOP compensation cost	-	-	-	-	-	-	231.32	231.32	-
Effects of Foreign Exchange	-	-	-	-	-	(5.68)	-	(5.68)	-
Reversal of IPO Issue expenses now not payable*	-	-	14.38	-	-	-	-	14.38	-
NCI drawing/ infusion of capital	-	-	-	-	-	-	-	-	(1.70)
Dividend Paid	(131.83)	-	-	-	-	-	-	(131.83)	-
Balance as at 31 March 2022	**7,321.63**	**9.55**	**4,780.23**	**49.01**	**50.29**	**(9.01)**	**277.68**	**12,479.38**	**3.68**

Notes

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

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

c) Non Controlling interest represents other partners in Saideep Traders a partnership firm in which the Company has controlling interest.

As per our report of even date

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

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

N Jayendran
Partner
M.No. 040441

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

Place : Mumbai
Date : May 04, 2022

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

1. COMPANY OVERVIEW

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

The Consolidated Financial Statements were authorised for issue in accordance vide resolution of the Board of Directors in the meeting held on May 04, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

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

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

These Financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than 12 months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of 12 months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued Indian accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements are presented in Indian ₹ ('INR ') and all values are rounded to the nearest Million, except otherwise indicated.

2. Principles of consolidation

The Consolidated Financial Statements relate to Laxmi Organic Industries Limited and its subsidiary companies (referred to as Group), and its associates and its joint ventures. The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements", Indian Accounting Standard - 28 "Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated Financial Statements have been prepared on the following basis: -

The Financial Statements of the group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These Financial Statements are prepared by applying uniform accounting policies in use at the group. Non-controlling interests which represent part of the net profit or loss and net assets of a subsidiary that are not, directly or indirectly, owned or controlled by the Company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

The Consolidated Financial Statements comprises of the Financial Statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the group. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the group gains control until the date the group ceases to control the subsidiary. Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The Financial Statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31, 2022.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates are entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 ''Investment in Associate and Joint Venture''. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The group's investment in associates includes goodwill identified on acquisition.

The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company's portion of equity is recognized in the Financial Statement as goodwill on consolidation or capital reserve.

Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations: The group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings.

Joint ventures: Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

3. The list of subsidiary companies, associates and joint ventures included in consolidation and Company's holding therein are as under: -

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
1.	Laxmi Organic Industries (Europe) BV	Subsidiary	100%	Europe
2.	Laxmi Petrochem Middle East FZE	Subsidiary	100%	U.A.E
3.	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiary	100%	China
4.	Cellbion Lifesciences Private. Ltd.	Subsidiary	100%	India
5.	Laxmi Lifesciences Private Ltd.	Subsidiary	100%	India
6.	Viva Lifesciences Private Ltd.	Subsidiary	100%	India
7.	Yellowstone Fine Chemicals Private. Ltd.	Subsidiary	100%	India
8.	Yellowstone Speciality Chemicals Private. Ltd. (w.e.f. April 24, 2020)	Subsidiary	100%	India
9.	Saideep Traders	Stepdown Subsidiary	95%	India
10.	Laxmi Italy SRL	Step down Subsidiary	100%	Italy
11.	Acetyls Holding Pvt. Limited (w.e.f. October 01, 2021)	Subsidiary	100%	India
12.	Yellowstone Chemicals Private Limited (w.e.f. October 02, 2021)	Step down subsidiary	100%	India
13.	Laxmi U.S.A. LLC (August 31, 2021)*	Subsidiary	100%	USA
14.	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate	26%	India

• Laxmi USA LLC was incorporated during the year. However, capital infusion is not yet made in this entity.

4. Business combinations and goodwill

In accordance with IND AS 101 provisions related to first time adoption, the group has exercised exemption and elected not to apply IND AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated Financial Statements.

5. Significant accounting judgments, estimates and assumptions

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

• Estimates:

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

• Judgments:

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

a. Income taxes:

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

b. Defined benefit plans (gratuity benefits):

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

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

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

c. Useful lives of property, plant and equipment

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

d. Impairment of property, plant and equipment

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

e. Inventories

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

f. Recognition and measurement of other provisions

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

3. RECENT PRONOUNCEMENTS

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

• Ind AS 103 – Reference to Conceptual Framework

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

• Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Current and non-current classification

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

An asset is treated as current when:

- It is expected to be realised or intended to be sold consumed in normal operating cycle;
- It is held primarily for the purpose of trading

or

- It is cash or cash equivalent unless restricted from 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 liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current

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

b) Property, plant and equipment (PPE)

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

- Long-term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

- Capital work-in-progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on property, plant and equipment's are capitalised when the relevant recognition criteria specified in IND AS 23 "Borrowing Costs" is met.

- Decommissioning costs, if any, on property, plant and equipment are estimated at their present value and capitalised as part of such assets.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

- The property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in IND AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

c) Intangible assets

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

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

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

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

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

d) Depreciation methods, estimated useful lives and residual value

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

Lease hold land is amortized over the period of lease.

e) Borrowing costs

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

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

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

f) Impairment of non-financial Assets

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

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

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

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

g) Inventories

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

i. Raw materials and packing materials:

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

ii. Work-in-process:

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

iii. Finished goods & semi-finished goods:

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

iv. Stores and spares:

Stores and spare parts are valued at lower of purchase costs and net realisable value. The cost is determined based on weighted average method.

v. Traded goods:

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

h) Cash and cash equivalents

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

i) Equity investment

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

j) Foreign currency translation

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

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

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

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

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

k) Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liabilities

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

C. Contingent assets

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

l) Onerous contracts

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

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

The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

n) Fair value measurement

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

- In the principal market for the asset or liability
- In the absence of a principal market, in the 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**
  markets for identical assets or liabilities
- **Level 2** - V
  input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - V
  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' 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 ter
  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
  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. Revenue from operations:

The Company earns revenue primarily from sale of chemicals. It is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 01, 2018, the Company has applied IND AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. IND AS 115 replaces IND AS 18. The Company has adopted IND AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 01, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under IND AS 18. Significant accounting policies – revenue recognition in the annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per IND AS 18. The adoption of IND AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to sale of chemicals or rendering of services to the customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of job work services given by the Company to the customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and customer category.

Use of significant judgements in revenue recognition

- The Company assesses the services promised in a 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 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 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 the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B. Other operating income / other income

i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

iii. Revenue in respect of insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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

v. Dividend income is recognised when the right to receive the same is established.

vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the income statement.

vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

viii. Financial guarantee income: Under IND AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the statement of profit and loss.

ix. Insurance claims are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within 12months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected unit credit method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
2. Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are payable as a result of the Company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within twelve months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes

Tax expenses comprise current tax and deferred tax:

i. Current tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the Standalone Financial Statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the statement of profit and loss and corresponding debit is done to the deferred tax asset as unused tax credit.

s) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. the Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and development

Revenue expenditure on research and development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings per share

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend distribution

Dividend distribution to the equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade payables & Trade receivables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

a. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the statement of profit and loss in a systematic basis over the expected life of the related assets and presented within other income.

b. Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2022

(All figures are rupees in million unless otherwise stated)

3.1 PROPERTY, PLANT AND EQUIPMENT

Class of Assets	Land under lease	Factory building	Non factory building	Plant and equipment	Furniture & fixtures	Office equipments	Computers	Vehicles	Windmill	Tangible Total
Cost										
As at April 01, 2020	29.37	572.39	240.82	3,653.10	53.03	18.16	20.04	61.31	22.31	4,670.53
Additions		82.29	-	246.01	4.56	1.49	4.84	1.32	-	340.51
Disposals/adjustments	-	-	-	(14.50)	-	-	-	(3.00)	-	(17.50)
Exchange Fluctuation	-	-	-	-	0.02	0.02	0.07	-	-	0.11
As at March 31, 2021	**29.37**	**654.68**	**240.82**	**3,913.61**	**57.61**	**19.67**	**24.95**	**65.63**	**22.31**	**4,993.65**
Additions	186.89	57.68	1.84	542.55	1.25	20.50	8.33	36.32	-	855.36
Acquisition through business combination (Refer Note 43)	23.44	58.16	11.35	213.04	0.74	3.19	0.36	-	-	310.28
Disposals/Adjustments	-	-	-	24.48	-	-	-	16.06	-	40.54
Exchange Fluctuation	-	-	-	-	-	-	(0.14)	-	-	(0.14)
As at March 31, 2022	**239.70**	**770.52**	**254.02**	**4,644.72**	**59.60**	**43.36**	**33.50**	**85.88**	**22.31**	**6,118.61**
Depreciation										
As at April 01, 2020	2.36	124.94	54.85	1,147.17	26.36	12.03	12.90	26.01	8.85	1,415.47
Charge for the year	0.41	45.56	11.65	351.55	6.83	2.90	4.13	10.80	1.71	435.54
Disposals/adjustments	-	-	-	(7.65)	-	-	-	(2.77)	-	(10.42)
Exchange Fluctuation	-	-	-	-	0.02	0.02	0.06	-	-	0.10
As at March 31, 2021	**2.77**	**170.50**	**66.50**	**1,491.07**	**33.21**	**14.95**	**17.09**	**34.04**	**10.56**	**1,840.69**
Charge for the year*	2.07	49.06	10.77	376.11	6.27	7.35	5.72	10.38	1.50	469.24
Disposals/adjustments	-	-	-	17.74	-	-	-	14.37	-	32.11
Exchange Fluctuation	-	-	-	-	-	-	(0.12)		-	(0.12)
As at March 31, 2022	**4.84**	**219.56**	**77.27**	**1,849.44**	**39.48**	**22.30**	**22.69**	**30.05**	**12.06**	**2,277.70**
NET BLOCK										
As at March 31, 2021	**26.60**	**484.18**	**174.32**	**2,422.54**	**24.40**	**4.72**	**7.86**	**31.59**	**11.75**	**3,152.96**
As at March 31, 2022	**234.86**	**550.96**	**176.75**	**2,795.28**	**20.12**	**21.06**	**10.81**	**55.83**	**10.25**	**3,840.91**

(a) *Charge for the year includes amount of ₹ 7.08 million which is transferred to CWIP.

(All figures are rupees in million unless otherwise stated)

3.2 GOODWILL ON CONSOLIDATION AND INTANGIBLE ASSETS

Class of Assets	Intangibles - Softwares	Goodwill on Consolidation
Cost		
As at April 01, 2020	16.60	-
Additions	5.82	-
Disposals/adjustments	-	-
As at March 31, 2021	**22.42**	**-**
Additions	3.21	-
Acquisition through business combination (Refer Note 43)	-	32.88
Disposals/adjustments	-	-
As at March 31, 2022	**25.63**	**32.88**
Depreciation		
As at April 01, 2020	9.74	-
Charge for the year	3.13	-
Disposals/adjustments	-	-
As at March 31, 2021	**12.87**	**-**
Charge for the year	5.13	-
Disposals/adjustments	-	-
As at March 31, 2022	**18.00**	**-**
NET BLOCK		
As at March 31, 2021	**9.55**	**-**
As at March 31, 2022	**7.63**	**32.88**

Note - Goodwill on consolidation arises on acquisition of 100% equity stake of Acetyl Holding Private Limited accounted as a business combination as per IND as 103. The same represents excess of fair value of consideration over fair value of asset and liabilities acquired. Refer Note 43.

3.3 CAPITAL WORK-IN-PROGRESS

Particulars	Opening balance	Addition during the year	Capitalized during the year	Closing balance
March 31,2022	1,479.28	2,792.93	534.45	3,737.76
March 31, 2021	674.89	1,123.51	319.12	1,479.28

(a) CWIP Ageing Schedule

As at March 31, 2022

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 01 year	2,669.92	-	2,669.92
1-2 years	681.80	-	681.80
2-3 years	385.83	-	385.83
More than 3 years	0.21	-	0.21
Total	**3,737.76**	**-**	**3,737.76**

As at March 31, 2021

CWIP for a period of	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	964.70	-	964.70
1-2 years	457.89	-	457.89
2-3 years	56.19	-	56.19
More than 3 years	0.50	-	0.50
Total	**1,479.28**	**-**	**1,479.28**

(All figures are rupees in million unless otherwise stated)

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

As at March 31, 2022

Project Code	Less than 1 year	1-2 years	2-3 years	> 3 years	Grand Total
Project Olive	1,592.12	-	-	-	1,592.12
LOIL-21-14	875.08	-	-	-	875.08
LOIL-21-23	420.32	-	-	-	420.32
LOIL-21-02	83.99	-	-	-	83.99
Others (Individually less than 5%)	280.79	-	-	-	280.79
Total	**3,252.30**	**-**	**-**	**-**	**3,252.31**

As at March 31, 2021

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

3.4 RIGHT-OF-USE ASSET

Class of Assets	Right of Use			Total
	Building	Land(*)	License	
Cost				
As at 01, April 2020	123.57	16.53	11.74	151.84
Additions	-	-	-	-
Disposals/adjustments	(1.61)	-	-	(1.61)
As at March 31, 2021	**121.96**	**16.53**	**11.74**	**150.23**
Additions	-	-		-
Disposals/adjustments	**-**	**-**		**-**
As at March 31, 2022	**121.96**	**16.53**	**11.74**	**150.23**
Depreciation				
As at 01, April 2020	25.62	7.95	3.66	37.23
Charge for the year	25.21	0.42	0.91	26.54
Disposals/adjustments	1.61	-	-	1.61
As at March 31, 2021	**49.22**	**8.37**	**4.57**	**62.16**
Charge for the year	24.22	0.42	0.91	25.55
Disposals/adjustments	-	-	-	-
As at March 31, 2022	**73.44**	**8.79**	**5.48**	**87.71**
NET BLOCK				
As at March 31, 2022	**72.74**	**8.16**	**7.16**	**88.06**
As at March 31, 2021	**48.52**	**7.74**	**6.26**	**62.52**

Notes

A) (*)The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the Company is entitled to operate the Distillery till February 2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. The Company is negotiating with the concerned party for the lease renewal. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

(All figures are rupees in million unless otherwise stated)

B) The WDV under each of the heads of fixed Property, Plant & Equipment relating to the aforesaid BOT agreement is as follows:-

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

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

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

4.1 INVESTMENT

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Non-current	Non-current	Current	Current
Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	12.50	-	-
(Equity Method)				
Investments in mutual funds (Quoted)				
Investments at fair value through P&L (fully Paid)				
SBI overnight fund - direct growth	-	-	40.00	20.00
Total	**12.50**	**12.50**	**40.00**	**20.00**

***Cleanwin Energy One LLP**

The Group has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Group on January 25, 2021, acquired 26% stake in Cleanwin Energy One LLP ("Cleanwin") for supply of 5 MW electricity generated through wind turbines at a concessional rate with a minimum entitlement of 51% of power generated in lieu of share of profits. Therefore, there will be no profit or loss accretion on application of the equity method.

(a) Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2022 of the loans given, investments made, guarantees given and security provided by the Group:

Sr. No.	Name of Party	Purpose of Loan	Purpose of Loan	As At March 31, 2022	As At March 31, 2021
1	Cleanwin Energy One LLP	-	Investment	-	12.50

b) Market value disclosure of Investments:

Particulars	As At March 31, 2022	As At March 31, 2021
Aggregate value of quoted investments		
Book Value	40.00	20.00
Market Value	40.00	20.00
Aggregate value of unquoted investments	**12.50**	**12.50**

(All figures are rupees in million unless otherwise stated)

4.2 TRADE RECEIVABLES (UNSECURED, AT AMORTISED COST)

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Considered good	-	-	6,771.23	4,403.76
	Less:- Allowance for expected credit loss	-	-	(86.99)	(57.41)
	Total	**-**	**-**	**6,684.24**	**4,346.35**

(a) Expected credit loss:

The Group estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

Movement in allowance for credit loss

Particulars	As At March 31, 2022	As At March 31, 2021
Balance at the beginning of the period	**57.41**	**59.25**
Addition during the year	29.58	-
Reversal during the year	-	(0.16)
Foreign exchange	-	(1.68)
Provision at the end of the period	**86.99**	**57.41**

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

(i) As at March 31, 2022

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	4,458.92	-	4,458.92
less than 6 months	2,188.71	-	2,188.71
6 months - 1 year	33.18	-	33.18
1-2 year	21.50	-	21.50
2-3 year	5.28	-	5.28
> 3 years	60.26	-	60.26
Total	**6,767.85**	**-**	**6,767.85**

Range of O/s period	Disputed		Total
	Considered Good	Significant increase in credit risk	
6 months - 1 year	0.28	-	0.28
1-2 year	3.10	-	3.10
Total	**3.38**	**-**	**3.39**

(ii) As at March 31, 2021

Range of O/s period	Undisputed		Total
	Considered Good	Significant increase in credit risk	
Unbilled	-	-	-
Not Due	3,152.11	-	3,152.11
less than 6 months	1,169.39	-	1,169.39
6 months - 1 year	18.23	-	18.23
1-2 year	5.77	-	5.77

(All figures are rupees in million unless otherwise stated)

2-3 year	0.48	-	0.48
> 3 years	57.78	-	57.78
Total	**4,403.76**	**-**	**4,403.76**

Note - There are no disputed trade receivables as at March 31, 2021.

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

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Loan to Related party	-	-	12.02	-
ii)	Others	-	-	1.89	-
	Total	**-**	**-**	**13.91**	**-**
(a) Details of related party:					
Mr.Vinod Bhassin (related party of component)		-	-	12.02	-
Total		**-**	**-**	**12.02**	**-**

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

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

a) Repayable on demand

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Outstanding Loan	% to (A)	Outstanding Loan	% to (A)
Promoters	-	-	-	-
Directors	12.02	86.41	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
Total Loans and Advances to Promoter, Director, KMP and Related parties	12.02		-	
Total Loans and Advances in the nature of Loan and Advances (A)	**13.91**		**-**	

4.4 CASH AND BANK BALANCES

A Cash and cash equivalents

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Balances with banks	-	-	326.79	163.07
ii)	Cash on hand	-	-	3.50	3.09
	Total	**-**	**-**	**330.29**	**166.16**

B Other bank balances

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	With monitoring agency (for IPO proceeds)	-	-	0.29	0.47
ii)	Escrow account for IPO expenses	-	-	1.38	243.42
iii)	Fixed deposit (from IPO proceeds)	-	-	1,179.60	4,756.00
iv)	Fixed deposit (other)	-	-	-	139.30
v)	Unspent CSR Bank Account	-	-	10.78	-

(All figures are rupees in million unless otherwise stated)

vi)	Fixed deposit against margin money	-	-	300.15	88.50
	Total	**-**	**-**	**1,492.20**	**5,227.69**
	Total (A+B)	**-**	**-**	**1,822.49**	**5,393.85**

4.5 OTHER FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Non-current	Non-current	Current	Current
Advance to staff	0.45	0.60	1.63	2.19
Interest accrued receivable				
From banks	-	-	10.23	10.59
From others	-	-	0.40	1.34
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	49.14	-	-
Insurance claim receivable (Refer note (a) below)	-	-	398.05	38.47
Other receivables	-	-	309.78	238.26
Security deposit	101.44	88.76	30.00	30.00
Guarantee rental obligation	0.68	0.70	-	-
Total	**102.57**	**139.20**	**750.09**	**320.85**

(a) Insurance claim receivable

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

5 OTHER ASSETS

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Non-current	Non-current	Current	Current
i)	Capital advance	37.70	179.84	-	-
ii)	Prepaid expenses	3.29	1.22	35.25	28.23
iii)	Prepaid upfront fees	-	0.66	-	10.79
iv)	Prepaid taxes (net of provisions)	22.84	3.88	-	-
v)	Balance with government authorities	62.06	58.29	1,241.02	277.98
vi)	Advances to supplier				
	- Considered good	-	-	355.11	533.49
	- Considered doubtful	-	-	87.43	27.72
		-	**-**	**442.54**	**561.21**
	Less : Impairment of doubtful advances	-	-	87.43	27.72
		-	**-**	**355.11**	**533.49**
vii)	Export incentive receivable	-	-	0.99	50.27
viii)	Export licenses on hand	-	-	7.67	0.27
ix)	Other receivables	-	-	41.00	35.66
x)	Advance against shares	-	200.00	-	-
	Total	**125.89**	**443.89**	**1,681.04**	**936.69**

(All figures are rupees in million unless otherwise stated)

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

Particulars		As at March 31, 2022	As at March 31, 2021
a)	Raw material (including Goods in transit of ₹ 5.40 million (March 31, 2021: 8.88 million))	2,032.95	1,341.01
b)	Work-in-progress	21.36	25.91
c)	Finished goods (Including Goods in transit of ₹ Nil (March 31, 2021: ₹ 73.35 million))	987.80	297.63
d)	Consumable stores and spares	126.01	131.03
e)	Fuels and consumables	181.63	31.85
f)	Packing material	10.89	9.65
g)	Traded material	375.53	195.93
	Total	**3,736.17**	**2,033.01**

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

Particulars		2021-22	2020-21
(i)	Amount of inventories recognised as an expense during the period.	21,101.60	12,602.33
(ii)	Amount of write - down of inventories recognised as an expense during the period.	23.10	2.66
		21,124.70	**12,604.99**

7 EQUITY SHARE CAPITAL

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Opening balance (face value of ₹ 10/- each)	26,36,62,773	527.32	45,00,16,395	450.16
Cancelled shares (face value of ₹ 10/- each)	-	-	(45,00,16,395)	-
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	-	-	22,50,81,975	-
Fresh issue (face value of ₹ 2/- each)	-	-	3,85,80,798	77.16
Closing balance (face value of ₹ 2/- each)	**26,36,62,773**	**527.32**	**26,36,62,773**	**527.32**

(*) Split of shares

Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Group was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

(All figures are rupees in million unless otherwise stated)

(b) Initial Public Offr

"Last financial year, the Group has completed the Initial public offer ("The Offer / IPO") of 4,61,53,846 equity shares of face value of ₹ 2/- each at a price of ₹ 130/- per share (including a premium of ₹ 128/- per share) aggregating to ₹ 6,000.00 million

The Offer comprised of a fresh issue of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 2,30,76,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Group also did private placement of 1,55,03,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million ("Pre-IPO Placement").

"Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company's share of IPO related expenses of ₹ 156.99 million resulted into net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Parent Company got listed on BSE Limited and NSE limited on March 25, 2021."

(c) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows As at March 31, 2022

Particulars		Planned as per Prospectus	Spent upto FY 2020-21	Utilisation in 2021-22	Balance up to March 31, 2022 (*)
i)	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited*	1,729.25	42.97	1,686.28	-
ii)	Funding working capital requirements of the Company	351.78	-	-	351.78
iii)	Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.53	0.10
iv)	Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	92.22	33.43
v)	General corporate purposes (net of issue expenses)*	744.76	-	744.76	-
vi)	Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the proposed facility	604.04	-	184.10	419.94
vii)	Investment in YFCPL for funding its working capital requirements	377.41	-	-	377.41
	Total	**4,843.52**	**42.97**	**3,617.89**	**1,182.66**

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

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

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

Particulars		Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
i)	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Limited	1,793.14	42.97	1,750.17
ii)	Funding working capital requirements of the Company	351.78	-	351.78
iii)	Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.63

(All figures are rupees in million unless otherwise stated)

iv)	Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65
v)	General corporate purposes (net of issue expenses)	637.29	-	637.29
vi)	Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the proposed facility	604.04	-	604.04
vii)	Investment in YFCPL for funding its working capital requirements	377.41	-	377.41
	Total	**4,799.94**	**42.97**	**4,756.97**

(*) Balance of IPO proceeds as at March 31, 2022 and as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under Other bank balances (Refer note 4.4).

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

e) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

(g) Shareholding of Promoters

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

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	12,69,179	0.48%	711.63
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-
3	Manisha Ravi Goenka	94,22,646	3.57%	-7.29
4	Rajeev Vasudeo Goenka	1,09,437	0.04%	-77.27
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	-
6	Harshvardhan Goenka	125	0.00%	-
7	Niharika Ravi Goenka	125	0.00%	-
8	Vasudeo Nathmal Goenka	-	-	-100.00
9	Brady Investments Pvt Ltd	47,00,000	1.78%	-
	Total	**19,22,62,806**	**72.92%**	
	Total No of Shares issued and Subscribed	**26,36,62,773**	**100.00%**	

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

Sr No	Name of the Promoter	No of Shares	% of total shares	% change 2021-22
1	Ravi Goenka	1,56,375	0.06%	-
2	Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	17,67,04,984	67.02%	-13.71
3	Manisha Ravi Goenka	1,01,63,387	3.85%	100.00
4	Rajeev Vasudeo Goenka	4,81,375	0.18%	-
5	Prashant Vijaykumar Sarawgi HUF	56,310	0.02%	100.00
6	Harshvardhan Goenka	125	0.00%	-

(All figures are rupees in million unless otherwise stated)

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

h) As per the records of the Group, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

i) On January 30, 2019 the Company has issued Bonus shares - (4,00,36,324 shares) to all its existing shareholders in the ratio of 4:1 shares at face value of ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

j) On January 01, 2020 the Company completed buy back of 50,29,010 equity shares (of face value of ₹ 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of ₹ 820.14 million. The buy back was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares of face value of ₹ 10/- each and has created Capital Redemption Reserve amounting to ₹ 50.29 million by debiting the balance in General Reserve.

k) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

l) Shares reserved for issue under stock option plan to employees are detailed in note no 33.

8 OTHER EQUITY

Particulars		As at March 31, 2022	As at March 31, 2021
i)	Retained Earnings	7,321.63	4,900.83
ii)	General Reserve	49.01	49.01
iii)	Security Premium	4,780.23	4,765.85
iv)	Capital Reserve	9.55	9.55
v)	Foreign Currency Translation Reserve	(9.01)	(3.33)
vi)	Capital Redemption Reserve (refer note 7(j) above)	50.29	50.29
vii)	Share Option Outstanding Account (Refer Note no. 33)	277.68	46.36
	Total	**12,479.38**	**9,818.56**

9 FINANCIAL LIABILITIES (AT AMORTISED COST)
9.1 LONG TERM BORROWINGS

Particulars		As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
		Non-current	Non-current	Current	Current
(a)	**Term loans :**				
	Rupee term loan from bank	-	386.11	-	255.56
	Rupee term loan from NBFC	-	472.71	-	171.90
	Foreign currency loan from bank	18.42	92.10	73.68	73.68
(b)	**Vehicle loans :**				
	Vehicle loans - other than bank	-	0.08	0.08	0.95
(c)	**Government grant**	3.24	6.48	3.24	3.24
		21.66	**957.48**	**77.00**	**505.33**
	Less: Disclosed in Other current financial liabilities (Refer note 9.1 F)	-	(858.82)	-	-
	Less: Current Maturities disclosed under short term borrowings	-	-	(77.00)	(505.33)

(All figures are rupees in million unless otherwise stated)

	Total	**21.66**	**98.66**	**-**	**-**
	The break-up of above:				
	Secured	18.42	951.00	73.76	502.09
	Unsecured	3.24	6.48	3.24	3.24
		21.66	**957.48**	**77.00**	**505.33**

Notes:

A) Term Loan includes :

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

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

Repayment: 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement Interest :

Linked with HDFC Bank 1 year MCLR + 25 bps for ₹ 500 million

Linked with HDFC Bank 1 year MCLR + 70 bps for ₹ 200 million and,

Linked with HDFC Bank 1 year MCLR + 65 bps for ₹ 400 million which the Company has availed in the month of November 2019

ii) Rupee term loans from NBFC (AXIS Finance Ltd):

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

Repayment : 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from September 30, 2020

Interest : Linked with 1 year MCLR + 115 bps for sanctioned term loan of ₹ 750 million

iii) Foreign Currency Term loans from banks (Citi Bank NA, Jersey) :

15 equal quarterly installments in foreign currency starting from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

The Company converted this ECB into INR loan under CCY SWAP on April 02, 2019 at fixed interest rate of 7.90% p.a.

B) Security of term loans :

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist Raigad Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad

c) First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra

d)Second pari passu charge on entire current assets of the Company.

C) Vehicle loan:

Vehicle loans are secured against the same vehicle for which loan is taken.

D) Government grant:

There are multiple interest free sales tax loans which are repayable in five installments from their due date . The group has outstanding of ₹ 6.48 million as at March 31, 2022 (March 31, 2021: ₹ 9.72 million). The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity profile of long term borrowings:

Particulars	As at March 31, 2022	As at March 31, 2021
Instalment payable within one year	77.00	505.32
Instalment payable between 1 to 2 years	21.66	448.90
Instalment payable between 2 to 5 years	-	508.59
Instalment payable beyond 5 years	-	-
Total	**98.66**	**1,462.81**

*Before reclassification of long term borrowings in to Current liabilities (refer note 9.1 F)

F) Borrowing classified as current liabilities

One of the objects of the IPO of the Company is repayment of the relevant long term loans of the Company. Accordingly, to the extent that loans are being repaid out of the IPO proceeds, the same are re-classified as current liabilities.

(All figures are rupees in million unless otherwise stated)

G) As per the Amendment to Ind AS 7 " Statement of Cash Flow "

An entity shall provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	Non-current borrowings	Current borrowings & Current Liabilities	Total
Balance as at March 31, 2020	**901.53**	**686.86**	**1,588.39**
Changes from financing cash flows	561.27	12.98	574.25
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	(858.82)	858.82	-
Proceeds from bill discounting	-	107.07	107.07
Other changes (transfer within categories)	(505.33)	505.33	-
Balance as at March 31, 2021	**98.66**	**2,171.06**	**2,269.71**
Changes from financing cash flows	-	(505.33)	(505.33)
Effects of changes in foreign exchange rates	-	-	-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	-	(858.82)	(858.82)
On account of business combination	-	95.55	95.55
Proceeds from bill discounting	-	332.05	332.05
Other changes (transfer within categories)	(77.00)	77.00	-
Balance as at March 31, 2022	**21.66**	**1,311.51**	**1,333.16**

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

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

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

I) Disclosure of repayments

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

9.2 LEASE LIABILITY

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Lease liability (Refer note 32)	43.69	57.70	14.42	25.88
Total	**43.69**	**57.70**	**14.42**	**25.88**

9.3 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Borrowings payable out of IPO proceeds (Refer Note 9.1 F above)	-	-	-	858.82
Payable for capital goods	-	-	213.12	211.01
Interest accrued on financial liabilities	-	-	19.46	10.68
Deposit received	-	-	10.77	10.80
Staff salary and other payable	-	-	194.76	152.04
Other liabilities	-	-	32.08	1.14
Amount payable to related party	-	-	8.63	-
Amount payable on hedging transactions	-	-	0.48	26.44
Total	**-**	**-**	**479.30**	**1,270.93**

(All figures are rupees in million unless otherwise stated)

a) Details of related party:

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
Ravi Vasudeo Goenka as a Trustee of Yellow Stone Trust	-	8.63	-	-
Total	**-**	**8.63**	**-**	**-**

10 PROVISIONS

	Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
		Non-current	Non-current	Current	Current
i)	Provision for employee benefits :				
	Leave encashment	35.20	35.43	25.91	15.63
	Gratuity	1.78	-	40.63	15.49
ii)	Provision for sales return	-	-	26.74	14.43
iii)	Provision for tax (net of advances)	-	-	34.56	86.29
	Total	**36.98**	**35.43**	**127.84**	**131.84**

(a) Disclosure under IND AS 37 " Provisions, Contingent Liabilities and Contingent Assets"

Provision for sales return

As at	Opening Balance	Addition during the period	Utilised during the year	Closing Balance
March 31, 2022	14.43	24.62	12.31	26.74
March 31, 2021	10.86	10.86	7.29	14.43

(b) Disclosures as required by Indian Accounting Standard (IND AS) 19 Employee Benefits

The Group has carried out the actuarial valuation of Gratuity and Leave encashment liability under actuarial principle, in accordance with IND AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2021 : ₹ 2.00 million) The Company's gratuity liability is entirely funded and leave encashment is non-funded.

i)The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as under:

	Particulars	As At March 31, 2022	As At March 31, 2021
(a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Defined benefit obligation at the beginning of the year	57.02	48.04
	Liability On Account of Business combination	1.72	-
	Current service cost	9.96	7.96
	Interest cost	3.59	2.95
	Actuarial (gain) /loss - Other comprehensive income	15.30	0.49
	Past service cost	-	-
	Benefits paid	-	(2.43)
	Defined benefit obligation at the year end	**87.58**	**57.02**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	41.52	33.46
	Actuarial (gain) /loss - Other comprehensive income	-	(0.17)

(All figures are rupees in million unless otherwise stated)

	Investment income	2.59	2.39
	Employer contribution	1.06	8.27
	Benefits paid	-	(2.43)
	Fair value of plan assets at the year end	**45.17**	**41.52**
(c)	**Reconciliation of fair value of assets and obligations**		
	Present value of defined benefit obligation	87.58	57.02
	Fair value of plan assets	45.17	41.52
	Net asset / (liability)	**(42.41)**	**(15.49)**
(d)	**Expenses recognized during the year (Under the head "Employees benefit expenses")**		
	In Income Statement	10.18	8.86
	In Other Comprehensive Income	15.37	0.32
	Total expenses recognized during the period	**25.55**	**9.18**
(e)	**Actuarial (gain)/loss- Other comprehensive income**	**15.30**	**0.32**
(f)	**Net liabilities recognised in the balance sheet**		
	Long term provisions	1.78	-
	Short term provisions	40.63	15.49
		42.41	**15.49**

ii) Actuarial assumptions

Particulars	As At March 31, 2022	As At March 31, 2021
Discount rate (per annum)	6.65%	6.25%
Salary growth rate (per annum)	11%	5%
Attrition rate	19%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary growth rate	Attrition rate	Mortality rate
Changes in assumption				
March 31, 2022 (%)	1%	1%	50%	10%
March 31, 2021 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2022	81.65	88.33	80.34	85.15
March 31, 2021	53.53	60.65	57.40	57.03
Decrease in assumption				
March 31, 2022	88.98	82.15	94.42	85.17
March 31, 2021	60.96	53.69	56.21	57.00

(g) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

(All figures are rupees in million unless otherwise stated)

(ii) Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 million).

(vi) Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(vii) Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

11 DEFERRED TAX LIABILITY/ASSET

A) - Net deferred tax liability

Particulars		As At March 31, 2022	As At March 31, 2021
a)	**Deferred tax liability on account of :**		
	i) Property plant & equipment	292.53	207.06
	iii) Right-of-use assets (Net)	2.18	1.61
		294.71	**208.67**
b)	**Deferred tax asset on account of :**		
	i) Minimum alternate tax	-	24.39
	ii) Provision for doubtful advances and debts	36.05	10.67
	iii) Tax disallowances	18.59	17.17
	iv) Deferred tax of component	-	-
		54.64	**52.23**
	Total deferred tax liability (net)	**240.07**	**156.44**

B) - Net deferred tax asset

Particulars		As At March 31, 2022	As At March 31, 2021
a)	**Deferred tax asset on account of :**		
	i) Property Plant & Equipment	1.21	-
	ii) On unrealised profit on Intra group transactions	20.75	-
	iii) Provision for doubtful advances and debts	1.53	-
	iv) Item recognised in OCI	0.11	-
	v) Unabsorbed losses	1.13	-
	Total deferred tax asset (net)	**24.73**	**-**

12 OTHER LIABILITIES

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2022	As At March 31, 2021
	Non-current	Non-current	Current	Current
i) Duties and taxes payable	-	-	48.29	45.79
ii) Advance from customers	-	-	63.09	86.81
iii) Other liabilities	-		14.05	29.79
Total	**-**	**-**	**125.43**	**162.39**

(All figures are rupees in million unless otherwise stated)

13 SHORT TERM BORROWINGS (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
From banks		
Cash credit	1,146.87	296.85
Short term loan	-	393.10
Bill discounting	62.42	107.07
Vehicle Loan	18.39	-
From others	6.50	6.50
From directors	0.33	3.39
Current Maturities of long term borrowings:		
Rupee term loan from bank	-	255.56
Rupee term loan from NBFC	-	171.90
Foreign Curreny Loan	73.68	73.68
Government grant	3.24	3.24
Vehicle Loan	0.08	0.95
Total	**1,311.51**	**1,312.24**
Secured	1,239.02	371.48
Unsecured	72.49	940.76

(a) Short term loan

Charge is created on movable property, floating charge and books debts and CA, MFA and DSRA.

Primary Security -Exclusive first priority security interest / charge over fixed deposit, permitted investments and all monies lying to the credit of DSRA account pursuant DSRA dated May 22, 2020.

(b) Cash credit

1. This amount includes trust receipt loans obtained from Citi Bank UAE as per the facility letter dated January 26, 2021. These loans carry interest @1.70% (PY - 2.20%) per annum plus 3 months libor/eibor. These bank borrowing are secured against standby letter of credit of Citi Bank (India)

2. ING finance the outstanding debtors up to a maximum of 90% and is secured by a lien on the outstanding debtors. The interest rate is one month rate euribor + 1.85%. The agreement is for a undetermined time. A notice period of 180 days applies for cancellation.

(c) Utilisation of Borrowings taken from Bank and Financial Institution

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

14 TRADE PAYABLES (AT AMORTISED COST)

Particulars	As At March 31, 2022	As At March 31, 2021
i) Dues of micro and small enterprise	147.76	164.96
ii) Other than micro and small enterprise	6,968.87	4,584.64
Total	**7,116.63**	**4,749.60**

a) Amounts due to micro, small and medium enterprises

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	As At March 31, 2022	As At March 31, 2021
Principal amount due	147.76	164.96
Interest due on above	0.36	0.07

(All figures are rupees in million unless otherwise stated)

Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	562.30	110.11
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	1.48	0.80
Amount of interest accrued and remaining unpaid as at year end	5.47	3.63
Amount of further interest remaining due and payable in the succeeding year	-	-

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

(i) As at March 31, 2022

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	4.22	-	1,106.97	-
Not Due	94.18	-	5,381.69	-
Less than 1 year	48.99	-	461.23	-
1-2 years	0.08	-	8.74	2.77
2-3 year	0.23	-	0.22	-
> 3 years	0.07	-	7.25	-
Total	**147.76**	**-**	**6,966.10**	**2.77**

(ii) As at March 31, 2021

Range of O/s period	MSME		Others	
	Undisputed	Disputed	Undisputed	Disputed
Unbilled	21.93	-	1,018.96	-
Not Due	95.30	-	2,914.56	-
Less than 1 year	42.69	-	626.65	-
1-2 years	0.06	-	12.31	-
2-3 year	0.04	-	12.16	-
> 3 years	4.94	-	-	-
Total	**164.96**	**-**	**4,584.64**	**-**

15 CURRENT TAX LIABILITIES (NET)

Particulars	As At March 31, 2022	As At March 31, 2021
Current tax liabilities (net of taxes paid)	147.41	24.65
Total	**147.41**	**24.65**

16 REVENUE FROM OPERATIONS

Particulars		2021-22	2020-21
i)	**Sales/ Rendering :**		
	- Products	30,681.85	17,508.40
	- Services	114.57	91.24
		30,796.42	**17,599.64**
ii)	**Other operating revenue:**		
	Sale of scrap	22.24	9.67
	Export incentives	15.37	53.63
	VAT Incentives	-	21.35

(All figures are rupees in million unless otherwise stated)

	Insurance claim received	7.84	0.19
		45.45	**84.84**
	Total	**30,841.87**	**17,684.48**

Disclosure in accordance with IND AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

1 Revenue disaggregation based on :

(a) Category of good and services

Particulars	2021-22	2020-21
Chemicals	30,417.88	17,407.18
Coal	26.66	10.13
Others	237.31	91.10
Jobwork and other services	114.57	91.24
Total	**30,796.42**	**17,599.64**

(b) Geographical region

Particulars	2021-22	2020-21
India	19,938.72	12,455.59
International	10,857.70	5,144.05
Total	**30,796.42**	**17,599.64**

2 Contract balances

(i) Advance from customers:

Particulars	2021-22	2020-21
Contract liabilities	63.09	86.81

17 OTHER INCOME

Particulars	2021-22	2020-21
Interest income on financial asset		
From bank on deposits	108.33	24.74
From other	4.57	12.10
Sundry balances written back	2.22	4.04
Miscellaneous income	27.98	0.50
Reversal of expected credit loss	-	0.15
Profit on sale of investments	5.62	4.60
Profit on sale of assets	0.04	-
Total	**148.76**	**46.13**

18 COST OF RAW MATERIALS CONSUMED

Particulars	2021-22	2020-21
Opening stock of raw material	1,341.01	856.92
Addition on account of business combination	228.84	-
Add: Purchases	17,710.69	8,576.59
	19,280.54	**9,433.50**
Less: Insurance claim of raw material destroyed in floods	(84.46)	-
Less : closing stock of raw material	(2,032.95)	(1,341.01)
Total	**17,163.13**	**8,092.49**

(All figures are rupees in million unless otherwise stated)

19 PURCHASE OF STOCK-IN-TRADE

Particulars	2021-22	2020-21
i) Chemicals and other purchases	4,683.68	3,642.89
ii) Coal	25.02	9.67
Total	**4,708.70**	**3,652.56**

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

Particulars	2021-22	2020-21
Inventory of Work-in-progress at the beginning of the year	25.91	47.95
Addition on account of business combination	35.84	-
Less: Inventory of Work-in-progress at the end of the year	(21.36)	(25.91)
	40.39	**22.04**
Inventory of Finished goods at the beginning of the year	297.63	399.56
Addition on account of business combination	192.18	-
Less: Inventory of Finished goods at the end of the year	(987.80)	(297.63)
Less: Insurance claim of finished goods destroyed in floods	(113.56)	-
	(611.55)	**101.93**
Inventory of traded goods at the beginning of the year	195.93	67.32
Add: Foreign currency translation adjustments	3.63	2.17
Less: Inventory of traded goods at the end of the year	(375.53)	(195.93)
	(175.97)	**(126.44)**
Total	**(747.13)**	**(2.47)**

21 EMPLOYEE BENEFIT EXPENSES

Particulars		2021-22	2020-21
i)	Salaries, wages and bonus	776.30	675.45
ii)	Director's remuneration	156.05	127.79
iii)	Contribution to employees gratuity, leave encashment and other funds	57.34	59.62
iv)	ESOP compensation cost (Refer note 33)	231.32	46.36
v)	Staff welfare expenses	23.36	19.79
	Total	**1,244.37**	**929.01**

22 FINANCE COST:

Particulars		2021-22	2020-21
i)	Interest on financial liabilities at amortised cost	51.38	137.99
ii)	Unwinding of lease liability	5.19	7.08
iii)	Interest on direct taxes	6.23	3.35
iv)	Interest on indirect taxes	65.48	1.03
v)	Other borrowing costs	14.17	9.01
vi)	Amortisation of upfront fees	11.76	5.51
	Total	**154.21**	**163.97**

(All figures are rupees in million unless otherwise stated)

23 DEPRECIATION & AMORTIZATION

Particulars		2021-22	2020-21
i)	Depreciation (Refer note No 3.1. (a))	462.16	435.55
ii)	Deprecation on right-of-use assets	25.55	26.55
iii)	Amortisation	5.13	3.13
	Total	**492.84**	**465.23**

24 OTHER EXPENSES

Particulars	2021-22	2020-21
Power & fuels	1,874.87	963.00
Consumption of consumables stores and spares	197.23	137.86
Consumption of packing materials	176.85	153.17
Water charges	54.12	41.69
Labour charges	107.17	88.52
Inward freight charges	40.74	126.60
Outward export freight charges	881.79	252.65
Clearing and forwarding expenses	29.97	10.03
Repairs and maintenance		
Buildings	55.20	22.93
Machineries	48.50	48.71
Others	38.91	34.41
Transportation charges	496.78	383.39
Commission on sales	47.37	50.75
Advertisement	2.18	7.06
Director's sitting fees	2.00	2.00
Books and periodicals	0.05	0.03
Business promotion expenses	8.19	6.40
Commission to non-executive director	10.00	6.88
Computer maintenance	16.70	12.87
Conveyance expenses	5.03	4.18
Donation	0.12	0.16
CSR expenditure	22.80	41.88
General expenses	13.57	10.23
Inspection charges	3.65	3.93
Insurance charges	64.82	57.90
Membership & subscription	14.94	12.93
Postage & telegram	1.81	1.62
Professional & legal expenses	143.75	137.74
Printing & stationery	4.21	13.36
Rent	8.02	5.51
Rates & taxes	25.85	11.62
Security service charges	19.85	17.64
Travelling expenses	30.13	22.78
Telephone expenses	6.43	5.82
Vehicle expenses	35.24	29.72
Auditors' remuneration	3.96	3.39
Component auditors fees	4.89	6.66

(All figures are rupees in million unless otherwise stated)

Bank charges	34.67	26.08
Expected credit loss	90.17	-
Foreign Exchange loss	98.19	55.73
Loss on sale of assets	-	6.85
Other expenses	19.71	18.12
Indirect taxes paid	55.14	2.92
Total	**4,795.57**	**2,845.71**

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

Particulars	**2021-22**	**2020-21**
To Statutory auditors		
For audit including consolidation and limited review	3.75	3.12
For certification and other services	0.21	0.27
Total	**3.96**	**3.39**

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

25 TAX EXPENSE

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

Particulars	**2021-22**	**2020-21**
Current Tax	655.18	277.13
Deferred tax	13.92	36.34
Income tax (excess)/ short provision of previous year	(54.71)	-
Income tax recognised in statement of profit or loss	**614.39**	**313.47**

b) The reconciliation between the provision of income tax of the group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A) Current Tax

Particulars		**2021-22**	**2020-21**
Profit before tax		3,178.94	1,584.11
Taxable Profit for Indian Entities		2,842.38	1,431.15
Taxable Profit for Foreign Entities		380.73	156.03
Non - Taxable Profit for Indian Entities		(1.56)	(2.69)
Non- Taxable Profit for Foreign Entities		(42.59)	(0.38)
Enacted tax rates in India (%)		25.15% to 34.94%	34.94%
Enacted tax rates for foreign subsidiary (%)		25.00%	20.54%
Computed expected tax expenses		1,117.79	541.91
Effect of non- deductible expenses		223.37	178.49
Effects of deductible Expenses		(152.48)	(151.01)
Tax incentives		(208.50)	(248.58)
		980.18	**320.81**
Less MAT credit utilised*		(325.00)	(43.68)
Income tax expenses - Net	**A**	**655.18**	**277.13**

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

(All figures are rupees in million unless otherwise stated)

Particulars		2021-22	2020-21
Tax liability as per Minimum alternate tax on book profits			
Minimum alternate tax rate		17.47%	17.47%
Taxable Profit Eligible for MAT		2,816.56	1,513.22
Computed tax liability on book profits		492.11	264.39
Tax effect on adjustments:			
1/5 portion of opening IND AS reserve as on March 31, 2017		(0.73)	(0.73)
Effect of non deductible expense		22.64	0.55
Others		0.99	(0.22)
Minimum alternate tax on book profits	**B**	**515.01**	**264.00**
Higher of A or B		**655.18**	**277.13**

B) Deferred tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	On account of Business Combination	Recognised in profit and loss (Asset)/ liability	Closing
Property plant & equipment	(236.01)	-	(28.95)	(207.06)
Right-of-use assets (net)	(1.79)	-	(0.18)	(1.61)
Minimum alternate tax	68.06	-	43.67	24.39
Provision for doubtful advances and debts	10.73	-	0.06	10.67
Tax disallowances	26.32	-	9.15	17.17
Deferred tax of component	12.60	-	12.60	-
As at March, 31, 2021	**(120.09)**	**-**	**36.34**	**(156.44)**
Property plant & equipment	(207.06)	(46.78)	37.48	(291.32)
Right-of-use assets (net)	(1.61)	-	0.57	(2.18)
Unrealised profit on Intra group transactions	-	-	(20.75)	20.75
Item recognised in OCI	-	-	0.11	(0.11)
Unabsorbed losses	-	-	(1.13)	1.13
Minimum alternate tax	24.39	-	24.39	-
Provision for doubtful advances and debts	10.67	1.58	(25.33)	37.58
Tax disallowances	17.17	-	(1.42)	18.59
As at March, 31, 2022	**(156.44)**	**(45.20)**	**13.92**	**(215.56)**

26 DISCLOSURE AS REQUIRED BY ACCOUNTING STANDARD – IND AS 33 “EARNING PER SHARE” OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015.

Net profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2021-22	2020-21
Net Profit / (Loss) as per Statement of Profit and Loss	25,63.71	1,270.34
Outstanding equity shares at period end	26,36,62,773	26,36,62,773
Weighted average Number of Shares outstanding during the period – Basic	26,36,62,773	22,70,86,206
Weighted average Number of Shares outstanding during the period - Diluted	26,73,84,704	22,78,07,905
Weighted average number of shares as per para 26 of IND AS 33" Earning per Share"	26,73,84,704	22,78,07,905
Earnings per Share - Basic (₹)	9.72	5.58
Earnings per Share - Diluted (₹)	9.59	5.58

(All figures are rupees in million unless otherwise stated)

Reconciliation of weighted number of outstanding during the period:

Particulars	2021-22	2020-21
Nominal value of equity shares (₹ per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	26,36,62,773	22,50,81,975
Add : Issue of equity shares	-	3,85,80,798
Total number of equity shares outstanding at the end of the period	**26,36,62,773**	**26,36,62,773**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	26,36,62,773	22,70,86,206
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	26,73,84,704	22,78,07,905

Note

(i) Pursuant to the recommendation and resolution passed at the meeting of the Board of Directors, the shareholders in their meeting held on November 24, 2020 approved the split of 1 equity share of the face value of ₹ 10/- each into 5 equity shares of the face value of ₹ 2/- each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 4,50,16,395 equity shares of face value of ₹ 10/- each to 22,50,81,975 equity shares of face value of ₹ 2/- each.

(ii) In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the Financial Statements are approved for issue, the per share calculations for those and any prior period Financial Statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

27 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE

A Revenue expenses

Particulars	2021-22	2020-21
Employee benefits expense	50.63	35.68
Legal & professional fees	5.50	4.03
Other expenses	4.46	4.43
Utility expenses	3.84	6.73
Traveling expenses	4.28	4.03
Contract labor and Security service charge	4.32	3.48
Subscription	4.15	2.89
Repairs & maintenance	20.62	12.70
Depreciation and amortization expense	16.19	11.88
B Capital Expenditure		
Capital expenditure (Refer note 3.5)	11.96	41.81
Total	**125.94**	**127.67**

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

	Particulars	As At March 31, 2022	As At March 31, 2021
(i)	**Contingent liabilities**		
	(a) Liabilities Disputed - Appeals filed with respect to :		
	(i) Disputed indirect taxes matters - (Net of Amount paid under protest of ₹ 0.20 million and ₹ 6.29 million (PY 0.20 million)	313.20	236.72
	(ii) Disputed Direct Taxes Matters - on account of disallowances / additions and default of TDS	7.03	4.74

(All figures are rupees in million unless otherwise stated)

	(iii) Other Dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.30 million (Py: ₹ 2.30 million)	4.53	4.53
	(b) Guarantees:		
	(i) Given on behalf of wholly owned subsidiaries to their Lenders	-	1,700.00
	(ii) Furnished by banks on behalf of the Group	76.64	75.14
(ii)	**Commitments**		
	(a) Capital Commitments- - Estimated amount of contracts remaining to be executed on capital account	878.08	566.38
	(b) Other Commitments - Contractual commitment towards purchase of equity shares	-	200.10
	(c) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding"	1,260.78	271.21
(iii)	**Letters of Credit**	**1,714.03**	**1,199.52**

(iv) Other tax proceedings

The Senior Intelligence Officer, Directorate of Revenue Intelligence ("DRI") of the Bangalore Zonal Unit ("SIO") conducted a search at the Acetyl Intermediates ("AI") Manufacturing Facility on February 11, 2021 (the "Search") on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("Notification") and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods" as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded. The facts are similer in the case of Yellowstone Chemical Private Limited, the step down subsidiary of the Company.

29 DISCLOSURE IN ACCORDANCE WITH IND AS – 108 "OPERATING SEGMENTS", OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES, 2015.

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

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

Details are given in statement B

31 DISCLOSURE ON CSR ACTIVITY

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

Particulars		2021-22	2020-21
1	Gross amount required to be spent by the Company during the year.	25.10	20.18
2	Amount approved by the Board to be spent during the year		
	- Ongoing	15.54	20.18
	- Other than ongoing	9.56	-
3	Amount spent during the year on:		
(a)	- Construction/acquisition of any asset	-	-
(b)	- On purposes other than (a) above	10.00	22.21
	Total	**10.00**	**22.21**

(All figures are rupees in million unless otherwise stated)

	Excess Spent of previous year	2.03	-
4	Shortfall at the end of the year,	13.07	(2.03)
5	Total of previous years shortfall/(Excess),	-	(2.03)
6	Reason for shortfall- Nil		

7 Nature of CSR activities-

Particulars		2021-22	2020-21
a	Covid Relief	0.89	2.72
b	Flood Relief	0.92	-
c	Disaster Management	1.01	-
d	IT Support- Community Development	0.54	-
e	Water Support- Community Development	3.08	-
f	Waste Management	0.80	-
g	Mobile Health Unit	2.46	-
h	Contributions to public funded Universities	0.10	-
i	NAPS Training Cost - Skill Development	0.20	-
j	Administrative overhead	-	0.03
k	Corpus donation towards CSR activities	-	19.46
	Total	**10.00**	**22.21**
(i)	**Spent Details**		
	Amount spent on ongoing project	2.46	
	Amount spent on Other than ongoing project	7.53	
	Excess amount of Previous Year	2.03	
(ii)	**Total amount spent on other than ongoing**	**9.56**	

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

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

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

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

(All figures are rupees in million unless otherwise stated)

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

Particulars		2021-22	2020-21
(a)	Opening Balance		
	- With Company	-	-
	- In Separate CSR unspent account	-	-
(b)	Amount transferred from Companys Bank account to Separate CSR unspent account	-	-
(c)	Amount required to be spent during the year	15.54	-
(d)	Amount spent during the year(inclu Opening Excess)		-
	- From Company's Bank Account	2.46	-
	- From Separate CSR unspent account	-	-
(e)	Carryforward to future years	13.08	-
(f)	Excess Spent during the year		-
(g)	Closing Balance		
	- With Company#	2.30	
	- In Separate CSR unspent account*	10.78	

* The Company has before the end of the balance sheet date transferred the amount to Unspent CSR Account of ₹ 10.78 million.
# The Company has since the balance sheet date transferred the amount to Unspent CSR Account of ₹ 2.30 million.

Note: The CSR expenditure of ₹ 2.3 million relating to one of the component relates to the period before acquisition of the component and formed part of pre-acquisition profit and loss.

32 IND AS 116 "LEASES"

(a) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(b) Movement in right of use assets - Refer Note 3.4

(c) Movement in lease liabilities :

Particulars	2021-22	2020-21
Balance at the beginning	83.58	107.47
Finance cost incurred during the year	5.19	7.08
Payment of lease liability	(30.65)	(30.97)
Closing balance	**58.12**	**83.58**

(d) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(e) Undiscounted contractual maturities of lease liability:

Particulars	As At March 31, 2022	As At March 31, 2022
Less than one year	18.01	30.66
One to two years	10.27	37.60
Two to five years	28.03	33.49
More than five years	14.80	-
Total	**71.11**	**101.75**

(All figures are rupees in million unless otherwise stated)

(f) The following is the break-up of current and non-current lease liabilities:

Particulars	As At March 31, 2022	As At March 31, 2022
Current lease liability	17.79	25.88
Non-current lease liability	40.33	57.70
Closing balance	**58.12**	**83.58**

33 SHARE OPTION OUTSTANDING

A Employee Stock Option Plan 2020 (the Plan):

Pursuant to the resolutions passed by the Board on October 30, 2020 and by the Shareholders on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for issue of employee stock options ("ESOPs") or thank you grants or restricted stock units ("RSUs") to eligible employees up to 67,50,000 options, which may result in issue of not more than 67,50,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

The nomination and remuneration committee had on January 27, 2021 granted 56,90,467 options (comprising of 42,45,540 employee stock options; 11,43,263 RSUs and 3,01,664 thank you grants) to eligible employees pursuant to the ESOP-2020. As of the date, no equity shares have been issued pursuant to the ESOP-2020. This plan is administered by the nomination and remuneration committee of the board.

The eligibility of the employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the nomination and remuneration committee at its sole discretion, from time to time.

Options granted under plan shall vest not earlier than 1 (One) year and not later than maximum vesting period of 3 (three) years from the date of grant.

i) Summary of options granted under plan:

Particulars	Option Plan		
	ESOP	**RSU**	**Thank You Grant**
Number of options granted	42,45,540	11,43,263	3,01,664
Grant date	January 27, 2021		
Exercise price	100	2	2
Fair value on the date of grant of option (₹ per share)	73.12	121.48	121.48
Methods of valuation	**Black-Scholes**		
Method of settlement	Equity		
Method of accounting	Fair value		
Vesting period	April 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022: 30% April 01, 2023: 30% April 01, 2024: 40%	April 01, 2022 100%
Exercise period	7 years		

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

ii) Reconciliation of options granted under plan:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	56,90,470	-
Granted during the year	-	56,90,470
Exercised during the year	-	-
Number of options vested during the Period	17,20,466	
Lapes/Forfeited during the year	6,34,024	-
Outstanding at the end of the year	50,56,446	56,90,470
Options exercisable at the end of the year	17,20,466	-

(All figures are rupees in million unless otherwise stated)

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Expiry date	Exercise price (in ₹)	Share options March 31, 2022	Share options March 31, 2022
ESOP	Not Applicable*	100	37,56,016	42,45,540
RSU		2	10,09,669	11,43,266
Thank You Grant		2	2,90,761	3,01,664
Total			**50,56,446**	**56,90,470**

*Not Applicable since the options are yet to be vested.

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
ESOP	73.12
RSU	121.48
Thank You Grant	121.48

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	ESOP	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%
Years to expiration	7	7	7
Risk free rates	6.12%	6.12%	6.12%
Expected volatility	41%	41%	41%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

B Expense arising from share-based payment transactions

Particulars	2021-22	2020-21
ESOP compensation cost	231.32	46.36
Total expenses	**231.32**	**46.36**

34 FINANCIAL INSTRUMENTS

i) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

	Particulars	As At March 31, 2022	As At March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Carrying value		Fair value	
a)	**Financial assets**				
	Amortised cost				
	Loans	13.91	118.76	13.91	118.76
	Investments	52.50	32.50	52.50	32.50
	Others	852.66	341.28	852.66	341.28
	Trade receivables	6,684.24	4,343.74	6,684.24	4,343.74
	Cash and cash equivalents	330.29	305.46	330.29	305.46
	Other bank balances	1,492.20	5,088.39	1,492.20	5,088.39
	Total financial assets	**9,425.80**	**10,230.13**	**9,425.80**	**10,230.13**

(All figures are rupees in million unless otherwise stated)

b)	**Financial liabilities**				
	Amortised cost				
	Borrowings	1,333.17	1,410.90	1,333.17	1,410.90
	Trade payables	7,116.63	4,749.59	7,116.63	4,749.59
	Lease liability	58.11	83.58	58.11	83.58
	Others	479.30	1,270.93	479.30	1,270.93
	Total financial liabilities	**8,987.21**	**7,515.00**	**8,987.21**	**7,515.00**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35 FAIR VALUE HIERARCHY

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2022 and March 31, 2021.

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

		Fair value measurement using		
Particulars	**Date of valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial liabilities/(assets) measured at fair value:				
Forward contracts	31-Mar-22	-	0.48	-
Forward contracts	31-Mar-21	-	26.44	-
Mutual funds	31-Mar-22	(40.00)	-	-
Mutual funds	31-Mar-21	(20.00)	-	-

36 FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks arising from its underlying operations and financial activities. The Group is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Group has a Forex Risk Management policy under which all the forex hedging operations are done. The Group's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

(All figures are rupees in million unless otherwise stated)

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to Company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR).

Foreign currency sensitivity analysis:

The Group is mainly exposed to USD and EURO fluctuations

Foreign exchange derivative contracts

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss.

B) Interest rate risk management

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

The Group manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is ₹ 117.05 and floating interest loan is ₹ 1209.29 (March 31, 2021: Fixed interest loan ₹ 176.53 million and Floating interest loan ₹ 2,083.30 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2021-22		2020-21	
	Rupee loans interest rate (increase) / decreases by 100 bps	USD loans interest (increase)/ decreases by 15 bps	Rupee loans interest rate (increase) / decreases by 100 bps	USD loans interest (increase)/ decreases by 15 bps
Increase in profit	8.59	0.53	13.93	1.03
Decrease in profit	(8.59)	(0.53)	(13.93)	(1.03)

C) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and financial institutions is managed by the Company's corporate treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in investment policy of the Company. The investment policy is reviewed by the Company's board of directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

(All figures are rupees in million unless otherwise stated)

Financial assets for which loss allowance is measured:

Particulars	As At March 31, 2022	As At March 31, 2021
Trade receivables (Refer Note 4.2)	6,684.24	4,346.35
Allowances for credit loss (Refer Note 4.2 (a))	(86.99)	(57.41)

D) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities:

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2022				
Borrowings*	1,311.51	21.66	-	-
Trade payables	7,116.63	-	-	-
Other financial liabilities	479.30	-	-	-
	8,907.44	**21.66**	**-**	**-**
As at March 31, 2021				
Borrowings	1,312.23	448.90	508.59	-
Trade payables	4,749.59	-	-	-
Other financial liabilities	412.11	-	-	-
	6,473.93	**448.90**	**508.59**	**-**

*including current maturities and Non-current borrowing reclassified to current liabilities pursuant to the receipt of IPO proceeds (Refer note 9.1 F) as at March 31, 2022 and as at March 31, 2021.

Note - Maturity profile of Lease liability is given in Note 32(f)

37 CAPITAL MANAGEMENT

The Group continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Group with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	March 31, 2022	March 31, 2021
Gross debt*	1,333.17	2,269.72
Less:		
Cash and cash equivalent *	330.29	305.46
Net debt (A)	**1,002.88**	**1,964.26**
Total equity (B)	**10,350.43**	**10,350.44**
Gearing ratio (A/B)	**0.10**	**0.19**

*Gross debt as at March 31, 2021 include long term debt which is being repaid out of IPO proceeds and has been classified as current liabilities (Refer note 9.1 F). Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

(All figures are rupees in million unless otherwise stated)

38 DISCLOSURE AS PER SCHEDULE III OF THE COMPANIES ACT 2013 OF THE ENTITIES CONSOLIDATED IN THESE FINANCIAL STATEMENTS

Name of the Enterprise	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss	
	% of Consolidated net assets	% of Consolidated net assets	% of Consolidated profit / (loss)	% of Consolidated profit / (loss)
Parent :				
Laxmi Organic Industries Limited				
Current year	97.06%	12,623.87	85.52%	2,183.62
Previous year	100.23%	(10,321.82)	112.05%	(1,143.82)
Subsidiary - Indian :				
Laxmi Lifesicences Private Limited				
Current year	0.00%	(0.21)	0.00%	(0.06)
Previous year	0.00%	(0.15)	0.00%	(0.05)
Viva Lifesicences Private Limited				
Current year	(0.01%)	(1.02)	0.11%	2.72
Previous year	0.04%	(3.75)	0.33%	(3.36)
Cellbion Lifesicences Private Limited				
Current year	(0.21%)	(27.36)	(0.05%)	(1.39)
Previous year	0.31%	(31.61)	0.74%	(7.53)
Saideep Traders				
Current year	0.06%	7.83	0.62%	15.95
Previous year	0.02%	(1.63)	(0.46%)	4.74
Yellowstone Fine Chemical Private Limited				
Current year	(0.01%)	(0.76)	0.00%	(0.04)
Previous year	0.01%	(0.72)	0.07%	(0.72)
Yellowstone Specility Chemical Private Limited				
Current year	0.00%	(0.11)	0.00%	(0.07)
Previous year	0.00%	(0.04)	0.00%	(0.04)
Acetyl Holidng Private Limited				
Current year	0.66%	85.94	3.37%	85.94
Previous year	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current year	(0.23%)	(30.49)	(1.25%)	(31.94)
Previous year	(0.02%)	1.90	(3.36%)	34.33
Laxmi Organic Industries (Europe) B.V.				
Current year	2.76%	358.92	12.07%	308.24
Previous year	(0.59%)	60.34	(9.40%)	96.01
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.				
Current year	(0.05%)	(6.24)	(0.23%)	(5.81)
Previous year	0.00%	(0.30)	0.04%	(0.42)
Laxmi Italy S.R.L				
Current year	(0.03%)	(3.68)	(0.14%)	(3.68)
Previous year	0.00%	-	0.00%	-

(All figures are rupees in million unless otherwise stated)

39 Disclosure related to interest in other entities as per IND AS 112 is given in Statement C.

40 The Board of Directors at their meeting held on May 04, 2022 has recommended dividend of ₹ 0.70 per share on the outstanding equity shares of nominal value of ₹ 2/- each as on record date, subject to shareholder approval at the ensuing Annual General Meeting.

41 RELATIONSHIP WITH STRUCK OFF COMPANIES

The information about transaction with struck off Companies (defined under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956) has been determined to the extent such parties have been identified on the basis of the information available with the Group and the same is relied upon by the auditors.

42 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

During the year under review, the Company has completed the acquisition of 100% equity share capital of Acetyls Holding Private Limited (AHPL) in accordance with terms of the Share Purchase Agreement dated December 09, 2020 and Prospectus dated March 18, 2021. With this acquisition, AHPL and its wholly owned subsidiary Company, namely, Yellowstone Chemicals Private Limited (YCPL) have become subsidiaries of the Company w.e.f. October 01, 2021. Subsequently, the Company has filed a scheme of Merger by Absorption of AHPL and YCPL with the Company to NCLT, Mumbai on November 25, 2021 and the Appointed Date of Merger is October 02, 2021. The proposed Merger by Absorption seeks to achieve operational and economic synergies that will be beneficial to the interest of shareholders, creditors and other stakeholders of all Companies. The Company has complied with all the directions issued by NCLT. In respect of the scheme of Merger, and thereafter the regulators, Official Liquidator (OL) and Registrar of Companies (ROC), have filed their reports before the NCLT and have no adverse observation. The Regional Director (RD) is expected to file its report with NCLT on the on or before May 05, 2022, being the date fixed for NCLT hearing (subject to further adjournments, if any). Pending final clearance of NCLT no effects are given in these Financial Statements.

43 Ind AS 103 Disclosure - During the year the group acquired 100% control over Acetyl Holding Private Limited on October 01, 2021 alongwith its 100% subsidiary Yellowstone Chemical Private Limited. The disclosure as per INDAS 103- Business Combination is given herein below.

Disclosure as required by Ind AS 103 – Business Combination

a)	The name and a description of the acquiree	Acetyl Holdings Private Limited (AHPL) alongwith its 100% subsidiary Yellow Stone Chemicals Private Limited (YCPL). YCPL is a Company engaged in the business of manufacturing chemicals having its plant at Mahad, Dist Raigad, State of Maharashtra.
b)	The acquisition date	October 01, 2021
c)	The percentage of voting equity interests acquired	100% equity stake of AHPL.
d)	The primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree	YCPL is in the similar line of business and the acquisition is aimed at gaining market share, consolidating the product lines and operations for efficiency and scale. The group acquired 100% equity stake of AHPL thereby controlling the business of YCPL.
e)	A qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors	As explained earlier, the acquisition results in gaining market share, consolidating the business and achieving scale and efficiency for the group. The acquisition has synergies of operations and therefore the Goodwill of ₹ 32.88 million justifies the recognition. The combined capacity of YCPL is approximately 52,000 MT p.a. of Ethyl Acetate and Acetaldehyde on the date of acquisition.
f)	The acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration	The total Consideration paid is ₹ 400.10 million discharged as Cash Paid for acquisition of Equity Shares. There is no other contingent consideration or other consideration in the acquisition.
g)	Contingent Consideration	No contingent consideration is present in the acquisition of AHPL.
h)	Fair Value of Receivables	FV of receivables is ₹ 412.19 million. The entire amount is receivables and there will be no cases of non receipt of the amounts.

(All figures are rupees in million unless otherwise stated)

i)	The amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	**Assets Recognised**
		PPE including CWIP - ₹ 386.75 million
		Inventory - ₹ 467.33 million
		Trade Receivable - ₹ 412.19 million
		Other Current Assets - ₹ 371.49 million
		Non-current Assets - ₹ 7.66 million
		GoodWill - ₹ 32.88 million
		Total - ₹ 1,678.30 million
		Liabilities Recognised
		Trade Payables - ₹ 1,002.90 million
		Loans - ₹ 96.55 million
		Other liabilities - ₹ 133.01 million
		Deferred Tax - ₹ 45.74 million
		Total - ₹ 1,278.20 million
j)	Contingent Liabilities on date of acquisition and its status	No contingent liability is disclosed. However, there is an ongoing matter on rate of Customs duty applicable on imports of Specially Denatured Spirit for which the Company has filed a writ in Mumbai High Court seeking clarification on the matter in line with the writ filed by the parent. The group does not expect any liability to crystalise in this regard.
k)	the total amount of goodwill that is expected to be deductible for tax purposes	The Goodwill is not tax deductible as the same is recognised in the Consolidated Financial Statements and is not available for set off against any source of income.
l)	for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination	NA
m)	Bargain Purchase disclosures	NA
n)	for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date	NA
o)	the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit and loss for the reporting period;	Amount of Revenue recognised in CFS is ₹ 2680.98 million PBT recognised is ₹ 122.60 million PAT recognised is ₹ 87.91 million OCI recognised is ₹ (1.38) million

44 Figures of the previous period have been regrouped/reclassified wherever necessary including to conform to current period's classification in order to comply with the requirements of amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

45 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the Financial Statements of the Group for the year ended March 31, 2022.

As per our report of even date

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 04, 2022

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

Ravi Goenka
Chairman & Managing Director
DIN-00059267

Satej Nabar
Executive Director & CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary
M. No. ACS18805

Place : Mumbai
Date : May 04, 2022

(All figures are rupees in million unless otherwise stated)

STATEMENT A- RETURNS/STATEMENTS SUBMITTED TO THE BANK AND FINANCIALS INSTITUTION
Financial Year :2021-22

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,834.60	1,669.10	165.50
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	5,690.50	5,699.80	(9.30)
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	3,653.16	3,654.10	0.94
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,900.90	1,843.10	57.80
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	4,734.60	4,729.50	5.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,898.01	2,783.40	(114.61)
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,640.89	2,503.10	137.79
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,863.04	6,938.70	(75.66)
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,995.42	4,867.90	(127.52)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	2,913.13	2,723.00	190.13
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	6,312.08	6,292.30	19.78
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	4,793.11	4,579.40	(213.71)

(All figures are rupees in million unless otherwise stated)

Financial Year :2020-21

Sr No	Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly Statement	Amount of difference
1	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,373.10	1,207.90	165.20
2	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,049.40	3,026.20	23.20
3	QTR-1	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,952.12	1,952.67	0.55
4	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,105.20	1,002.80	102.40
5	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,358.00	3,299.90	58.10
6	QTR-2	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,904.50	2,209.59	305.09
7	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,350.40	1,190.30	160.10
8	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,038.00	2,947.51	90.49
9	QTR-3	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	1,981.18	1,972.35	(8.84)
10	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Stock	1,703.10	1,528.30	174.80
11	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Books Debts	3,846.80	3,884.00	(37.20)
12	QTR-4	SBI, HDFC, CITI, RBL, YBL, AXIS, IDBI	Trade payable	2,522.13	2,441.79	(80.34)

Reason for Differences

The information to the banks are sent much in advance of preparation of books of accounts for limited review/Audit. Certain estimations are made at the time of providing information to the banks.

(All figures are rupees in million unless otherwise stated)

(STATEMENT B RPT 1)

Disclosure in accordance with ind as - 24 "related party disclosure", of the compabies (indian accounting standards) rules, 2015

A Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise

1	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZE	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Stepdown subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Subsidiaries
8	Yellowstone Fine Chemicals Pvt. Ltd.	Subsidiaries
9	Yellowstone Speciality Chemicals Pvt. Ltd.	Shareholder
10	Ravi Goenka Trustee of Yellowstone Trust	Step down subsidiary
11	Laxmi Italy S.R.L (WOS of Yellowstone Fine Chemicals Pvt Ltd (w.e.f. August 04,2021)	Subsidiaries
17	Yellowstone Chemicals Pvt. Ltd. (w.e.f October 02, 2021)	Subsidiaries
18	Acetyls Holding Private Limited (w.e.f October 02, 2021)	Subsidiaries
19	Laxmi USA LLC (formation is done, incorporation is under process)	Subsidiaries

B Associates and joint ventures of the reporting enterprise

1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate

C Key Management Personnel

1	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
2	Satej Naber (w.e.f. April 01, 2020)	Chief Executive Officer & Executive director
3	Harshvardhan Goenka (w.e.f. November 01, 2020)	Executive director
4	Rajeev Goenka	Non-Executive director
5	Rajiv Banavali (w.e.f. May 18, 2021)	Non-Executive director
6	Omprakash Bundellu	Independent Director
7	Manish Chokhani	Independent Director
8	Sangeeta Singh	Independent Women Director
9	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
10	Vasudeo Goenka (upto November 25, 2020) (Deceassed on December 08, 2021)	Chairman & Non-Exective Director
11	Partha Sudhir Roy Chowdhury	Chief Financial Officer
12	Purab Dhanvantray Shah (w.e.f. April 01, 2020)	Additional Director
13	Vinod Bhassin	Director

D Relatives of Key Management Personnel

1	Aditi Goenka
2	Aryavrat Goenka
3	Avantika Goenka
4	Manisha Goenka
5	Niharika Goenka
6	Vimladevi Goenka (Deceassed on October 27, 2021)

(All figures are rupees in million unless otherwise stated)

E Enterprises over which any person described in (C) is able to exercise control

1	Amrutsagar Construction Pvt. Ltd.
2	Brady Investments Pvt. Ltd.
3	Crescent Oils Pvt. Ltd
4	Enersun Power Tech Pvt. Ltd.
5	International Knowledge Park Pvt. Ltd.
6	Laxmidevi Nathmal Goenka Charitable Trust
7	Maharashtra Aldehydes & Chemicals Ltd.
8	Ojas Dye-Chem (India) Pvt. Ltd.
9	Pedestal Finance & Trading Pvt. Ltd.
10	Rajeev Goenka HUF
11	Ravi Goenka HUF
12	Sherry Exports Pvt. Ltd
13	Zenith Distibutors
14	Wintech Systems
15	Merton Finance & Trading Pvt. Ltd
16	Yellowstone Chemicals Pvt. Ltd. (till September 30, 2021)
17	Acetyls Holding Private Limited (till September 30, 2021)
18	Laxmi Foundation
19	Yellowstone Clean Energy LLP
20	Cleanwin Energy Two Private Limited (Cleanwin Energy Two LLP was converted to Cleanwin Energy Two Private Limited w.e.f June 04, 2021)
21	Cleanwin Energy Three LLP
22	Cleanwin Energy Four LLP
23	Cleanwin Energy Five LLP
24	Cleanwin Energy Six LLP
25	Cleanwin Energy Seven LLP
26	Cleanwin Energy Eight LLP
27	Cleanwin Energy Nine LLP
28	Cleanwin Energy Ten LLP
29	Laxmi Bioenergy Ltd
30	Anugrah Investments Limited (w.e.f December 01, 2021)
31	R R investments (w.e.f December 27, 2021)
32	Yellowstone Oil & Gas Private Limited
33	Varadvinayak Multi Impex Pvt Ltd
34	Merton Finance & Trading Pvt. Ltd
35	Laxmi Petrochem

(All figures are rupees in million unless otherwise stated)

Statement B- RPT-2

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission to Non-Executive Directors	**2021-22**	-	-	10.00	-	-	10.00
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Interest Paid	**2021-22**	-	-	-	-	-	-
	2020-21	-	-	(0.68)	-	-	(0.68)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.68)	-	-	(0.68)
Donation	**2021-22**	-	-	-	-	0.20	0.20
	2020-21	-	-	-	-	(41.19)	(41.19)
Laxmidevi Nathmal Goenka Charitable Trust	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	2021-22	-	-	-	-	0.20	0.20
	2020-21	-	-	-	-	(40.69)	(40.69)
Rent & Other Expenses	**2021-22**	**-**	**0.10**	**13.60**	**-**	**0.73**	**14.44**
	2020-21	-	(0.39)	(0.76)	-	(1.28)	(2.43)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.73	0.73
	2020-21	-	-	-	-	(1.28)	(1.28)
Cleanwin Energy One LLP	2021-22	-	0.10	-	-	-	0.10
	2020-21	-	(0.39)	-	-	-	(0.39)
Vasudeo Goenka	2021-22	-	-	0.67	-	-	0.67
	2020-21	-	-	(0.33)	-	-	(0.33)
Harshvardhan Goenka	2021-22	-	-	6.18	-	-	6.18
	2020-21	-	-	-	-	-	-
Ravi Goenka	2021-22	-	-	1.36	-	-	1.36
	2020-21	-	-	-	-	-	-
Partha Sudhir Roy Chowdhury	2021-22	-	-	0.17	-	-	0.17
	2020-21	-	-	-	-	-	-
Vimladevi Vasudeo Goenka	2021-22	-	-	5.22	-	-	5.22
	2020-21	-	-	-	-	-	-
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.43)	-	-	(0.43)
Reimbursement of expenses charged	**2021-22**	-	-	-	-	0.10	0.10
	2020-21	-	-	-	-	(1.20)	(1.20)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	0.10	0.10
	2020-21	-	-	-	-	(1.20)	(1.20)
Sales	**2021-22**	**-**	**-**	**-**	**-**	**43.30**	**43.30**
	2020-21	-	-	-	-	(124.71)	(124.71)
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	43.30	43.30
	2020-21	-	-	-	-	(124.71)	(124.71)
Sale of Asset	**2021-22**	**-**	**-**	**-**	**-**	**1.31**	**1.31**
	2020-21	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	1.31	1.31
	2020-21	-	-	-	-	-	-
Purchases	**2021-22**	**-**	**22.79**	**-**	**-**	**-**	**22.79**
	2020-21	-	-	-	-	(43.45)	(43.45)
Cleanwin Energy One LLP	2021-22	-	22.79	-	-	-	22.79
	2020-21	-	-	-	-	-	-
Laxmi Petrochem	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(43.45)	(43.45)
Sitting Fees	**2021-22**	**-**	**-**	**2.00**	**-**	**-**	**2.00**
	2020-21	-	-	(2.05)	-	-	(2.05)
Vasudeo Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.12)	-	-	(0.12)
Rajeev Goenka	2021-22	-	-	0.30	-	-	0.30
	2020-21	-	-	(0.33)	-	-	(0.33)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(0.06)	-	-	(0.06)
Omprakash Bundellu	2021-22	-	-	0.38	-	-	0.38
	2020-21	-	-	(0.46)	-	-	(0.46)
Manish Chokhani	2021-22	-	-	0.35	-	-	0.35
	2020-21	-	-	(0.37)	-	-	(0.37)
Rajeev Vaidya	2021-22	-	-	0.33	-	-	0.33
	2020-21	-	-	(0.28)	-	-	(0.28)
Sangeeta Singh	2021-22	-	-	0.40	-	-	0.40
	2020-21	-	-	(0.43)	-	-	(0.43)
Salary	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	-	-	(4.74)	-	(4.74)
Harshvardhan Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	(4.74)	-	(4.74)
Directors Remuneration	**2021-22**	**-**	**-**	**167.84**	**-**	**-**	**167.84**
	2020-21	-	-	(144.29)	-	-	(144.29)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Ravi Goenka	2021-22	-	-	100.40	-	-	100.40
	2020-21	-	-	(78.90)	-	-	(78.90)
Harshvardhan Goenka	2021-22	-	-	24.29	-	-	24.29
	2020-21	-	-	(12.24)	-	-	(12.24)
Satej Nabar	2021-22	-	-	28.23	-	-	28.23
	2020-21	-	-	(43.78)	-	-	(43.78)
Purab Dhanvantray Shah	2021-22	-	-	7.76	-	-	7.76
	2020-21	-	-	-	-	-	-
Vinod Bhassin	2021-22	-	-	7.16	-	-	7.16
	2020-21	-	-	(9.37)	-	-	(9.37)
Advance given for purchase of investments	**2021-22**	**-**	**-**	**200.10**	**-**	**-**	**200.10**
	2020-21	-	-	(200.00)	-	-	(200.00)
Ravi Goenka	2021-22	-	-	-	-	-	-
	2020-21	-	-	(100.00)	-	-	(100.00)
Harshvardhan Goenka	2021-22	-	-	200.10	-	-	200.10
	2020-21	-	-	(100.00)	-	-	(100.00)
Capital Contribution	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	-	(12.50)	-	-	-	(12.50)
Cleanwin Energy One LLP	2021-22	-	-	-	-	-	-
	2020-21	-	(12.50)	-	-	-	(12.50)
Dividend Paid	**2021-22**	**88.35**	**-**	**-**	**5.78**	**2.35**	**96.48**
	2020-21	(70.33)	-	-	(0.55)	(5.37)	(76.25)
Ravi Goenka	2021-22	-	-	-	0.08	-	0.08
	2020-21	-	-	-	(0.05)	-	(0.05)
Rajeev Goenka	2021-22	-	-	-	0.24	-	0.24
	2020-21	-	-	-	(0.17)	-	(0.17)
Manisha Goenka	2021-22	-	-	-	5.08	-	5.08
	2020-21	-	-	-	-	-	-
Aryavrat Goenka	2021-22	-	-	-	0.38	-	0.38
	2020-21	-	-	-	(0.33)	-	(0.33)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	88.35	-	-	-	-	88.35
	2020-21	(70.33)	-	-	-	-	(70.33)
Ravi Goenka HUF	2021-22	-	-	-	-	-	-
	2020-21	-	-	-	-	(3.72)	(3.72)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	2.35	2.35
	2020-21	-	-	-	-	(1.65)	(1.65)
Share of promoter IPO expenses	**2021-22**	**8.63**	**-**	**-**	**-**	**-**	**8.63**
	2020-21	(94.20)	-	-	-	-	(94.20)
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(94.20)	-	-	-	-	(94.20)
Balance Payable	**2021-22**	**8.63**	**0.78**	**0.25**	**-**	**0.53**	**9.97**
	2020-21	(26.63)	(0.39)	(6.50)	-	(18.19)	(33.64)

(All figures are rupees in million unless otherwise stated)

Related Parties Transactions	For the period ended	(A) Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personnel	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Cleanwin Energy One LLP	2021-22	-	0.78	-	-	-	0.78
	2020-21	-	(0.39)	-	-	-	(0.39)
Desh Verma	2021-22	-	-	-	-	-	-
	2020-21	-	-	(6.50)	-	-	(6.50)
Rajiv Banavali	2021-22	-	-	0.25	-	-	0.25
	2020-21	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2021-22	8.63	-	-	-	-	8.63
	2020-21	(26.63)	-	-	-	-	(26.63)
Brady Investments Pvt. Ltd.	2021-22	-	-	-	-	0.31	0.31
	2020-21	-	-	-	-	(0.12)	(0.12)
Laxmi Petrochem	2021-22	-	-	-	-	0.21	-
	2020-21	-	-	-	-	(18.07)	-
Commission Payable	**2021-22**	**-**	**-**	**10.00**	**-**	**-**	**10.00**
	2020-21	-	-	(6.88)	-	-	(6.88)
Omprakash Bundellu	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Manish Chokhani	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Sangeeta Singh	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(2.06)	-	-	(2.06)
Rajeev Vaidya	2021-22	-	-	2.06	-	-	2.06
	2020-21	-	-	(0.71)	-	-	(0.71)
Rajiv Banavali	2021-22	-	-	1.78	-	-	1.78
	2020-21	-	-	-	-	-	-
Balance Receivable	**2021-22**	**-**	**-**	**12.02**	**-**	**7.29**	**19.31**
	2020-21	-	-	(9.35)	-	(3.06)	(12.41)
Maharashtra Aldehydes & Chemicals Ltd.	2021-22	-	-	-	-	5.08	5.08
	2020-21	-	-	-	-	(0.86)	(0.86)
Pedestal Finance & Trading Pvt. Ltd.	2021-22	-	-	-	-	2.20	2.20
	2020-21	-	-	-	-	(2.20)	(2.20)
Vinod Bhassin	2021-22	-	-	12.02	-	-	12.02
	2020-21	-	-	(9.35)	-	-	(9.35)
Corporate Guarantee (As on last day of the period)	**2021-22**	**-**	**-**	**-**	**-**	**-**	**-**
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Viva Lifescience Private Limited	2021-22	-	-	-	-	-	-
	2020-21	(1,700.00)	-	-	-	-	(1,700.00)
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2021-22**	**79.58**	**-**	**-**	**-**	**-**	**79.58**
	2020-21	**(164.50)**	**-**	**-**	**-**	**-**	**(164.50)**
Laxmi Petrochem Middle East FZE	2021-22	79.58	-	-	-	-	79.58
	2020-21	(164.50)	-	-	-	-	(164.50)

(All figures are rupees in million unless otherwise stated)

Statement C

Disclosure as per Ind 112 "Disclosure of Interest in Other Entities"

A The following table summaries the information relating to subsidiaries of the group.

(All figures are rupees in million unless otherwise stated)

Particulars	Laxmi Organic Industries (Europe) B.V.		Laxmi Petrochem Middle East FZE	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	2.33	1.11	0.76	0.74
Current assets	1,482.34	730.15	34.49	352.17
Non-current liabilities	-	-	-	-
Current liabilities	971.38	497.16	65.07	350.31
Net assets	**513.29**	**234.10**	**(29.82)**	**2.60**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	4,394.68	1,656.53	285.78	982.22
Profit for the year	287.49	96.01	(31.94)	34.33
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Cellbion Lifesciences Pvt. Ltd.		Saideep Traders	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	49.80	80.47	86.04	98.15
Current assets	0.20	0.18	182.93	150.41
Non-current liabilities	21.46	66.64	42.63	47.92
Current liabilities	0.02	0.03	180.96	122.92
Net assets	**28.52**	**13.98**	**45.37**	**77.73**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	440.10	123.77
Profit for the year	14.54	(1.88)	15.11	4.44
Profit/(Loss) allocated to NCI	(15.93)	(5.64)	0.84	0.30
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Yellowstone Fine Chemical Pvt. Ltd.		Viva Lifesciences Pvt. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	894.14	144.76	1,281.78	878.96
Current assets	303.09	101.46	49.82	40.27
Non-current liabilities	-	-	-	-
Current liabilities	1,146.99	245.94	1,330.46	922.88
Net assets	**50.24**	**0.28**	**1.15**	**(3.65)**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	10.00	-	-	-
Revenue	-	-	109.66	14.88
Profit for the year	(0.04)	(0.72)	3.90	3.62
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	(3.49)
OCI allocated to NCI	-	-	-	-

(All figures are rupees in million unless otherwise stated)

Particulars	Laxmi Lifesciences Pvt. Ltd.		Yellowstone Speciality Chemical Pvt. Ltd.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	-	-	-	-
Current assets	0.02	0.02	0.93	1.00
Non-current liabilities	0.03	0.03	-	-
Current liabilities	0.10	0.04	0.03	0.04
Net assets	**(0.11)**	**(0.05)**	**0.89**	**0.96**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	-	-
Profit for the year	(0.06)	(0.05)	(0.07)	(0.04)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.		Laxmi Italy S.r.l.	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Non-current assets	-	-	0.21	-
Current assets	3.26	6.45	2.30	-
Non-current liabilities	-	-	(1.14)	-
Current liabilities	6.16	3.54	0.51	-
Net assets	**(2.90)**	**2.91**	**3.13**	**-**
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	8.80	10.97	-	-
Profit for the year	(5.81)	(0.42)	(3.68)	-
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

Particulars	Acetyl Holding private Limited	
	March 31, 2022	March 31, 2021
Non-current assets	360.79	-
Current assets	501.72	-
Non-current liabilities	(1.07)	-
Current liabilities	499.48	-
Net assets	**364.10**	**-**
Net assets attributable to NCI	-	-
Contingent Liabilities	1,581.00	-
Revenue	2,680.98	-
Profit for the year	87.91	-
Profit/(Loss) allocated to NCI	-	-
Other comprehensive income	-	-
OCI allocated to NCI	-	-

Consolidated financial statements

Independent auditor's report

To
The Members of
Laxmi Organic Industries Limited

Report on the audit of the Consolidated financial statements

Opinion

We have audited the accompanying Consolidated financial statements of Laxmi Organic Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") and its Associate which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021 and consolidated profit and Other Comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Consolidated financial statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the financial statements and our Independent Auditors' Report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially MISSTATED.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the Consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

4. conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

a. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 1,247.11 million as at March 31, 2021, total revenue of ₹ 14.88 million and net cash inflow amounting to ₹ 18.15 million for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We did not audit the financial statements of four subsidiaries whose financial statements reflects total assets of ₹ 1,339.18 million, total revenue of ₹ 2,773.50 million and net cash inflow of ₹ 8.82 million for the year ended on that date. These financial statements, which have been audited by other auditors, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the management for consolidation purpose and these Ind AS adjustment entries were verified by us and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and Ind-AS adjustments verified by us.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement relevant books of account maintained for the purpose of preparation of the Consolidated financial statements.

d. In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The commission and performance linked incentive payable to the Chairman and Managing Director and the Executive Directors, although within the limit of section 197 of the Act, is subject to Shareholder’s approval in the ensuing Annual General Meeting as detailed in Note No. 21(a) of the consolidated financial statements.

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

   i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates– Refer Note 28 to the Consolidated financial statements.

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

   iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

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

UDIN:21040441AAAABG1569

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Laxmi Organic Industries Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Interna Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of internal financial controls with reference to financial statements.

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

Opinion

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

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiaries, which are companies incorporated in India, are based on the corresponding report of the auditor of such companies incorporated in India.

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

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

Consolidated Balance Sheet as at March 31, 2021

(All figures are ₹ in million unless otherwise stated)

Particulars			Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS					
(1)	**Non-current assets**				
	(a)	Property, plant and equipment	3.1	3,152.97	3,255.06
	(b)	Capital work-in-progress	3.3	1,479.28	674.89
	(c)	Other intangible assets	3.2	9.55	6.86
	(d)	Right-of-use assets	3.4	88.06	114.61
	(e)	Financial assets			
		(i) Investment	4.1	12.50	-
		(ii) Trade receivables	4.2	-	-
		(iii) Loans	4.3	86.77	82.53
		(iv) Others	4.5	50.43	94.52
	(f)	Other non-current assets	5	443.89	79.77
				5,323.45	**4,308.24**
(2)	**Current assets**				
	(a)	Inventories	6	2,033.01	1,518.89
	(b)	Financial assets			
		(i) Investment	4.1	20.00	-
		(ii) Trade receivables	4.2	4,343.74	3,593.67
		(iii) Cash and cash equivalents	4.4	305.46	241.10
		(iv) Other bank balance	4.4	5,088.39	122.16
		(v) Loans	4.3	31.99	1.96
		(vi) Others	4.5	290.85	403.11
	(c)	Other current assets	5	936.69	504.53
				13,050.13	**6,385.42**
Total assets				**18,373.58**	**10,693.66**
EQUITY & LIABILITIES					
Equity					
	(a)	Equity share capital	7	527.33	450.16
	(b)	Other Equity	8	9,818.67	3,819.00
				10,345.90	4,269.16
	(c)	Non-controlling interest		4.54	3.87
		Total Equity		**10,350.43**	**4,273.03**
Liabilities					
(1)	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	9.1	98.66	901.53
		(ii) Lease liability	9.2	57.70	83.57
	(b)	Provisions	10	35.43	28.36
	(c)	Deferred tax liabilities (net)	11	156.44	120.10
	(d)	Other non-current liabilities	12	-	-
				348.23	**1,133.56**
(2)	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	13	806.91	336.45
		(ii) Trade payables	14		
		- total outstanding dues of micro and small enterprise		131.27	39.97
		- total outstanding dues of other than micro and small enterprise		4,618.32	4,076.27
		(iii) Lease liability	9.2	25.88	23.89
		(iii) Other financial liabilities	9.3	1,776.26	621.03
	(b)	Provisions	10	131.84	117.71
	(c)	Current tax liabilities (net)	15	24.65	9.65
	(d)	Other current liabilities	12	159.78	62.10
				7,674.91	**5,287.07**
Total equity and liabilities				**18,373.58**	**10,693.66**

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

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

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

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

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

Aniket Hirpara
Company Secretary

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

(All figures are ₹ in million unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I) INCOME:			
Revenue from operations (gross)	16	17,684.48	15,341.23
Other income	17	46.13	44.98
Total income (I)		**17,730.61**	**15,386.21**
II) EXPENSES:			
Cost of raw materials consumed	18	8,092.49	7,809.60
Purchase of traded goods	19	3,652.56	2,811.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(2.47)	285.46
Employee benefits expense	21	929.01	685.63
Finance cost	22	163.97	140.19
Depreciation & amortisation	23	465.23	488.89
Other expenses	24	2,845.71	2,613.49
Total expenses (II)		**16,146.50**	**14,834.83**
III) Profit before share of profit/(loss) of an associate/ joint venture and exceptional items		1,584.10	551.38
Share of profit/(loss) of a joint venture		-	-
IV) Profit before exceptional items and tax		**1,584.10**	**551.38**
V) Exceptional items	**38**	-	256.63
Profit before tax (IV + V)		**1,584.10**	**808.01**
Tax Expense	25	313.47	105.62
1. Current tax		277.13	159.41
2. Deferred tax liability / (asset)		36.34	(50.89)
3. Income tax (excess)/short provision of previous year		-	(2.90)
Profit for the period from continuing operations		**1,270.63**	**702.39**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit (net of tax)		(3.81)	(5.29)
Total other comprehensive income, net of tax		**(3.81)**	**(5.29)**
Total comprehensive income for the year		**1,266.82**	**697.10**
Profit/(loss) attributable to:			
Owners of the Company		1,270.33	701.02
Non-controlling interest		0.30	1.37
Other comprehensive income attributable to:			
Owners of the Company		(3.81)	(5.29)
Non-controlling interest		-	-
Earnings per equity share (face value of share ₹ 2/- each)			
Basic (₹)	**26**	5.59	2.86
Diluted (₹)	**26**	5.58	2.86

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

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

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

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : May 25, 2021

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

(All figures are ₹ in million unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit / (Loss) before exceptional items and tax	1,584.10	551.38
Adjustments for:		
Depreciation and amortisation expense	465.23	488.89
(Profit) / loss on sale / write off of assets	6.85	0.12
Finance costs	145.07	123.99
Interest on direct tax	3.35	-
Interest income	(36.84)	(32.60)
Amortisation of upfront fees	5.51	2.07
Sales tax receivable written off	-	2.51
Provision/ (reversal) of expected credit loss	(0.15)	11.31
Profit on sale of investments	(4.60)	-
Sundry balances written back	(4.04)	(3.77)
ESOP compensation cost	46.36	-
Net unrealised exchange (gain) / loss	(17.54)	(41.08)
Total of non cash adjustments	**609.20**	**551.45**
Operating profit / (loss) before changes in working capital	**2,193.30**	**1,102.83**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(514.12)	188.58
Trade receivables	(746.27)	(357.11)
Financial assets	79.37	(181.24)
Non financial assets	(432.98)	289.90
Adjustments for increase / (decrease) in operating liabilities:		
Trade payable	647.22	1,021.07
Financial liabilities	145.11	2.34
Non financial liabilities	101.77	26.58
Provisions	12.46	17.38
Total of changes in working capital	**(707.44)**	**1,007.50**
Cash generated from operations	**1,485.86**	**2,110.33**
Net income tax (paid) / refunds	(260.57)	(155.08)
Net cash flow from operating activities (A)	**1,225.29**	**1,955.24**
B. Cash flow from investing activities		
Capital expenditure on property plant and equipment	(1,151.12)	(770.81)
Proceeds from sale of property plant and equipment	0.23	2.04
Advance paid towards purchase of equity	(200.00)	-
Capital advances	(163.32)	(1.53)
Movement in other bank balances	(4,921.79)	179.68
Capital contribution	(12.50)	-
Purchase of investments	(1,705.00)	-
Sale of investments	1,689.60	-

Interest received	29.60	31.49
Net cash flow from / (used in) investing activities (B)	**(6,434.30)**	**(559.13)**

C. Cash flow from financing activities		
Non-controlling interest	0.37	(0.98)
Proceeds from issue of share capital (including securities premium)	5,000.00	-
Share issue expenses	(156.99)	-
Proceeds from long term borrowings	650.00	505.87
Repayment of long term borrowings	(439.13)	(340.69)
Net Proceeds from short term borrowings	470.46	(330.07)
Buy back of equity shares	-	(820.13)
Buy back tax	-	(80.40)
Interest paid	(141.62)	(113.99)
Lease Liabilities:		
Principal	(23.89)	(21.30)
Interest	(7.08)	(8.75)
Dividends paid	(78.78)	(17.52)
Tax on dividend	-	(3.60)
Net cash flow from / (used in) financing activities (C)	**5,273.36**	**(1,231.55)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**64.35**	**164.57**

Cash and cash equivalents at the beginning of the year	241.10	76.45
Cash and cash equivalents at the end of the year	305.46	241.10
Exchange Fluctuations	(0.00)	(0.08)
	64.36	**164.57**
Components of Cash and Cash Equivalents		
Cash on Hand	3.09	3.14
Balances with Bank	302.37	237.96
Total Balance	**305.46**	**241.10**

Notes:

(i) Figure in brackets denote outflows

(ii) Refer note no. 9.1 (G) for reconciliation of liabilities from financing activities

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

In terms of our report attached.

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

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

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : May 25, 2021

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

(All figures are ₹ in million unless otherwise stated)

A. Equity share capital

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

***Split of Shares**

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

B. Other equity

Particulars	Retained Earnings	Capital Reserve	Security Premium	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Share Option Outstanding Account	Total
Balance as at April 1, 2019	**3,128.51**	**9.55**	**501.09**	**368.05**	**-**	**1.29**	**-**	**4,008.50**
Profit for the year	701.02	-	-	-	-	-	-	701.02
Dividend Paid	(17.52)	-	-	-	-	-	-	(17.52)
Dividend Distribution Tax	(3.60)	-	-	-	-	-	-	(3.60)
Buyback tax paid	(80.40)	-	-	-	-	-	-	(80.40)
Re-measurement of net defined benefit plans	(5.29)	-	-	-	-	-	-	(5.29)
Ind-AS 116 Impact Leases	(9.64)	-	-	-	-	-	-	(9.64)
Capital redemption reserve	-	-	-	(50.29)	50.29	-	-	-
Reserves utilised for buyback	-	-	(501.09)	(268.75)	-	-	-	(769.84)
Effects of Foreign Exchange	-	-	-	-	-	(4.23)	-	(4.23)
Balance as at March 31, 2020	**3,713.08**	**9.55**	**-**	**49.01**	**50.29**	**(2.94)**	**-**	**3,819.00**
Profit for the year	1,270.33	-	-	-	-	-	-	1,270.34
Dividend Paid	(78.78)	-	-	-	-	-	-	(78.78)
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Securities Premium on account of fresh issue of shares	-	-	4,922.84	-	-	-	-	4,922.84
Offer Expenses	-	-	(156.99)	-	-	-	-	(156.99)
Re-measurement of net defined benefit plans	(3.81)	-	-	-	-	-	-	(3.81)
ESOP Compensation Cost	-	-	-	-	-	-	46.36	46.36
Effects of Foreign Exchange	-	-	-	-	-	(0.39)	-	(0.39)
Balance as at March 31, 2021	**4,900.82**	**9.55**	**4,765.85**	**49.01**	**50.29**	**(3.33)**	**46.36**	**9,818.56**

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

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

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

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

Aniket Hirpara
Company Secretary

Statement of Significant Accounting policies and Other Related Notes to the Consolidated Financial Statement

1. CORPORATE INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the financial statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest million, except otherwise indicated.

2.2 Principles of Consolidation:

The Consolidated financial statements relates to Laxmi Organic Industries Limited and its Subsidiaries Companies (referred to as Group), and its Associate. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement", Indian Accounting Standard - 28 "Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated financial statements have been prepared on the following basis: -

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2021.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates are entities over which the Group has significant influence but not control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 ”Investment in Associate and Joint venture”. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date. The Group’s investment in associates includes goodwill identified on acquisition.

The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company’s portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

“Under Ind-AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

2.3. The list of subsidiary companies, associates and joint ventures included in consolidation and Company’s holding therein are as under:

Sr No	Name of the Company	Relationship	% of Holding	Country of Incorporation
1.	Laxmi Organic Industries (Europe) BV	Subsidiary	100%	Netherland
2.	Laxmi Petrochem Middle East FZE	Subsidiary	100%	U.A.E
3.	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. September 05, 2019)	Subsidiary	100%	China
4.	Cellbion Lifesciences Private. Ltd.	Subsidiary	100%	India
5.	Laxmi Lifesciences Private Ltd.	Subsidiary	100%	India
6.	Viva Lifesciences Private Ltd.	Subsidiary	100%	India
7.	Yellowstone Fine Chemicals Private. Ltd.(w.e.f. March 03, 2020)	Subsidiary	100%	India
8.	Yellowstone Speciality Chemicals Private. Ltd.(w.e.f. April 24, 2020)	Subsidiary	100%	India
9.	Saideep Traders	Stepdown Subsidiary	95%	India
10.	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate	26%	India

2.4 Business combinations and goodwill

In accordance with Ind-AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply Ind-AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated financial statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

2.5 Significant accounting judgments, estimates and assumptions

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

- **Estimates:**

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

- **Judgments:**

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

a. Taxes:

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

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

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

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

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

c. Useful lives of property, plant and equipment

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

d. Impairment of property, plant and equipment

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

e. Inventories

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

f. Recognition and measurement of other Provisions

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

2.6 Summary of significant accounting policies

a) Current and non-current classification

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

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current

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

b) Property, plant and equipment (PPE):

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

- Long-term lease arrangements of land are treated as Property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

- Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

- Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind-AS 23 Borrowing Costs is met.

- Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

- An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

- The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in Ind-AS 101 " First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value.

c) Intangible assets:

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

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

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

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

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

d) Depreciation methods, estimated useful lives and residual value

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

Lease hold land is amortized over the period of Lease.

e) Borrowing costs

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

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

f) Impairment of Non-financial Assets:

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

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

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

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

g) Inventories:

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

i. Raw Materials and Packing Materials:

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

ii. Work in process:

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

iii. Finished Goods & semi-finished goods:

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

iv. Stores and Spares:

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

v. Traded Goods:

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

h) Cash and cash equivalents

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

i) Equity investment

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

j) Foreign Currency Translation:

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

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

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

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

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

k) Provisions, Contingent Liabilities and Contingent Assets

A. Provisions

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

B. Contingent liabilities

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

C. Contingent Assets

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

l) Onerous contracts:

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

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

The Company accounts for the benefits of Employee share based payment plan in accordance with Ind-AS 102 "Share Based

Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in Ind-AS 101 first time adoption.

n) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

o) Financial instruments

A. Financial assets:

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

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

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

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

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

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

iii. Derecognition of financial instruments

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

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

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

iv. Impairment of financial assets

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

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

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

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

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

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

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

B. Financial liabilities

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

a. Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied.

iii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iv. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

v. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

vi. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

C. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the Statement of Profit and Loss

p) Revenue Recognition

A. Revenue from Operations:

The Company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates.

Effective April 1, 2018, the company has applied Ind-AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind-AS 115 replaces Ind-AS 18. The company has adopted Ind-AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind-AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind-AS 18. The adoption of Ind-AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

Use of significant judgements in revenue recognition:

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B. Other Operating Income / Other Income

i. Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

ii. The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

iii. Revenue in respect of Insurance /other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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

v. Dividend income is recognised when the right to receive the same is established.

vi. Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

vii. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

viii. Financial guarantee income: Under Ind-AS, financial guarantees given by the Company for its subsidiaries are initially recognised as a liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss.

ix. Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

q) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the Statement of Profit and Loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.

2. Net interest expense or income.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

r) Taxes:

Tax expenses comprise Current Tax and Deferred Tax:

i. Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii. MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases

With effective from April 1, 2019:

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Statement of Profit and loss.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development:

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share:

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend Distribution

Dividend distribution to the Company’s equity holders is recognized as a liability in the Company’s annual accounts in the year in which the dividends are approved by the Company’s equity holders.

w) Trade Payables & Trade Receivables

A payable is classified as a ‘trade payable’ if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a ‘trade receivable’ if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

1. Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.

2. Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Notes to Consolidated financial statements as at and for the period ended March 31, 2021

(All figures are ₹ in million unless otherwise stated)

3.1 Property, plant and equipment

Particulars	Land under lease	Factory building	Non factory building	Plant & machinery	Furniture & fixtures	Office equipments	Computers	Vehicles	Windmill	Tangible Total
Cost										
As at April 1, 2019	29.37	530.57	240.63	3,325.73	51.86	16.44	14.60	54.00	22.31	4,285.51
Additions	-	58.35	0.19	327.37	1.11	1.64	5.09	14.99	-	408.75
Reclassified on account of adoption of Ind AS 116	-	(16.53)	-	-	-	-	-	-	-	(16.53)
Disposals/adjustments	-	-	-	-	-	-	-	(7.69)	-	(7.69)
Exchange fluctuation	-	-	-	-	0.06	0.08	0.34	-	-	0.48
As at March 31, 2020	**29.37**	**572.39**	**240.82**	**3,653.10**	**53.03**	**18.16**	**20.04**	**61.31**	**22.31**	**4,670.53**
Addition	-	82.29	-	246.01	4.56	1.59	4.75	1.32	-	340.52
Disposals/adjustments	-	-	-	(14.50)	-	-	-	(3.00)	-	(17.50)
Exchange fluctuation	-	-	-	-	0.02	0.02	0.07	-	-	0.11
As at March 31, 2021	**29.37**	**654.68**	**240.82**	**3,884.61**	**57.61**	**19.77**	**24.86**	**59.63**	**22.31**	**4,993.66**
Depreciation										
As at April 1, 2019	1.95	87.41	40.40	781.27	17.31	7.39	8.65	19.41	6.88	970.67
Charge for the year	0.41	45.06	14.45	365.90	8.98	4.56	3.92	12.12	1.97	457.39
Reclassified on account of adoption of Ind AS 116	-	(7.53)	-	-	-	-	-	-	-	(7.53)
Disposals/adjustments	-	-	-	-	-	-	-	(5.52)	-	(5.52)
Exchange fluctuation	-	-	-	-	0.06	0.08	0.32	-	-	0.46
As at March 31, 2020	**2.36**	**124.94**	**54.85**	**1,147.17**	**26.36**	**12.03**	**12.90**	**26.01**	**8.85**	**1,415.46**
Charge for the year	0.41	45.56	11.65	351.55	6.83	2.90	4.13	10.80	1.71	435.54
Disposals/adjustments	-	-	-	(7.65)	-	-	-	(2.77)	-	(10.42)
Exchange fluctuation	-	-	-	-	0.02	0.02	0.06	-	-	0.10
As at March 31, 2021	**2.77**	**170.50**	**66.50**	**1,491.07**	**33.21**	**14.95**	**17.09**	**34.04**	**10.56**	**1,840.68**
NET BLOCK										
As at March 31, 2020	27.01	447.45	185.97	2,505.93	26.67	6.13	7.14	35.30	13.46	3,255.06
As at March 31, 2021	**26.60**	**484.18**	**174.32**	**2,393.54**	**24.40**	**4.82**	**7.77**	**25.59**	**11.75**	**3,152.97**

(All figures are ₹ in million unless otherwise stated)

3.2 Intangible asset

Particulars	Intangibles	Total
Cost		
As at April 1, 2019	26.39	26.39
Additions	1.95	1.95
Reclassified on account of adoption of Ind AS 116	(11.74)	(11.74)
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2020	**16.60**	**16.60**
Addition	5.82	5.82
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2021	**22.42**	**22.42**
Depreciation		
As at April 1, 2019	7.94	7.94
Charge for the year	4.54	4.54
Reclassified on account of adoption of Ind AS 116	(2.74)	(2.74)
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2020	**9.74**	**9.74**
Charge for the year	3.13	3.13
Disposals/adjustments	-	-
Exchange fluctuation	-	-
As at March 31, 2021	**12.87**	**12.87**
NET BLOCK		
As at March 31, 2020	**6.86**	**6.86**
As at March 31, 2021	**9.55**	**9.55**

3.3 Capital work in progress

Particulars	Opening Balance	Addition during the year	Capitalized during the year	Closing balance
March 31, 2021	674.89	1,123.51	319.12	1,479.28
March 31, 2020	314.79	731.45	371 .00	674.89

(All figures are ₹ in million unless otherwise stated)

3.4 Right-of-use asset

Class of Assets	Opening Balance Addition during the year		Total
	Building	Distillery Rights(*) Land	
Cost			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	28.27	28.27
Transition impact on account of Ind AS 116 "Leases"	64.89	58.57	123.45
Additions	0.12	-	0.12
Disposals/adjustments	-	-	-
As at March 31, 2020	**65.01**	**86.83**	**151.84**
Additions	-	-	-
Disposals/adjustments	1.61	-	1.61
As at March 31, 2021	**63.40**	**86.83**	**150.23**
Depreciation			
As at April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	10.27	10.27
Charge for the year	19.51	7.45	26.96
Disposals/adjustments	-	-	-
As at March 31, 2020	**19.51**	**17.72**	**37.23**
Charge for the year	25.21	1.34	26.55
Disposals/adjustments	1.61	-	1.61
As at March 31, 2021	**43.11**	**19.06**	**62.17**
NET BLOCK			
As at March 31, 2020	**45.50**	**69.11**	**114.61**
As at March 31, 2021	**20.29**	**67.77**	**88.06**

Notes

A. (*)The Company had entered into BOT agreement with Jarandeshwar SSK Ltd, Satara, Maharashtra to put up Distillery Plant (35 KLPD) on land acquired on lease basis from them. As per agreement the Company is entitled to operate the Distillery till February-2023 and thereafter to transfer the Distillery to Jarandeshwar SSK Ltd at depreciated value. There is a dispute with regards to the title and the lease agreement which is subjudice before the Debt Recovery Appellate Tribunal (DRAT) on account of action by the Lessor's Bankers. The Company, however has a physical possession of the Distillery Plant and is operating presently.

(All figures are ₹ in million unless otherwise stated)

B. The gross block under each of the heads of fixed assets relating to the aforesaid BOT agreement is as follows:-

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	16.53	16.53
Plant and equipment	128.23	128.23
Furniture & fixture	0.23	0.23
Office equipment	0.01	0.01
Computers	0.07	0.07
Technical know-how	0.07	0.07
Total	**145.13**	**145.13**

3.5 Details of additions made during the year w.r.t research and development

Particulars	As at March 31, 2021	As at March 31, 2020
Factory building	4.03	1.14
Plant and equipment	32.63	10.03
Computers	0.78	0.11
Furniture and fixtures	4.37	-
Total	**41.81**	**11.28**

(All figures are ₹ in million unless otherwise stated)

4.1 Investment

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Investments in limited liability partnership				
Cleanwin Energy One LLP (26% Holding)*	12.50	-	-	-
(Equity Method) Investments in mutual funds (Quoted) ***Investments at fair value through P&L (fully Paid)***				
Investments at fair value through P&L (fully Paid) SBI overnight fund - direct growth	-	-	20.00	-
Total	**12.50**	**-**	**20.00**	**-**

***Cleanwin Energy One LLP**

The Company has been supplementing its incremental energy requirements by sourcing power from renewable sources. To this end, the Company on January 25, 2021, acquired 26% stake in Cleanwin Energy One LLP ("Cleanwin") for supply of 5MW electricity generated through wind turbines at a concessional rate with minimum entitlement of 51% in lieu of share of profits. Therefore, there will be no profit or loss accretion on application of the equity method.

(a) Details of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2021 of the loans given, investments made, guarantees given and security provided by the Company:

Sr. No.	Name of Party	Purpose of Loan	2020-21	2019-20
1	Cleanwin Energy One LLP	Investment	12.50	-

b) Market value disclosure of Investments:

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate of quoted investments Investment		
Book Value	20.00	-
Market Value	20.00	-
Aggregate of unquoted investments	**12.50**	-

4.2 Trade receivables

(Unsecured, at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Considered good	-	-	4,343.74	3,593.67
Credit impaired	-	-	57.41	59.25
Less:- Allowance for expected credit loss	-	-	(57.41)	(59.25)
Total	**-**	**-**	**4,343.74**	**3,593.67**

(All figures are ₹ in million unless otherwise stated)

(a) Expected credit loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss. However, the life time credit loss is provided on case to case basis.

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

Movement in allowance for credit loss

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period	59.25	43.54
Addition during the year	-	12.11
Reversal during the year	(0.16)	-
Foreign exchange	(1.68)	3.60
Provision at the end of the period	**57.41**	**59.25**

4.3 Loans (at amortised cost)

(Unsecured, considered goods)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
(i) Security deposit	86.77	82.53	31.99	1.96
Total	**86.77**	**82.53**	**31.99**	**1.96**

4.4 Cash and bank balances

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
A. Cash and cash equivalents				
Balances with banks	-	-	163.07	237.96
Cash on hand	-	-	3.09	3.14
Fixed deposit (original maturity within 3 months)	-	-	139.30	-
Total	**-**	**-**	**305.46**	**241.10**
B. Other bank balances				
With monitoring agency (for IPO proceeds)	-	-	0.47	-
Escrow account for IPO expenses	-	-	243.42	-
Fixed deposit (from IPO proceeds)	-	-	4,756.00	-
Fixed deposit against margin money	-	-	88.50	122.16
Total	**-**	**-**	**5,088.39**	**122.16**
Total	**-**	**-**	**5,393.85**	**363.26**

(All figures are ₹ in million unless otherwise stated)

4.5 Other financial assets

(Unsecured considered good unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Advance to staff	0.59	0.94	2.19	1.84
Interest accrued receivable				
From banks	-	-	10.59	1.68
From others	-	-	1.34	3.02
Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	49.14	93.58	-	-
Insurance claim receivable (Refer note (a) below)	-	-	38.47	41.51
Amount receivable on hedging transactions	-	-	-	47.55
Other receivables (Refer note (b) below)	-	-	238.26	302.38
Unbilled revenue	-	-	-	5.13
Guarantee rental obligation	0.70	-	-	-
Total	**50.43**	**94.52**	**290.85**	**403.11**

(a) Insurance claim receivable

In the previous year 2019-20, the Company's Unit 2 situated at Mahad was affected by floods. The Floods resulted in loss of Inventory and necessary repairs to plant and machinery were carried out and the expenses were claimed from the insurer. The Surveyor, pursuant to the survey of the claim and the loss, had recommended the loss of ₹ 38.47 million towards inventory and repairs cost which is accounted as receivable from Insurance Company. The relevant credits are given to the Inventory consumption and expenditure incurred on repairs.

(b) Other receivables

The amount includes amount in respect of the electricity duty refund and VAT/CST refunds as detailed in note no. 38.

5 Other assets

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Capital advance	179.84	16.52	-	-
Prepaid expenses	1.22	0.96	28.23	17.04
Prepaid upfront fees	0.66	17.18	10.79	-
Prepaid taxes (net of provisions)	3.88	3.88	-	-
Balance with government authorities	58.29	41.23	277.98	133.80
Advances to supplier				
- Considered good	-	-	533.49	316.40
- Considered doubtful	-	-	27.72	27.72
	-	**-**	**561.21**	**344.12**
Less : Impairment of doubtful advances	-	-	27.72	27.72
	-	**-**	**533.49**	**316.40**
Export incentive receivable (Refer note (a) below)	-	-	50.28	9.27
Export licenses on hand	-	-	0.27	18.90
Other receivables	-	-	35.65	9.12
Advance against shares (Refer note (b) below)	200.00	-	-	-
Total	**443.89**	**79.77**	**936.69**	**504.53**

(All figures are ₹ in million unless otherwise stated)

Export incentive receivable

The Company has accrued an export incentive amounting to ₹ 46.67 million on the basis of the extant EXIM policy of the Government of India upto December 31, 2020 as the scheme has been discontinued since then. Out of the aforesaid amount of ₹ 46.67 million, the Company has logged the claim amounting to ₹ 18.26 million to the department and the balance application is pending to be lodged as there are some system issues on the portal for making the claim.

Advance against shares

The Company has entered into a Share Purchase Agreement (SPA) dated December 9, 2020 with Ravi Goenka, Harshvardhan Goenka, Yellowstone Chemical Private Limited and Acetyl Holding Private Limited (Related parties) for the purpose of acquisition of Yellowstone Chemical Private Limited. In accordance with the said SPA, the Company have on December 9, 2020 made an aggregate payment of ₹ 200.00 million to Ravi Goenka and Harshvardhan Goenka towards the purchase consideration. The balance consideration payable has been disclosed as capital commitments in the financial statements (Refer note 28).

6 Inventories

(at lower of cost and net realisable value)

Particulars	As At March 31, 2021	As At March 31, 2020
Raw material (including Goods in transit of ₹ 8.88 million (March 31, 2020: NIL))	1,341.01	856.92
Work-in-progress	25.91	47.95
Finished goods (Goods in transit of ₹ 73.35 million (March 31, 2020: ₹ 3.35 million))	297.63	399.56
Consumable stores and spares	131.03	129.55
Fuels and consumables	31.85	10.21
Packing material	9.65	7.38
Trading	195.93	67.32
Total	**2,033.01**	**1,518.89**

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

Particulars	2020-21	2019-20
Amount of inventories recognised as an expense during the period	12,602.33	11,739.94
Amount of write - down of inventories recognised as an expense during the period	2.66	17.56
	12,604.99	**11,757.50**

7 Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised shares :		
305,000,000 equity shares of face value of ₹ 2/- each (March 31, 2020: 51,000,000 equity share of face value of ₹ 10/- each))	610.00	510.00
Total	**610.00**	**510.00**
Issued, subscribed and paid-up shares :		
263,662,773 equity shares of face value of ₹ 2/- each (March 31, 2020: 45,016,395 equity shares of face value of ₹ 10/- each)	527.33	450.16
Total Issued, subscribed and paid-up share capital	**527.33**	**450.16**

(All figures are ₹ in million unless otherwise stated)

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

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

(*) Split of shares

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

b) Initial Public Offer

During the year the Company completed the Initial public offer ("The Offer / IPO") of 46,153,846 equity shares of face value of ₹ 2/- each at a price of ₹ 130/- per share (including a premium of ₹ 128/- per share) aggregating to ₹ 6,000.00 million.

The Offer comprised of a fresh issue of 23,076,923 equity shares aggregating to ₹ 3,000.00 million and an offer for sale of 23,076,923 equity shares aggregating to ₹ 3,000.00 million by Yellow Stone Trust.

The Company also did private placement of 15,503,875 equity shares of face value of ₹ 2/- each at a price of ₹ 129/- per share (including a premium of ₹ 127/- per share) aggregating to ₹ 2,000.00 million ("Pre-IPO Placement").

Total securities premium received from IPO and pre IPO placement is ₹ 4,922.84 million and is reduced by the Company's share of IPO related expenses of ₹ 156.99 million resulting in net receipt of securities premium of ₹ 4,765.85 million.

Pursuant to the IPO, the equity shares of the Company got listed on BSE Limited and NSE limited on March 25, 2021.

c) Utilisation of IPO proceeds (net of IPO expenses) as per the Prospectus are as follows:

Particulars	Planned as per Prospectus	Utilisation up to March 31, 2021	Balance up to March 31, 2021 (*)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by the Company and Viva Lifesciences Private Ltd.	1,793.14	42.97	1,750.17
Funding working capital requirements of the Company	351.78	-	351.78
Funding capital expenditure requirements for expansion of the Speciality Intermediates ("SI") Manufacturing Facility	910.63	-	910.63
Purchase of plant and machinery for augmenting infrastructure development at the SI Manufacturing Facility	125.65	-	125.65
General corporate purposes (net of issue expenses)	637.29	-	637.29
Investment in Yellowstone Fine Chemical Private Limited ("YFCPL") for part-financing its capital expenditure requirements in relation to the setting up of the Proposed Facility	604.04	-	604.04
Investment in YFCPL for funding its working capital requirements	377.41	-	377.41
Total	**4,799.94**	**42.97**	**4,756.97**

(*) Balance of IPO proceeds as at March 31, 2021 which are kept in fixed deposit and bank balance are shown under other bank balances (Refer note 4.4).

(All figures are ₹ in million unless otherwise stated)

d) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting.

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

Particulars	As at March 31, 2021		As At March 31, 2020	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	176,861,359	67.08%	40,186,120	89.27%

f) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

g) On January 30, 2019 the Company has issued Bonus shares - (40,036,324 shares) to all its existing share holders in the ratio of 4:1 shares at face value of ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

h) On January 01, 2020 the Company completed buy back of 5,029,010 equity shares (of ₹ 10/- each) from International Finance Corporation (IFC), who were the only shareholder who tendered in the offer, at an aggregate value of ₹ 8.20 million. The buyback was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 5,029,010 equity shares of ₹ 10/- each and has created Capital Redemption Reserve of ₹ 50.29 million by debiting balance in General Reserve.

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

j) Shares reserved for issue under stock option plan to employees are detailed in note no 33.

8 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings	4,900.83	3,713.08
General Reserve	49.01	49.01
Security Premium	4,765.85	-
Capital Reserve	9.55	9.55
Foreign Currency Translation Reserve	(3.33)	(2.94)
Capital Redemption Reserve (refer note 5(h) above)	50.29	50.29
Share Option Outstanding Account (Refer Note no. 33)	46.36	-
Total	**9,818.57**	**3,819.00**

(All figures are ₹ in million unless otherwise stated)

9 Financial liabilities (at amortised cost)

9.1 Long term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
a) Term loans :				
Rupee term loan from bank	386.11	641.67	255.56	180.56
Rupee term loan from NBFC	472.71	83.33	171.90	16.67
Foreign currency loan from bank	92.10	165.77	73.68	73.68
Foreign currency loan from Multi Lateral Agency (I.F.C.)	-	-	-	75.39
b) Vehicle loans :				
Vehicle loans - other than bank	0.08	1.04	0.95	0.88
c) Government grant	6.48	9.72	3.24	3.24
	957.48	**901.53**	**505.33**	**350.42**
Less: Disclosed in Other current financial liabilities (Refer note 9.1 F)	(858.82)	-	(505.33)	(350.42)
Total	**98.66**	**901.53**	**-**	**-**
The break-up of above:				
Secured	951.00	891.81	502.09	347.18
Unsecured	6.48	9.72	3.24	3.24
	957.48	901.53	505.33	350.42

Notes:

A) Term Loan includes :

i) Rupee term loans from banks (HDFC Bank Ltd):
Tenure of loan: max 60 months
Repayment: 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement
Interest :
Linked with HDFC Bank 1 year MCLR + 25 bps for ₹ 500 million
Linked with HDFC Bank 1 year MCLR + 70 bps for ₹ 200 million and,
Linked with HDFC Bank 1 year MCLR + 65 bps for ₹ 400 million which the Company has availed in the month of Nov 2019

ii) Rupee term loans from NBFC (AXIS Finance Ltd):
Tenure of loan : max 60 months
Repayment : 18 equal quarterly installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from September 30, 2020
Interest : Linked with 1 year MCLR + 115 bps for sanctioned term loan of ₹ 750 million

iii) Foreign Currency Term loans from banks (Citi Bank NA, Jersey) :
15 equal quarterly installments in foreign currency starting from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.
The Company converted this ECB into INR loan under CCY SWAP on April 2, 2019 at fixed interest rate of 7.90% p.a.

iv) Foreign currency loan from Multi Lateral Agency (I.F.C.):
10 half yearly installments from December 2015 . Interest rate is six months Libor plus 400 bps. During the year the loan is fully repaid.

B) Security of term loans :

(All figures are ₹ in million unless otherwise stated)

a) First pari passu charge on all present and future movable and immovable Property, plant and equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2, Mahad Industrial Area , Dist Raigad Maharashtra.

b) First charge on all present and future movable and immovable Property, plant and equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad

c) First pari passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (Note: This is not applicable to loan taken from I.F.C.)

d) Second pari passu charge on entire current assets of the Company.

C) Vehicle loan:

Vehicle loan is secured against the same vehicle for which loan is taken.

D) Government grant:

There are multiple Interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ₹ 9.72 million as at March 31, 2021 (March 31, 2020: ₹ 12.96 million). The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity profile of long term borrowings:

Particulars	As at March 31, 2021*	As at March 31, 2020
Instalment payable within one year	505.32	350.40
Instalment payable between 1 to 2 years	448.90	355.65
Instalment payable between 2 to 5 years	508.59	545.88
Instalment payable beyond 5 years	-	-
Total	**1,462.81**	**1,251.94**

* Before reclassification of long term borrowings in to Current liabilities (refer note 9.1 F)

F) Borrowing classified as current liabilities

One of the objects of the IPO of the Company is repayment of the relevant long term loans of the Company. Accordingly, to the extent that loans are being repaid out of the IPO proceeds, the same are re-classified as current liabilities.

G) As per the Amendment to Ind-AS 7 " Statement of cash flow "

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

(All figures are ₹ in million unless otherwise stated)

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Balance as at March 31, 2019	**746.06**	**666.52**	**340.69**	**1,753.27**
Changes from financing cash flows	505.87	(405.19)	(340.69)	(240.00)
Effects of changes in foreign exchange rates	-	-	-	-
Proceeds from bill discounting	-	75.12	-	75.12
Other changes (transfer within categories)	(350.40)	-	350.40	-
Balance as at March 31, 2020	901.53	336.45	350.40	1,588.39
Changes from financing cash flows	561.27	363.39	(350.41)	574.25
Effects of changes in foreign exchange rates	-	-	-	-
Borrowings reclassified as current liabilities pursuant to repayment from IPO proceeds (Refer Note 9.1 F)	(858.80)	-	-	(858.80)
Proceeds from bill discounting	-	107.07	-	107.07
Other changes (transfer within categories)	(505.34)	-	505.34	-
Balance as at March 31, 2021	98.66	806.91	505.33	1,410.91

9.2 Lease liability

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Lease liability *(Refer note 32)*	57.70	83.57	25.88	23.89
Total	**57.70**	**83.57**	**25.88**	**23.89**

9.3 Other financial liabilities (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Current maturity of long term borrowings	-	-	505.33	350.40
Borrowings payable out of IPO proceeds *(Refer Note 9.1 F above)*	-	-	858.82	-
Payable for capital goods	-	-	211.01	109.85
Interest accrued on financial liabilities	-	-	10.68	14.31
Deposit received	-	-	10.80	10.40
Staff salary and other payable	-	-	152.04	42.34
Other liabilities	-	-	1.14	93.73
Amount payable on hedging transactions	-	-	26.44	-
Total	**-**	**-**	**1,776.26**	**621.03**

(All figures are ₹ in million unless otherwise stated)

10 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Non-current		Current	
Provision for employee benefits :				
Leave encashment	35.43	28.36	15.63	10.90
Gratuity	-	-	15.49	14.58
Provision for sales return	-	-	14.43	10.86
Provision for tax (net of advances)	-	-	86.29	81.37
Total	**35.43**	**28.36**	**131.84**	**117.71**

a) Disclosure under Ind-AS 37 " Provisions, Contingent Liabilities and Contingent Assets" Provision for sales return

As at	Opening Balance	Addition during the period	Utilised during the year	Closing Balance
March 31, 2021	10.86	10.86	7.29	14.43
March 31, 2020	5.66	29.04	23.84	10.86

b) Disclosures as required by Indian Accounting Standard (Ind-AS) 19 Employee Benefits

The Company has carried out the actuarial valuation of Gratuity and Leave encashment liability under actuarial principle, in accordance with Ind-AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last salary drawn) for each completed year of service restricted to ₹ 2.00 million (March 31, 2020 : ₹ 2.00 million). The Company's gratuity liability is entirely funded and leave encashment is non-funded.

(All figures are ₹ in million unless otherwise stated)

The below gratuity disclosure is restricted to parent company only since there is no liability in the other components.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year is as follow:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the year	48.04	33.93
Current service cost	7.96	6.21
Interest cost	2.95	2.52
Actuarial (gain) /loss - Other comprehensive income	0.49	5.85
Past service cost	-	-
Benefits paid	(2.43)	(0.47)
Defined benefit obligation at the year end	**57.02**	**48.04**
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	33.46	31.06
Investment income	2.22	2.87
Employer contribution	8.27	-
Benefits paid	(2.43)	(0.47)
Fair value of plan assets at the year end	**41.52**	**33.46**
c) Reconciliation of fair value of assets and obligations		
Present value of defined benefit obligation	57.02	48.04
Fair value of plan assets	41.52	33.46
Net asset / (liability)	**(15.49)**	**(14.58)**
d) Expenses recognized during the year (Under the head “Employees benefit expenses")		
In Income Statement	8.86	6.43
In Other Comprehensive Income	0.32	5.29
Total expenses recognized during the period	**9.18**	**11.71**
e) Actuarial (gain)/loss- Other comprehensive income	0.32	5.29
f) Net liabilities recognised in the balance sheet	**-**	**-**
Long term provisions	15.49	14.58
Short term provisions	15.49	14.58

ii) Actuarial assumptions

Particulars	As At March 31, 2021	As At March 31, 2020
Discount rate (per annum)	6.25%	6.15%
Salary growth rate (per annum)	5%	5%
Attrition rate	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company’s best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(All figures are ₹ in million unless otherwise stated)

iii) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption

Particulars	Discount rate	Salary growth rate	Attrition rate	Mortality rate
Changes in assumption				
March 31, 2021 (%)	1%	1%	50%	10%
March 31, 2020 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2021	53.53	60.65	57.40	57.03
March 31, 2020	45.04	51.25	48.23	48.05
Decrease in assumption				
March 31, 2021	60.96	53.69	56.21	57.00
March 31, 2020	51.44	45.12	47.53	48.03

(c) Description of risk exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(ii) Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of ₹ 2.00 million).

(vi) Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(vii) Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(All figures are ₹ in million unless otherwise stated)

11 Deferred tax liability

Particulars	As at March 31, 2021	As at March 31, 2020
a) Deferred tax liability on account of :		
Property plant & equipment	207.06	236.01
Right-of-use assets (Net)	1.61	1.79
	208.67	**237.81**
b) Deferred tax asset on account of :		
Minimum alternate tax	24.39	68.06
Provision for doubtful advances and debts	10.67	10.73
Tax disallowances	17.17	26.32
Deferred tax of component	-	12.60
	52.23	**117.71**
Deferred tax of component	**156.44**	**120.10**

12 Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Non-current		Current	
Duties and taxes payable	-	-	45.79	25.02
Advance from customers	-	-	84.20	37.08
Other liabilities	-	-	29.79	-
Total	**-**	**-**	**159.78**	**62.10**

13 Short term borrowings (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
From banks		
Cash credit	296.85	251.34
Short term loan	393.10	-
Bill discounting	107.07	75.12
From others		
From directors	9.89	9.99
Total	**806.91**	**336.45**
Secured	689.95	251.34
Unsecured	116.96	85.11

Short term loan

Charge is created on movable property, floating charge and books debts and CA, MFA and DSRA.

Primary Security -Exclusive first priority security interest / charge over fixed deposit, permitted investments and all monies lying to the credit of DSRA account pursuant DSRA dated 22 May 2020

Cash credit

1. This amount includes trust receipt loans obtained from Citi Bank UAE as per the facility letter dated January 26, 2021. These loans carry interest @2.20% per annum plus 3 months libor/eibor. These bank borrowing are secured against standby letter of credit of Citi Bank (India).

2. ING finance the outstanding debtors up to a maximum of 90% and is secured by a lien on the outstanding debtors. The interest rate is one month rate euribor + 1.85%. The agreement is for a undetermined time. A notice period of 180 days applies for cancellation.

(All figures are ₹ in million unless otherwise stated)

14 Trade payables (at amortised cost)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues of micro and small enterprise	131.27	39.97
Other than micro and small enterprise	4,618.32	4,076.27
Total	**4,749.59**	**4,116.24**

a) Amounts due to Micro, Small and Medium Enterprises

The information given below regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified by the Company. This is relied upon by the auditors.

Particulars	As at March 31, 2021	As at March 31, 2020
Principal amount due	131.27	39.97
Interest due on above	0.07	0.32
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	110.11	85.73
- Interest paid thereon	-	0.82
Amount of interest due and payable for the period of delay	0.34	1.14
Amount of interest accrued and remaining unpaid as at year end	2.84	2.43
Amount of further interest remaining due and payable in the succeeding year	-	-

15 Current tax liabilities (net)

Particulars	As At March 31, 2021	As At March 31, 2020
Current tax liabilities (net of taxes paid)	24.65	9.65
Total	**24.65**	**9.65**

16 Revenue from operations

Particulars	2020-21	2019-20
Sales/ Rendering :		
- Products	17,508.40	15,217.14
- Services	91.24	52.29
	17,599.64	**15,269.43**
Other operating revenue:		
Sale of scrap	9.67	3.43
Export incentives	53.61	66.05
VAT Incentives	21.35	-
Income from DEPB purchase at discount	0.02	2.21
Insurance claim received	0.19	0.11
	84.84	**71.80**
Total	**17,684.48**	**15,341.23**

(All figures are ₹ in million unless otherwise stated)

Disclosure in accordance with Ind-AS - 115 "Revenue recognition disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

1 Revenue disaggregation based on :

Particulars	2020-21	2019-20
(a) Category of good and Services		
Chemicals	17,407.18	15,146.69
Coal	10.13	59.51
Others	91.10	10.94
Jobwork and other services	91.24	52.29
Total	**17,599.64**	**15,269.43**
(b) Geographical region		
India	12,455.59	10,385.61
International	5,144.05	4,883.82
Total	**17,599.64**	**15,269.43**

2 Movement in contract balances

Particulars	2020-21	2019-20
(i) Advance from customers:		
Contract liabilities	84.20	37.08
(ii) Unbilled revenue:		
Opening balance	-	5.13
Less : Invoices raised during the year	-	(5.13)
Add : Accrued during the year	-	-
Closing balance	**-**	**-**

17 Other income

Particulars	2020-21	2019-20
Interest income on financial asset		
From bank on deposits	24.74	-
From other	12.10	32.60
Sundry balances written back	4.04	3.77
Miscellaneous income	0.50	8.61
Reversal of expected credit loss	0.15	-
Profit on sale of investments	4.60	-
Total	**46.13**	**44.98**

18 Cost of raw materials consumed

Particulars	2020-21	2019-20
Opening stock of raw material	856.92	774.74
Add: purchases	8,576.58	7,891.79
	9,433.50	**8,666.52**
Less : closing stock of raw material	(1,341.01)	(856.92)
Total	**8,092.49**	**7,809.60**

(All figures are ₹ in million unless otherwise stated)

19 Purchase of stock-in-trade

Particulars	2020-21	2019-20
Chemicals and other purchases	3,642.89	2,751.27
Coal	9.67	60.30
Total	**3,652.56**	**2,811.57**

20 Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade

Particulars	2020-21	2019-20
Inventory of Work-in-progress at the beginning of the year	47.95	88.04
Less: Inventory of Work-in-progress at the end of the year	(25.91)	(47.95)
	22.04	40.09
Inventory of Finished goods at the beginning of the year	399.56	393.88
Less: Inventory of Finished goods at the end of the year	**(297.63)**	**(399.56)**
Less: Insurance claim	-	(8.67)
	101.93	(14.34)
Inventory of traded goods at the beginning of the year	**67.32**	**317.11**
Add: Foreign currency translation adjustments	**2.17**	**9.93**
Less: Inventory of traded goods at the end of the year	(195.93)	(67.32)
	(126.44)	**259.72**
Total	**(2.47)**	**285.46**

21 Employee benefit expenses

Particulars	2020-21	2019-20
Salaries, wages and bonus	675.45	561.39
Director's remuneration (Refer note (a) below)	127.79	50.56
Contribution to employees gratuity, leave encashment and other funds	59.62	49.90
ESOP compensation cost (Refer note 33)	46.36	-
Staff welfare expenses	19.79	23.78
Total	**929.01**	**685.63**

(a) The Nomination and remuneration committee had on May 17, 2021 recommended a commission of ₹ 30.00 million payable to Chairman and Managing Director and an additional performance linked incentive (based on the appraisal) of ₹ 5.96 million to Executive Directors. The same has been approved by the Board of Directors in the meeting held on May 18, 2021. Accordingly, the Director's remuneration includes provision amounting to ₹ 35.96 million towards the aforesaid commission and additional performance linked incentive which is subject to shareholders approval in the ensuing Annual General Meeting. The remuneration paid/provided to all directors including the Chairman and Managing Director, as aforesaid, are within the permissible limit of section 197 of The Companies Act, 2013.

22 Finance cost:

Particulars	2020-21	2019-20
Interest on financial liabilities at amortised cost	137.99	115.24
Unwinding of lease liability	7.08	8.75
Interest on direct taxes	3.35	1.21
Interest on indirect taxes	1.03	-
Other borrowing costs	9.01	12.92
Amortisation of upfront fees	5.51	2.07
Total	**163.97**	**140.19**

23 Depreciation & amortization

Particulars	2020-21	2019-20
Depreciation	435.55	457.39
Deprecation on right-of-use assets	26.55	26.96
Amortisation	3.13	4.54
Total	**465.23**	**488.89**

(All figures are ₹ in million unless otherwise stated)

24 Other expenses

Particulars	2020-21	2019-20
Power & fuels	963.00	984.67
Consumption of consumables stores and spares	137.86	152.61
Consumption of packing materials	153.17	119.87
Water charges	41.69	34.28
Labour charges	88.52	83.05
Inward freight charges	126.60	96.24
Outward export freight charges	252.65	214.92
Clearing and forwarding expenses	10.03	9.76
Repairs and maintenance		
Buildings	22.93	10.41
Machineries	48.71	34.78
Others	34.41	42.66
Transportation charges	383.39	312.04
Commission on sales	50.75	11.75
Advertisement	7.06	1.44
Director's sitting fees	2.00	1.26
Books and periodicals	0.03	0.05
Business promotion expenses	6.40	10.78
Commission to non-executive director	6.88	5.73
Computer maintenance	12.87	9.44
Conveyance expenses	4.18	2.87
Donation	0.16	0.42
CSR expenditure	41.88	0.40
General expenses	10.23	16.61
Inspection charges	3.93	4.49
Insurance charges	57.90	51.74
Membership & subscription	12.93	10.33
Postage & telegram	1.62	2.52
Professional & legal expenses	137.74	122.46
Printing & stationery	13.36	4.01
Rent	5.51	6.81
Rates & taxes	11.62	9.30
Security service charges	17.64	16.61
Travelling expenses	22.78	46.89
Telephone expenses	5.82	5.66
Vehicle expenses	29.72	27.03
Auditors' remuneration	3.39	2.74
Component auditors fees	6.66	2.09
Bank charges	26.08	30.19
Expected credit loss	-	0.04
Exchange loss	55.73	40.56
Provision for doubtful debt	-	11.31
Loss on sale of assets	6.85	0.12
Other expenses	18.12	56.44
Indirect taxes paid	2.92	6.11
Total	**2,845.72**	**2,613.49**

(All figures are ₹ in million unless otherwise stated)

Particulars	2020-21	2019-20
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors		
For audit including consolidation	2.75	2.25
For limited review	0.38	0.38
For certification and other services	0.27	0.11
Total	**3.39**	**2.74**

Note:

Auditors' fees amounting to ₹ 4.00 million related to Initial Public Offer is debited to securities premium in Statement of Changes in Equity .

25 Tax expense

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

Particulars	2020-21	2019-20
Current Tax	277.13	159.41
Deferred tax	36.34	(50.89)
Income tax (excess)/ short provision of previous year	-	(2.90)
Income tax recognised in statement of profit or loss	**313.47**	**105.62**

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

A. Current Tax

Particulars	2020-21	2019-20
Profit before tax	1,584.10	808.01
Non taxable profit/(loss)	70.88	(100.88)
taxable profit/(loss)	1,513.22	908.89
Enacted tax rates in India (%)	34.94%	34.94%
Enacted tax rates for foreign subsidiary (%)	20.54%	20.54%
Computed expected tax expenses	528.78	317.60
Effect of non- deductible expenses	178.49	191.42
Effects of deductible Expenses	(151.01)	(207.25)
Non taxable effects	(248.58)	(186.96)
Tax of foreign subsidiary	13.13	-
	320.81	**114.82**
Less MAT credit utilised	(43.68)	-
Income tax expenses - Net (A)	**277.13**	**114.82**
Tax liability as per Minimum alternate tax on book profits		
Minimum alternate tax rate	17.47%	17.47%
Computed tax liability on book profits	264.39	158.80
Tax effect on adjustments:		
1/5 portion of opening Ind-AS reserve as on March 31, 2017	(0.73)	(0.73)
Effect of non deductible expense	0.55	0.42
Others	(0.22)	0.91
Minimum alternate tax on book profits (B)	**264.00**	**159.41**
Higher of (A or B)	**277.13**	**159.41**

(All figures are ₹ in million unless otherwise stated)

B. Deferred tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in profit and loss (Asset)/ liability	Closing
Property plant & equipment	(217.87)	18.14	(236.01)
Right-of-use assets (net)	0.28	2.08	(1.79)
Minimum alternate tax	24.59	(43.47)	68.06
Provision for doubtful advances and debts	10.71	(0.01)	10.73
Tax disallowances	11.29	(15.03)	26.32
Deferred tax of component	-	(12.60)	12.60
As at March, 31, 2020	**(170.99)**	**(50.89)**	**(120.10)**
Property plant & equipment	(236.01)	(28.95)	(207.06)
Right-of-use assets (net)	(1.79)	(0.19)	(1.61)
Minimum alternate tax	68.06	43.67	24.39
Provision for doubtful advances and debts	10.73	0.05	10.67
Tax disallowances	26.32	9.15	17.17
Deferred tax of component	12.60	12.60	-
As at March, 31, 2021	**(120.10)**	**36.34**	**(156.44)**

26 Disclosure as required by Accounting Standard – Ind-AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	2020-21	2019-20
Net Profit / (Loss) as per Statement of Profit and Loss	1,270.33	701.02
Outstanding equity shares at period end (March 31, 2021: Face value of ₹ 2/-; March 31, 2020: Face value of ₹ 10/-)	263,662,773	45,016,395
Outstanding equity shares at period end (face value of ₹ 2/-)	263,662,773	2,25,081,975
Weighted average Number of Shares outstanding during the period – Basic	227,086,206	244,712,429
Weighted average Number of Shares outstanding during the period - Diluted	227,807,905	244,712,429
Weighted average number of shares as per para 26 of Ind-AS 33" Earning per Share"	227,807,905	244,712,429
Earnings per Share - Basic (₹)	5.59	2.86
Earnings per Share - Diluted (₹)	5.58	2.86

Reconciliation of weighted number of outstanding during the period:		
Nominal value of equity shares (₹ per share)	2.00	2.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	225,081,975	250,227,025
Add : Issue of equity shares	38,580,798	-
Less : Buy back of equity shares	-	(25,145,050)
Total number of equity shares outstanding at the end of the period	263,662,773	225,081,975
For Basic EPS :		
Weighted average number of equity shares at the end of the period	227,086,206	244,712,429
For Dilutive EPS :		
Weighted average number of equity shares at the end of the period	227,807,905	244,712,429

(All figures are ₹ in million unless otherwise stated)

Note

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

ii. In terms of Paragraph 64 of Indian Accounting Standard 33 Earnings per Share, if the number of ordinary shares outstanding increases as a result of share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The calculation of basic and diluted EPS has been considered considering the impact of share split as stated above.

27 Details of research and development expenditure

Particulars	2020-21	2019-20
Revenue expenses		
Employee benefits expense	35.68	29.27
Legal & professional fees	4.03	3.90
Other expenses	4.43	3.87
Utility expenses	6.73	3.14
Travelling expenses	4.03	3.30
Contract labour and Security service charge	3.48	3.11
Subscription	2.89	2.61
Repairs & maintenance	12.70	9.18
Depreciation and amortisation expense	11.88	16.49
Capital Expenditure		
Capital expenditure (Refer note 3.5)	41.81	11.28
Total	127.66	86.16

28 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Contingent liabilities		
(a) Liabilities Disputed - Appeals filed with respect to :		
(i) Disputed indirect taxes matters (Net of Amount paid under protest of ₹ 0.20 million)	236.72	11.81
(ii) Disputed Direct Taxes Matters - on account of disallowances / additions and default of TDS	4.74	4.71
(iii) Other Dispute - with MSEDCL (Net of amount paid under protest of ₹ 2.3 million)	4.53	-
(b) Guarantees:		
(i) Given on behalf of wholly owned subsidiaries to their Vendors Lenders	1,700.00	-
(ii) Furnished by banks on behalf of the Company	75.14	38.02
(c) Other money for which the Company is contingently liable (give details)		
Standby letter of credit given on behalf of wholly owned subsidiaries	164.50	327.93
(ii) Commitments		
(a) Capital Commitments - Estimated amount of contracts remaining to be executed on capital account	566.38	26.45
(b) Other Commitments - Contractual commitment towards purchase of equity shares (Refer Note 5(b))	200.10	-
(c) Export obligation - under Advance License Scheme on duty free import of specific raw materials remaining outstanding	271.21	240.70
(iii) Letters of Credit	-	-
(iv) Other tax proceedings	1,199.52	755.98

(All figures are ₹ in million unless otherwise stated)

The Senior Intelligence Officer, Directorate of Revenue Intelligence ("DRI") of the Bangalore Zonal Unit ("SIO") conducted a search at the Acetyl Intermediates ("AI") Manufacturing Facility on February 11, 2021 (the "Search") on the grounds that the SIO had reason to believe that the Company was availing a lower rate of basic customs duty at the rate of 2.5% for importing denatured ethyl alcohol in terms of the forth in Entry number 107 of the Customs Notification No. 50/2017 ("Notification") and claimed that the Company was liable to pay 5% as basic customs duty instead while importing denatured ethyl alcohol. During the course of the search the SIO made enquiries with certain officials of the Company as well as recovered certain documents relating to the import, usage and accounting of denatured ethyl alcohol. Pursuant to the Search, the Company, has paid an amount of ₹ 35.00 million under protest. Prior to the Search, the Company on January 24, 2021 had also filed a writ petition before the High Court of Bombay challenging the constitutionality of the use of the terms "excisable goods" as set forth in Entry 107 of the Notification and the requirements mandating importers of denatured ethyl alcohol to submit a provisional duty bond for availing an exemption under Entry 107 of the Notification. The matter is currently pending. Accordingly, the total amount is neither quantifiable nor demanded.

29. Disclosure in accordance with Ind-AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in 'chemicals business' and 'power generation' and it is the primary segment. During the year ended March 31, 2021 and March 31, 2020, the power generation business does not meet the quantitative criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind-AS 108) and hence the same is not separately disclosed.

30. Disclosure in accordance with Ind-AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Details are given in Annexure -1

31. Disclosure on CSR Activity

(a) Gross amount required to be spent by the Company during the year: ₹ 20.18 million (March 31, 2020: ₹ 22.29 million)

(b) Amount spent by the Company during the year and charged to CSR expenses (Including previous years unspent) is as follows:

Particulars	**2020-21**	**2019-20**
COVID Relief Measures	2.22	0.40
Fund to set up COVID Relief Hospital	0.50	-
Administrative Overheads	0.03	-
Corpus donation towards CSR activities	39.14	-
Total	**41.88**	**0.40**

(c) Disclosure as per section 135(5) - Excess amount spent

Particulars	**2020-21**
Opening unspent amount	21.67
Gross amount to be spent by the Company for current year	20.18
	41.85
Gross amount spent by the Company of previous years	21.70
Gross amount spent by the Company for current year	22.21
	43.91
Excess amount paid during the year carried forward as prepaid (*)	**2.03**

(*) During the year the Company has spent excess amount of ₹ 2.03 million which in terms of the Boards decision is to be adjusted against future years CSR liability and hence the same is shown as Current Prepaid Expenditure.

(d) Amount unspent by the Company for the financial year 2020-21 is Nil (March 31, 2020 : ₹ 21.67 million)

(All figures are ₹ in million unless otherwise stated)

32. Ind-AS 116 "Leases"

(a) Transition

Effective April 1, 2019, the Company adopted Ind-AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Thus the Company has recognised 'Right of Use' asset of ₹ 123.45 million (excluding reclassification of ₹ 28.27 million) and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of ₹ 128.77 million as at April 1, 2019. On application of Ind-AS 116 the unamortised balance of prepaid security deposit is also transferred to Right of Use Asset which is depreciated over the balance life of lease.

In this approach, there is no requirement to restate comparative information rather the effects is given in retained earning. On account of adoption of Ind-AS 116 as at April 1, 2019 the retained earning of the Company has reduced by ₹ 9.64 million

Ind-AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(b) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) Movement in Right of Use assets - Refer Note 3.4

(d) Movement in lease liabilities :

Particulars	2020-21	2019-20
Balance at the beginning	107.47	-
Transition impact on account of Ind-AS 116 "Leases"	-	128.77
Addition	-	-
Finance cost incurred during the year	7.08	8.75
Payment of lease liability	(30.97)	(30.05)
Closing balance	**83.58**	**107.47**

(e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(f) Undiscounted contractual maturities of lease liability:

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	30.66	30.97
One to two years	37.60	30.66
Two to five years	33.49	37.60
More than five years	-	33.49
Total	**101.75**	**132.72**

(All figures are ₹ in million unless otherwise stated)

(g) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	25.88	24.28
Non-current lease liability	57.70	83.19
Closing balance	**83.58**	**107.47**

33. Share Option Outstanding

A. Employee Stock Option Plan 2020 (the Plan):

Pursuant to the resolutions passed by the Board on October 30, 2020 and by the members on November 24, 2020, the Company has approved the Laxmi – Employee Stock Option Plan 2020 ("ESOP-2020") for issue of employee stock options ("ESOPs") or thank you grants or restricted stock units ("RSUs") to eligible employees up to 6,750,000 options, which may result in issue of not more than 6,750,000 Equity Shares. The primary objective of ESOP-2020 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

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

The eligibility of the Employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 3 (three) years from the date of Grant.

i) Summary of options granted under plan:

Particulars	Option Plan		
	ESOP	RSU	Thank You Grant
Number of options granted	4,245,540	1,143,263	301,664
Grant date	January 27, 2021		
Exercise price	100	2	2
Fair value on the date of grant of option (₹ per share)	73.12	121.48	121.48
Methods of valuation	Black-Scholes		
Method of settlement	Equity		
Method of accounting	Fair value		
Vesting period	April 1, 2022: 30%;	April 1, 2022: 30%;	April 1, 2022: 100%;
	April 1, 2023: 30%;	April 1, 2023: 30%;	
	April 1, 2021: 40%	April 1, 2021: 40%	
Exercise period	7 years		

No options are exercised during the year ended March 31, 2021.

(All figures are ₹ in million unless otherwise stated)

ii) Reconciliation of options granted under plan:

Particulars	No of shares
Outstanding at the beginning of the year	-
Granted during the year	5,690,467
Exercised during the year	-
Forfeited during the year	-
Outstanding at the end of the year	5,690,467
Options Exercisable at the end of the year	-

iii) Share options outstanding at the end of period have following expiry date and exercise prices.

Nature of options	Expiry date	Exercise price (in ₹)	Share options March 31, 2021
ESOP	Not Applicable*	100	4,245,540
RSU		2	1,143,263
Thank You Grant		2	301,664
Total			**5,690,467**

*Not Applicable since the options are yet to be vested.

iv) Fair value of options at the grant date is as under

Type of Option	Fair value (in ₹)
ESOP	73.12
RSU	121.48
Thank You Grant	121.48

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Particulars	ESOP	RSU	Thank You Grant
Expected dividend yield	0.30%	0.30%	0.30%
Years to expiration	7	7	7
Risk free rates	6.12%	6.12%	6.12%
Expected volatility	41%	41%	41%

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instinct case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange.

B. Expense arising from share-based payment transactions

Particulars	As at March 31, 2021	As at March 31, 2020
ESOP compensation cost	46.36	-
Total Expenses	**46.36**	**-**

34. Financial instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020	As At March 31, 2021	As At March 31, 2020
	Carrying value		Fair value	
a) Financial assets				
Amortised cost				
Loans	118.76	84.49	118.76	84.49
Investments	32.50	-	32.50	-
Others	341.28	497.63	341.28	497.63
Trade receivables	4,343.74	3,593.67	4,343.74	3,593.67
Cash and cash equivalents	305.46	241.10	305.46	241.10
Other bank balances	5,088.39	122.16	5,088.39	122.16
Total financial assets	**10,230.13**	**4,539.05**	**10,230.13**	**4,539.05**
b) Financial liabilities				
Amortised cost				
Borrowings	1,410.90	1,588.38	1,410.90	1,588.38
Trade payables	4,749.59	4,116.24	4,749.59	4,116.24
Lease liability	83.58	107.46	83.58	107.46
Others	1,270.93	270.63	1,270.93	270.63
Total financial liabilities	**7,515.00**	**6,082.71**	**7,515.00**	**6,082.71**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2021 and March 31, 2020.

Particulars	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities/(assets) measured at fair value:				
Forward contracts	31-Mar-21	-	26.44	-
Forward contracts	31-Mar-20	-	(47.55)	-
Mutual funds	31-Mar-21	(20.00)	-	-
Mutual funds	31-Mar-20	-	-	-

36. Financial risk management

The Company is exposed to various financial risks arising from its underlying operations and financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to company's operating activities and financing activities. In the operating activities, the Company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the exposure based on a duly approved policy by the Board, which is reviewed by Board of Directors on periodic basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR).

Foreign currency sensitivity analysis:
The Group is mainly exposed to USD and EURO fluctuations

Foreign exchange derivative contracts
The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss.

B) Interest rate risk management

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is ₹ 176.53 million and floating interest loan is ₹ 2,083.30 million (March 31, 2020: Fixed interest loan ₹ 254.32 million and Floating interest loan ₹ 1,324.08 million). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonable change in interest rates on the borrowings:

Particulars	2020-21		2019-20	
	Rupee loans interest rate (increase) / decreases by 100 bps	**USD loans interest (increase)/ decreases by 15 bps**	**Rupee loans interest rate (increase) / decreases by 100 bps**	**USD loans interest (increase)/ decreases by 15 bps**
Increase in profit	13.93	1.03	9.97	0.49
Decrease in profit	(13.93)	(1.03)	(9.97)	(0.49)

c) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables are typically unsecured and are derived from revenue earned from customer. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of the Company customers' financial condition; ageing of trade accounts receivable and the Company's historical loss experience.

Credit risk from balances with banks and financial institutions is managed by the Company's Corporate Treasury function in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on periodic basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (Refer Note 4.2)	4,343.74	3,593.67
Allowances for credit loss (Refer Note 4.2 (a))	(57.41)	(59.25)

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due. There were no indications that there would be defaults in payment obligations.

d) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable liquid debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities:

Particulars	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2021				
Borrowings*	1,312.23	448.90	508.59	-
Trade payables	4,749.59	-	-	-
Other financial liabilities	412.11	-	-	-
	6,473.93	**448.90**	**508.59**	**-**
As at March 31, 2020				
Borrowings	686.85	355.65	545.88	-
Trade payables	4,116.24	-	-	-
Other financial liabilities	270.63	-	-	-
	5,073.72	**355.65**	**545.88**	**-**

*including current maturities and Non-current borrowing reclassified to current liabilities pursuant to the receipt of IPO proceeds (Refer note 9.1 F) as at March 31, 2021.

Note -
Maturity profile of Lease liability is given in Note 32(f)

37. Capital management

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	March 31, 2021	March 31, 2020
Gross debt*	2,269.72	1,588.38
Less:		
Cash and cash equivalent *	305.46	241.10
Net debt (A)	**1,964.26**	**1,347.28**
Total equity (B)	**10,350.44**	**4,273.03**
Gearing ratio (A/B)	**0.19**	**0.32**

*Gross debt as at March 31, 2021 include long term debt which is being repaid out of IPO proceeds and has been classified as current liabilities (Refer note 9.1 F). Cash and cash equivalent does not includes unutilised IPO proceeds lying in bank and fixed deposits.

38. Exceptional Items

During the year ended March 31, 2020 the Company received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 VAT and CST refunds.

(a) Electricity duty

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty for 15 years starting April 1, 2010. Accordingly, Maharashtra State Electricity Distribution Company Limited (MSEDCL) granted the exemption to the Company from payment of electricity duty w.e.f. October 2019. Simultaneously, the MSEDCL also confirmed the refund of the total electricity duty amounting to ₹ 152.25 million paid by the Company between April 1, 2010 and September 30, 2019. Accordingly, the same (net of expenses) has been accounted for as an income under exceptional items.

(b) Vat and CST Refund

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of VAT and CST paid by the Company between October 1, 2014 and March 31, 2017. Accordingly, the Directorate of Industries issued the Provisional Sanction of Industrial Promotion Subsidy on February 18, 2020 granting a refund of ₹ 150.14 million which has been recognised as an income (net of expenses) under exceptional items.

39. Disclosure as per Schedule III of the Companies Act 2013 of the entities consolidated in these financial statements

Name of the Enterprise	Net assets i.e. total assets minus total liabilities		Share in consolidated profit or loss	
	% of Consolidated net assets	**Amount in ₹ million**	**% of Consolidated profit / (loss)**	**Amount in ₹ million**
Parent :				
Laxmi Organic Industries Limited				
Current year	99.77%	10,321.82	90.29%	1,143.82
Previous year	102.28%	4,366.42	116.53%	812.31
Subsidiary - Indian :				
Laxmi Lifesicences Private Limited				
Current year	0.00%	(0.15)	0.00%	(0.05)
Previous year	0.00%	(0.10)	0.00%	(0.02)
Viva Lifesicences Private Limited				
Current year	-0.04%	(3.75)	-0.26%	(3.36)
Previous year	-0.01%	(0.39)	-0.04%	(0.31)
Cellbion Lifesicences Private Limited				
Current year	-0.31%	(31.61)	-0.59%	(7.53)
Previous year	-0.28%	(11.89)	-1.63%	(11.35)
Saideep Traders				
Current year	-0.02%	(1.63)	0.37%	4.74
Previous year	-0.43%	(18.26)	-1.97%	(13.75)
Yellowstone Fine Chemical Private Limited				
Current year	-0.01%	(0.72)	-0.06%	(0.72)
Previous year	0.00%	-	0.00%	-
Yellowstone Specility Chemical Private Limited				
Current year	0.00%	(0.04)	0.00%	(0.04)
Previous year	0.00%	-	0.00%	-
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current year	0.02%	1.90	2.71%	34.33
Previous year	-0.77%	(32.81)	-5.58%	(38.91)
Laxmi Organic Industries (Europe) B.V.				
Current year	0.58%	60.34	7.58%	96.01
Previous year	-0.79%	(33.80)	-7.30%	(50.86)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.				
Current year	0.00%	(0.30)	-0.03%	(0.42)
Previous year	0.00%	-	0.00%	-

40. Disclosure related to interest in other entities as per Ind-AS 112 is given in Annexure -2.

41. The Board of Directors at their meeting held on May 25, 2021 has recommended dividend of ₹ 0.50 per share on 26,36,62,773 equity shares of nominal value of ₹ 2/- each, aggregating to ₹ 131.83 million (March 31, 2020: ₹ 78.78 million), subject to shareholder approval at the ensuing Annual General Meeting.

42. The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there had been severe disruption of regular business operations in the first quarter of the financial year due to lock down, disruption in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company, however successfully restarted operations and achieved higher turnover and production aided by improved pricing and demand. Towards the end of the current financial year, once again COVID-19 concerns came back. The Company has put in place significant safeguards for the safety of the employees based on various Government advisories. Lockdown by local authorities, from time to time, is however a possibility. The Company is confident of successfully dealing with the same including safeguarding its regular supply of raw materials and logistics services given the experience of the previous year. The Company believes that it has taken into consideration all the possible impacts of known events arising from COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes in future economic conditions.

43. Figures of the previous period have been regrouped / reclassified to conform to the figures of the current period.

44. The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2021.

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

N Jayendran
Partner
M.No. 040441

Place : Mumbai
Date : May 25, 2021

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

Ravi Goenka
Chairman & Managing Director
DIN: 00059267

Satej Nabar
Executive Director & CEO
DIN:06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : May 25, 2021

Annexure -1
Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

A	Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	
1	Ravi Goenka Trustee of Yellowstone Trust	Shareholder
2	Cellbion Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
4	Laxmi Organic Industries (Europe) BV	Subsidiaries
5	Laxmi Petrochem Middle East FZE	Subsidiaries
6	Viva Lifesciences Pvt Ltd.	Subsidiaries
7	Saideep Traders	Subsidiaries
8	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (w.e.f. September 05, 2019)	Subsidiaries
9	Yellowstone Fine Chemicals Pvt. Ltd. (w.e.f. March 03, 2020)	Subsidiaries
10	Yellowstone Speciality Chemicals Pvt. Ltd. (w.e.f. April 24, 2020)	Subsidiaries

B	Associates and joint ventures of the reporting enterprise	
1	Cleanwin Energy One LLP (w.e.f. January 25, 2021)	Associate

C	Key Management Personnel	
1	Vasudeo Goenka (upto November 25, 2020)	Chairman and Non-Executive Director
2	Ravi Goenka (w.e.f. November 25, 2020)	Chairman & Managing Director
3	Satej Naber (w.e.f. April 1, 2020)	Chief Executive Officer & Executive director
4	Harshvardhan Goenka (w.e.f. November 1, 2020)	Executive director
5	Rajeev Goenka	Non-Executive director
6	Desh Verma (upto November 25, 2020)	Non-Executive director
7	Omprakash Bundellu	Independent Director
8	Manish Chokhani	Independent Director
9	Sangeeta Singh	Independent Women Director
10	Rajeev Vaidya (w.e.f. November 25, 2020)	Independent Director
11	Vinod Bhassin	Director

D	Relatives of Key Management Personnel
1	Vasudeo Goenka
2	Aditi Goenka
3	Aryavrat Goenka
4	Avantika Goenka
5	Harshvardhan Goenka
6	Manisha Goenka
7	Niharika Goenka
8	Vimladevi Goenka

E	Enterprises over which any person described in (D) is able to exercise control
1	Amrutsagar Construction Pvt. Ltd.
2	Brady Investments Pvt. Ltd.
3	Crescent Oils Pvt. Ltd
4	Enersun Power Tech Pvt. Ltd.
5	International Knowledge Park Pvt. Ltd.
6	Laxmidevi Nathmal Goenka Charitable Trust
7	Maharashtra Aldehydes & Chemicals Ltd.
8	Ojas Dye-Chem (India) Pvt. Ltd.
9	Pedestal Finance & Trading Pvt. Ltd.
10	Rajeev Goenka HUF
11	Ravi Goenka HUF
12	Sherry Exports Pvt. Ltd
13	Zenith Distibutors
14	Wintech Systems
15	Varadvinayak Multi Impex Pvt Ltd
16	Merton Finance & Trading Pvt. Ltd
17	Yellowstone Chemicals Pvt. Ltd.
18	Acetyls Holding Private Limited
19	Laxmi Foundation
20	Laxmi Petrochem

Statement 1

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Commission paid to non-executive directors	**2020-21**	**-**	**-**	**6.88**	**-**	**-**	**6.88**
	2019-20	**-**	**-**	**(5.73)**	**-**	**-**	**(5.73)**
Omprakash Bundellu	2020-21	-	-	2.06	-	-	2.06
	2019-20	-	-	(1.50)	-	-	(1.50)
Manish Chokhani	2020-21	-	-	2.06	-	-	2.06
	2019-20	-	-	(1.50)	-	-	(1.50)
Sangeeta Singh	2020-21	-	-	2.06	-	-	2.06
	2019-20	-	-	(2.13)	-	-	(2.13)
Rajeev Vaidya	2020-21	-	-	0.71	-	-	0.71
	2019-20	-	-	-	-	-	-
Desh Verma	2020-21	-	-	-	-	-	-
	2019-20	-	-	(0.60)	-	-	(0.60)
Interest Paid	**2020-21**	**-**	**-**	**0.68**	**-**	**-**	**0.68**
	2019-20	**-**	**-**	**(0.68)**	**-**	**-**	**(0.68)**
Desh Verma	2020-21	-	-	0.68	-	-	0.68
	2019-20	-	-	(0.68)	-	-	(0.68)
Rent, Commission and Other Expenses	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	**-**	**-**	**-**	**-**	**(0.67)**	**(0.67)**
Merton Finance & Trading Pvt. Ltd	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(0.11)	(0.11)
Sherry Exports Pvt. Ltd.	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(0.57)	(0.57)
Donation	**2020-21**	**-**	**-**	**-**	**-**	**41.19**	**41.19**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Laxmidevi Nathmal Goenka Charitable Trust	2020-21	-	-	-	-	0.50	0.50
	2019-20	-	-	-	-	-	-
Laxmi Foundation	2020-21	-	-	-	-	40.69	40.69
	2019-20	-	-	-	-	-	-

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Expenses Incurred on behalf of	**2020-21**	**-**	**-**	**-**	**-**	**1.28**	**1.28**
	2019-20	**-**	**-**	**-**	**-**	**(1.21)**	**(1.21)**
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	1.28	1.28
	2019-20	-	-	-	-	(1.21)	(1.21)
Expenses incurred by on behalf of the Company	**2020-21**	**-**	**0.39**	**-**	**-**	**-**	**0.39**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	0.39
	2019-20	-	-	-	-	-	-
Professional fees	**2020-21**	**-**	**-**	**0.43**	**0.33**	**-**	**0.76**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Vasudeo Goenka	2020-21	-	-	-	0.33	-	0.33
	2019-20	-	-	-	-	-	-
Desh Verma	2020-21	-	-	0.43	-	-	0.43
	2019-20	-	-	-	-	-	-
Expenses Recovered	**2020-21**	**-**	**-**	**-**	**-**	**36.51**	**36.51**
	2019-20	**-**	**-**	**-**	**-**	**(7.86)**	**(7.86)**
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	1.20	1.20
	2019-20	-	-	-	-	(1.09)	(1.09)
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	35.31	35.31
	2019-20	-	-	-	-	(6.77)	(6.77)
Sales	**2020-21**	**-**	**-**	**-**	**-**	**1,468.58**	**1,468.58**
	2019-20	**-**	**-**	**-**	**-**	**(458.79)**	**(458.79)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	1,342.44	1,342.44
	2019-20	-	-	-	-	(405.38)	(405.38)
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	126.14	126.14
	2019-20	-	-	-	-	(53.41)	(53.41)
Purchases	**2020-21**	**-**	**-**	**-**	**-**	**436.41**	**436.41**
	2019-20	**-**	**-**	**-**	**-**	**(117.38)**	**(117.38)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	392.96	392.96
	2019-20	-	-	-	-	(117.38)	(117.38)
Laxmi Petrochem	2020-21	-	-	-	-	43.45	43.45
	2019-20	-	-	-	-	-	-

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Sitting Fees (including conveyance)	**2020-21**	**-**	**-**	**2.05**	**-**	**-**	**2.05**
	2019-20	**-**	**-**	**(1.27)**	**-**	**-**	**(1.27)**
Vasudeo Goenka	2020-21	-	-	0.12	-	-	0.12
	2019-20	-	-	(0.18)	-	-	(0.18)
Rajeev Goenka	2020-21			0.33			0.33
	2019-20	-	-	(0.12)	-	-	(0.12)
Desh Verma	2020-21	-	-	0.06	-	-	0.06
	2019-20	-	-	(0.15)	-	-	(0.15)
Omprakash Bundellu	2020-21	-	-	0.46	-	-	0.46
	2019-20	-	-	(0.34)	-	-	(0.34)
Manish Chokhani	2020-21	-	-	0.37	-	-	0.37
	2019-20	-	-	(0.32)	-	-	(0.32)
Rajeev Vaidya	2020-21	-	-	0.28	-	-	0.28
	2019-20	-	-	-	-	-	-
Sangeeta Singh	2020-21	-	-	0.43	-	-	0.43
	2019-20	-	-	(0.17)	-	-	(0.17)
Salary	**2020-21**	**-**	**-**	**-**	**4.74**	**-**	**4.74**
	2019-20	**-**	**-**	**-**	**(6.66)**	**-**	**(6.66)**
Harshvardhan Goenka	2020-21	-	-	-	4.74	-	4.74
	2019-20	-	-	-	(6.66)	-	(6.66)
Directors Remuneration	**2020-21**	**-**	**-**	**144.29**	**-**	**-**	**144.29**
	2019-20	**-**	**-**	**(50.56)**	**-**	**-**	**(50.56)**
Ravi Goenka	2020-21	-	-	78.90	-	-	78.90
	2019-20	-	-	(41.45)	-	-	(41.45)
Harshvardhan Goenka	2020-21	-	-	12.24	-	-	12.24
	2019-20	-	-	-	-	-	-
Satej Nabar (including ESOP compensation cost of ₹ 13.57 million)	2020-21	-	-	43.78	-	-	43.78
	2019-20	-	-	-	-	-	-
Vinod Bhassin	2020-21	-	-	9.37	-	-	**9.37**
	2019-20	-	-	(9.11)	-	-	**(9.11)**

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Advance given for purchase of investments	**2020-21**	**-**	**-**	**200.00**	**-**	**-**	**200.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Ravi Goenka	2020-21	-	-	100.00	-	-	100.00
	2019-20	-	-	-	-	-	-
Harshvardhan Goenka	2020-21	-	-	100.00	-	-	100.00
	2019-20	-	-	-	-	-	-
Capital Contribution	**2020-21**	**-**	**12.50**	**-**	**-**	**-**	**12.50**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Cleanwin Energy One LLP	2020-21	-	12.50	-	-	-	12.50
	2019-20	-	-	-	-	-	-
Dividend Paid	**2020-21**	**70.33**	**-**	**0.22**	**0.33**	**5.37**	**76.25**
	2019-20	**(14.07)**	**-**	**(0.04)**	**(0.07)**	**(1.07)**	**(15.25)**
Vasudeo Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Ravi Goenka	2020-21	-	-	0.05	-	-	0.05
	2019-20	-	-	(0.01)	-	-	(0.01)
Rajeev Goenka	2020-21	-	-	0.17	-	-	0.17
	2019-20	-	-	(0.03)	-	-	(0.03)
Aryavrat Goenka	2020-21	-	-	-	0.33	-	0.33
	2019-20	-	-	-	(0.07)	-	(0.07)
Manisha R. Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Niharika Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Aditi Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Harshvardhan Goenka	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-
Ravi Goenka Trustee of Yellowstone Trust	2020-21	70.33	-	-	-	-	70.33
	2019-20	(14.07)	-	-	-	-	(14.07)
Ravi Goenka HUF	2020-21	-	-	-	-	3.72	3.72
	2019-20	-	-	-	-	(0.74)	(0.74)
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	1.65	1.65
	2019-20	-	-	-	-	(0.33)	(0.33)

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Share of Promoters IPO expenses	**2020-21**	**94.20**	**-**	**-**	**-**	**-**	**94.20**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Ravi Goenka Trustee of Yellowstone Trust	2020-21	94.20	-	-	-	-	94.20
	2019-20	-	-	-	-	-	-
Balance Payable	**2020-21**	**26.63**	**0.39**	**6.50**	**-**	**18.19**	**51.71**
	2019-20	**-**	**-**	**(6.50)**	**-**	**(106.13)**	**(112.63)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(105.79)	(105.79)
Cleanwin Energy One LLP	2020-21	-	0.39	-	-	-	0.39
	2019-20	-	-	-	-	-	-
Desh Verma	2020-21	-	-	6.50	-	-	6.50
	2019-20	-	-	(6.50)	-	-	(6.50)
Ravi Goenka Trustee of Yellowstone Trust	2020-21	26.63	-	-	-	-	26.63
	2019-20	-	-	-	-	-	-
Brady Investments Pvt. Ltd.	2020-21	-	-	-	-	0.12	0.12
	2019-20	-	-	-	-	(0.23)	(0.23)
Merton Finance & Trading Pvt. Ltd	2020-21	-	-	-	-	-	-
	2019-20	-	-	-	-	(0.11)	(0.11)
Laxmi Petrochem	2020-21	-	-	-	-	18.07	18.07
	2019-20	-	-	-	-	-	-
Balance Receivable	**2020-21**	**-**	**-**	**-**	**9.35**	**251.42**	**260.77**
	2019-20	**-**	**-**	**-**	**(7.75)**	**(412.08)**	**(419.83)**
Yellowstone Chemicals Pvt. Ltd.	2020-21	-	-	-	-	248.36	248.36
	2019-20	-	-	-	-	(409.19)	(409.19)
Maharashtra Aldehydes & Chemicals Ltd.	2020-21	-	-	-	-	0.86	0.86
	2019-20	-	-	-	-	(0.69)	(0.69)
Pedestal Finance & Trading Pvt. Ltd.	2020-21	-	-	-	-	2.20	2.20
	2019-20	-	-	-	-	(2.20)	(2.20)
Vinod Bhassin	2020-21	-	-	-	9.35	-	9.35
	2019-20	-	-	-	(7.75)	-	(7.75)

Related Parties Transactions	For the period ended	(A)Entities where control exists	(B) Associate & Joint Venture	(C) Key Management Personn	(D) Relatives of Key Management Personnel	(E) Enterprises over which any person described in (C) is able to exercise control	Total
Corporate Guarantee (As on last day of the period)	**2020-21**	**1,700.00**	**-**	**-**	**-**	**-**	**1,700.00**
	2019-20	**-**	**-**	**-**	**-**	**-**	**-**
Viva Lifescience Private Limited	2020-21	1,700.00	-	-	-	-	**1,700.00**
	2019-20	-	-	-	-	-	**-**
Standby Letters of Credit issued by the Company's banker to the bankers of WOS:	**2020-21**	**164.50**	**-**	**-**	**-**	**-**	**164.50**
	2019-20	**(327.93)**	**-**	**-**	**-**	**-**	**(327.93)**
Laxmi Petrochem Middle East FZE	2020-21	164.50	-	-	-	-	**164.50**
	2019-20	(327.93)	-	-	-	-	**(327.93)**

Annexure-2
Disclosure as per Ind AS 112 " Disclosure of Interest in Other Entities"(A)

Particulars	Laxmi Organic Industries (Europe) B.V.		Laxmi Petrochem (Middle East) FZE	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	1.11	13.61	-	-
Current assets	730.15	384.93	352.91	188.57
Non-current liabilities	-	-	-	-
Current liabilities	497.16	264.73	350.31	220.68
Net assets	234.10	133.81	2.60	(32.11)
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	1,657.80	1,945.39	982.22	605.67
Profit for the year	96.01	(50.86)	34.33	(38.91)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	Cellbion Lifesciences Private Limited		Saideep Traders	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	80.47	74.82	96.90	108.53
Current assets	0.18	0.19	151.67	33.72
Non-current liabilities	66.64	59.14	47.92	53.24
Current liabilities	0.03	0.01	122.92	16.39
Net assets	13.98	15.86	77.73	72.62
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	123.77	164.12
Profit for the year	(1.89)	(235.46)	4.44	(13.75)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	Yellowstone Fine Chemicals Private Limited		Viva Lifesciences Private Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	144.76	-	83.00	592.08
Current assets	101.46	-	836.24	5.39
Non-current liabilities	-	-	-	-
Current liabilities	245.94	-	922.88	597.76
Net assets	0.28	-	(3.65)	(0.29)
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	14.88	-
Profit for the year	(0.72)	-	0.13	(0.31)
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	(3.49)	-
OCI allocated to NCI	-	-	-	-

Particulars	Laxmi Lifesciences Private Limited		Yellowstone Speciality Chemicals Private Limited	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Non-current assets	-	-	-	-
Current assets	0.02	0.04	1.00	-
Non-current liabilities	0.03	0.03	-	-
Current liabilities	0.04	0.01	0.04	-
Net assets	(0.05)	(0.00)	0.96	-
Net assets attributable to NCI	-	-	-	-
Contingent Liabilities	-	-	-	-
Revenue	-	-	-	-
Profit for the year	(0.05)	(0.02)	(0.04)	-
Profit/(Loss) allocated to NCI	-	-	-	-
Other comprehensive income	-	-	-	-
OCI allocated to NCI	-	-	-	-

	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	
	March 31, 2021	March 31, 2020
Non-current assets	-	-
Current assets	6.45	-
Non-current liabilities	-	-
Current liabilities	3.54	-
Net assets	2.91	-
Net assets attributable to NCI	-	-
Contingent Liabilities	-	-
Revenue	11.13	-
Profit for the year	(0.42)	-
Profit/(Loss) allocated to NCI	-	-
Other comprehensive income	-	-
OCI allocated to NCI	-	-

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. The details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

Sr. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (%)^
1.	[●]	[●]
2.	[●]	[●]

^ *Based on beneficiary position as on [●], 2023*

**The details of the proposed Allottees have been intentionally left blank and will be filled in before issuing of the Placement Document to such proposed Allottees.*
The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

For and on behalf of the Board, signed by:

Rajan Venkatesh
Managing Director and Chief Executive Officer
DIN –10057058

Date: October 5, 2023
Place: Mumbai

DECLARATION

We, the Board of Directors of our Company certify that:

(i) our Company has complied with the provisions of the Companies Act and the rules made thereunder;

(ii) the compliance with the Companies Act and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

Rajan Venkatesh
Managing Director and Chief Executive Officer
DIN –10057058

Date: October 5, 2023
Place: Mumbai

I am authorized by the Fundraising Committee of our Company, through resolution dated October 5, 2023 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For and on behalf of the Board, signed by:

Rajan Venkatesh
Managing Director and Chief Executive Officer
DIN –10057058

Date: October 5, 2023
Place: Mumbai

LAXMI ORGANIC INDUSTRIES LIMITED

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

Corporate Office
Chandermukhi Building,
2nd and 3rd Floor
Nariman Point
Mumbai – 400 021
Maharashtra, India

Company Secretary and Compliance Officer: Aniket Hirpara
Chandermukhi Building, 3rd Floor
Nariman Point, Mumbai – 400 021
Maharashtra, India
Telephone: +91-22-49104467
E-mail: aniket.hirpara@laxmi.com

BOOK RUNNING LEAD MANAGERS

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor
Unit No. 1511, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India

Jefferies India Private Limited
16th Floor, Express Towers
Nariman Point, Mumbai -400 021
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Deloitte Haskins & Sells LLP, Chartered Accountants
One International Centre, Tower 3
32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400 013
Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

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10th & 13th Floors, Tower 1
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Mumbai 400 013
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

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Mumbai 400 001
Maharashtra, India

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS *AS TO INTERNATIONAL LAW*

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered Office: A-22/2/3, MIDC, Mahad, Raigad - 402 309, Maharashtra, India; **Tel:** +91 2145 232424;
Corporate Office: Chandermukhi Building, 2nd and 3rd Floor, Nariman Point, Mumbai – 400 021, Maharashtra, India; **Tel:** +91 22 4910 4444;
Contact Person: Aniket Hirpara, Company Secretary and Compliance Officer**;**
Tel: +91 22 4910 4467**; E-mail:** investors@laxmi.com**; Website:** www.laxmi.com**;**
Corporate Identity Number: L24200MH1989PLC051736
LEI: 3358004DCKVZKHQZH569 | **ISIN:** INE576O01020

APPLICATION FORM

Name of Bidder: ______________________________________

Form No: ____

Date: ___________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY LAXMI ORGANIC INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 234 and 241, respectively, in the accompanying preliminary placement document dated October 5, 2023 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ________________ (Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.			

To,

The Board of Directors
LAXMI ORGANIC INDUSTRIES LIMITED
Corporate Office: Chandermukhi Building, 2nd and 3rd Floor,
Nariman Point, Mumbai – 400 021, Maharashtra, India

** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with DAM Capital Advisors Limited and Jefferies India Private Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("RBI") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "Transfer Restrictions" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S)**

and are purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX. NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 P.M. (IST), October [●], 2023,	
Name of the Account	LAXMI ORGANIC INDUSTRIES LTD-QIP-ESCROW ACCOUNT
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	Jeevan Prakash Building, Sir P M Road, Fort, Mumbai – 400001
Account Type	Escrow Account
Account Number	923020054224960
LEI Number	3358004DCKVZKHQZH569
IFSC	UTIB0000004
Tel No.	+91 22 4910 4467
E-mail	investors@laxmi.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "LAXMI ORGANIC INDUSTRIES LTD-QIP-ESCROW ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name(Please ✓)	National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name			
DP – ID	I N		
Beneficiary Account Number			(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**			

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON	
NAME	
ADDRESS	

TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIR
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of Power of Attorney
☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.