LAXMI ORGANIC INDUSTRIES LTD

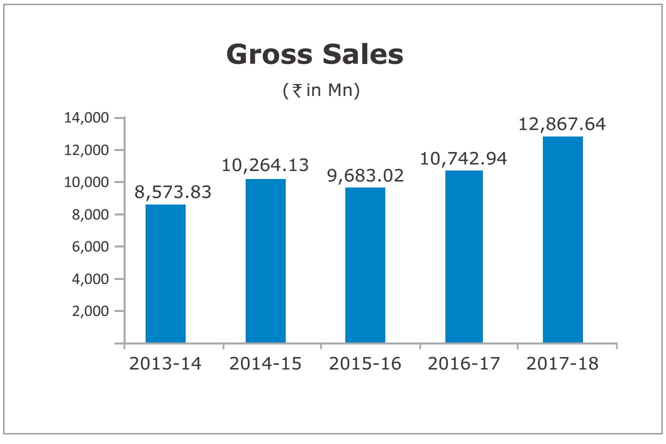
29TH

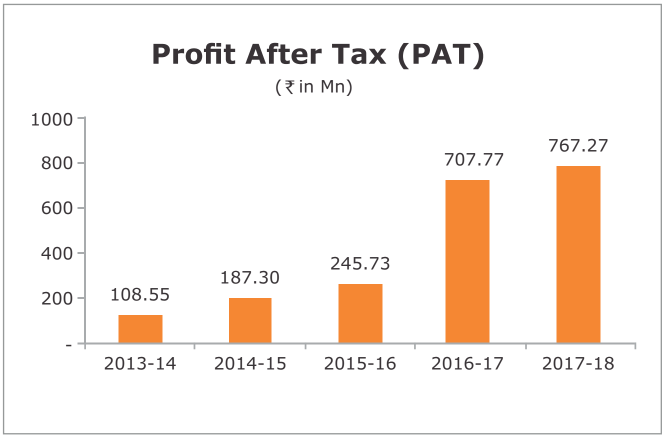
ANNUAL REPORT

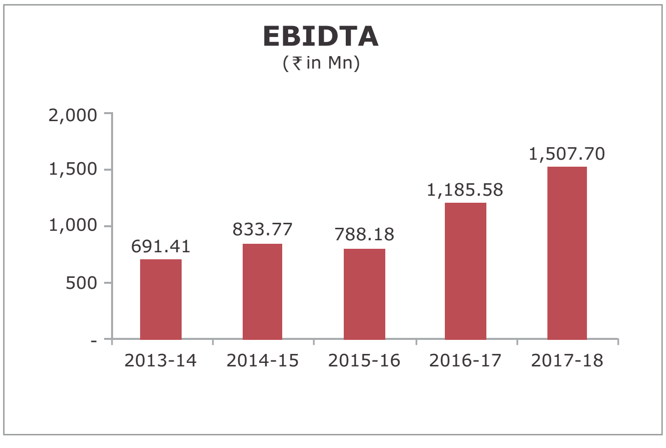
2017-2018

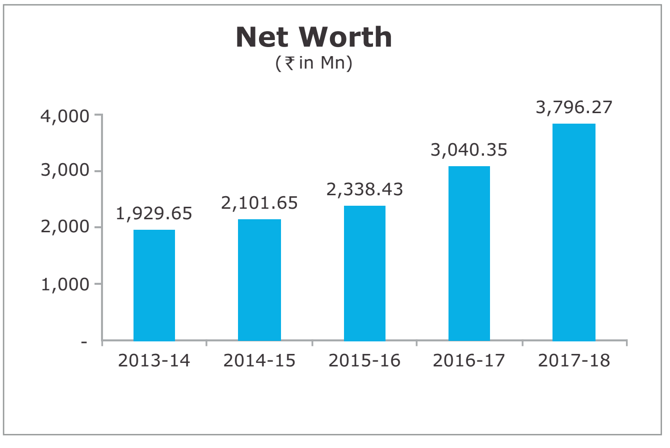
OUR MISSION

"To satisfy our customers with the highest quality of products and services; to share the growth of the group with its own people; to use the best manufacturing technologies in an eco-friendly environment."









CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. Vasudeo Goenka	Chairman
	Mr. Ravi Goenka	Managing Director
	Mr. Radhesh Welling	Executive Director and CEO
	Mr. Rajeev Goenka	Director
	Mr. Manish Chokhani	Director
	Mr. O. V. Bundellu	Director
	Mr. Desh Verma	Director
	Ms. Sangeeta Singh	Woman Director (Since 04/09/2017)

CHIEF FINANCIAL OFFICER: Mr. Partha Roy Chowdhury

COMPANY SECRETARY: Mr. Aniket Hirpara

REGISTERED OFFICE & FACTORY:

UNIT I
A-22/2/3, M.I.D.C.
Mahad Industrial Area, MIDC,
Dist - Raigad - 402 309
Maharashtra

UNIT II
B-2/2, B-3/1/1, B-3/1/2
Mahad Industrial Area, MIDC,
Dist. Raigad - 402 309
Maharashtra

CORPORATE OFFICE:

Chandermukhi Building, 3rd Floor,
Nariman Point, Mumbai – 400 021

DISTILLERY UNITS:

JARANDESHWAR
795/1, Village Chimangaon
Taluka Koregoan,
District Satara,
Maharashtra

PANCHGANGA
Ganganagar,
Taluka Hatkanangale,
District Kolhapur
Maharashtra

AUDITORS:

M/S NATVARLAL VEPARI & CO
CHARTERED ACCOUNTANTS
Oricon House, 12 K Dubash Marg,
Kala Ghoda, Mumbai – 400 023

BANKERS:

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

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Company is scheduled to be held on **MONDAY, SEPTEMBER 24, 2018 at 12.00 NOON** at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 the reports of the Auditors thereon and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

   a. "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b. "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To declare final dividend on equity shares and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the recommendations made by the Board of Directors of the Company, a final dividend at the rate 15% (Rs.1.50 per share) be and is hereby declared on all the equity shares of Rs.10 each fully paid-up in the paid-up capital of the Company and that the aforesaid dividend be distributed out of the profits of the Company for the financial year ended March 31, 2018, to whose name appears on the Register of Equity Shareholders of the Company as on date of 29th Annual General Meeting and in respect of shares held in electronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) as on the close of business hours on the date of 29th Annual General Meeting or to their mandates."

3. To appoint a Director in place of Mr. Desh Verma (DIN: 00064077) who retires by rotation and being eligible, offers himself for re-appointment and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Desh Verma (DIN: 00064077), Director of the Company, who retires by rotation at this meeting, being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotations."

4. To appoint Auditors and fix their remuneration and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No: 106971W), be and are hereby appointed as Statutory Auditors of the Company for a term of five (5) consecutive years to hold office from the conclusion of this 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held in FY 2023-24, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice convening this Meeting, to be paid to the **M/s B. J. D. Nanabhoy & Company,** the Cost Auditors appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified."

6. To authorise the Board of Directors of the Company to Borrow in excess of limit specified u/s 180(1)(c) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** in supersession of the Special Resolution passed at the 25th Annual General Meeting held on September 24, 2014 andpursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act") read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Articles of Association of the Company and all other provisions of applicable law, consent of the members be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to borrow monies, from time to time, from financial institutions, non-banking finance companies, co-operative banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the "Lending Agencies"),whether by way of advances, loans, issue of debentures/bonds and/or other instruments or otherwise which together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid up share capital, free reserves and Securities Premium account, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 600,00,00,000/- (Rupees Six Hundred Crores only).

   "**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorise to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper, desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) as aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. To authorise Board of Directors of the Company to create charge/mortgage on the movable and immovable assets of the Company, both present and future u/s 180(1)(a) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** in supersession of the Special Resolution passed at the 25th Annual General Meeting held on September 24, 2014 andpursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act") read with applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Articles of Association of the Company and all other provisions of applicable law, consent of the members be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to create mortgage, charge and/or hypothecation in addition to the existing mortgages, charges and hypothecation created by the Company as may be necessary on such of the assets of the Company, whether movable or immovable, both present and future, in such manner as the Board may direct, to or in favour of financial institutions, non-banking finance companies, co-operative banks, investment institutions and their subsidiaries, banks, mutual funds, trusts and other bodies corporate (hereinafter referred to as the "Lending Agencies") or trustees for the holders of debentures/bonds and/or other instruments or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an equivalent aggregate value not exceeding ₹ 600,00,00,000/- (Rupees Six Hundred Crores only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the trustees under the trust deed and to the Lending Agencies under their respective agreements/loan agreements/security trustee agreements to be entered into by the Company in respect of the borrowings of the Company or borrowings of any other company as the Board may deem necessary.

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize with such Lending Agencies/trustees, the terms and conditions and the documents for creating the aforesaid mortgage or charge and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions or the documents and to do and execute all such acts, deeds, matters and things and take all such steps as may be necessary or desirable to give effect to the above Resolution."

8. To approve the increase in the Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Associationof the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 13, Section 61 and Section 64 of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the applicable the provisions of the Articles of Association of the Company, the consent of the members be an is hereby accorded to increase the Authorised Share Capital of the Company from ₹ 21,00,00,000/- (Rupees Twenty One Crore) divided into 2,10,00,000 (Two Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each to ₹ 51,00,00,000/- (Rupees Fifty One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to Authorised Share Capital be and is hereby substituted with following:

"The Authorised Share Capital of the Company is ₹ 51,00,00,000/- (Rupees Fifty One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase, modify and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

9. To alter the Articles of Association and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 14 of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and is hereby accorded to alter the Articles of Association of the Company as under:

a. The existing **Articles 5** shall be replaced by the following new Article:

   "The Authorised Share Capital of the Company is ₹ 51,00,00,000/- (Rupees Fifty One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each with power to increase and reduce the capital of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or the statutory modifications thereof for the time being in force or provided by the Articles of Association of the Company for the time being."

b. The existing **Article 17** be appended by inserting the following new Article as Article 17A:

   Power to Issue Bonus Shares:

   "Subject to the provisions of Section 63 of the Companies Act, 2013 the Board may recommend to capitalize its reserves and account to issue bonus shares to its members, subject to their approval in the general meeting. Further, for the purpose of issue of bonus shares following reserves can be utilized:

   a) Free reserves;
   b) Securities premium account;
   c) Capital Redemption Reserve; or
   d) Such other reserves and account as may be applied for issue of bonus shares

The Board shall have right to fix a date for the purpose of determining the members who are entitled to receive bonus shares pursuant to capitalization of reserves and account."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

10. To capitalize Reserves of the Company and to issue Bonus Shares and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 63 of the Companies Act, 2013 read with applicable rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with applicable provisions of Articles of Association of the Company, the consent of the members be an is hereby accorded for capitalisation of a sum not exceeding ₹ 40,03,63,240/-(Rupees Forty Crore Three Lakh Sixty Three Thousand Two Hundred and Forty only) from and out of the capital redemption reserve, the securities premium account and/or any other permitted reserves/ surplus of the Company, as may be considered appropriate for the purpose of issue of bonus equity shares of ₹ 10/- (Rupees Ten only) each, credited as fully paid to eligible members of the Company holding equity shares of ₹ 10/- (Rupees Ten only) each of the Company whose names appear in the Register of Members on a the date of the 29th Annual General Meeting, in the proportion of 4 (Four) new fully paid-up equity share of ₹ 10/- (Rupees Ten only) each for every 1 (One) existing fully paid-up equity share of ₹ 10/- (Rupees Ten only) each held by them and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such member;

RESOLVED FURTHER THAT the bonus equity shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Company as existing on the Record Date.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the issue and allotment of the bonus equity shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other Foreign Investors, be subject to the approval of RBI or any other regulatory authority, as may be necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

11. To approve the Related Party Transaction to be undertaken by the Company during financial year 2018-19 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (the 'Act') and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to the Board of Directors of the Company for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under Item No.11 of the Explanatory Statement annexed to this notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby severally authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : August 23, 2018	Vasudeo Goenka	Ravi Goenka
Place : Mumbai	Chairman	Managing Director

NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business set out in the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE THE MEMBER OF THE COMPANY.** An instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

   A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
3. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.
4. Members/Proxies are requested to bring their personal copy of Annual Report and Attendance Slip duly filled up for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members are requested to:
   a. Intimate the change in their address, if any, immediately to the Company at its Corporate Office/Registered Office.
   b. Register their e-mail address and the change therein from time to time, immediately with the Company at its Corporate Office/Registered Office for receiving all communication including Annual Report, Notices, and Circulars etc. form the Company electronically.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

   The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company
8. All the documents referred to in the Notice and Explanatory Statement above are open for inspection at the Corporate Office /Registered Office of the Company between 10.30 a.m. to 5.30 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
9. Final Dividend for the year ended March 31, 2018, if declared, will be paid in respect of share held in physical form, to those members whose names appear in the Company's Register of Members as on the date of Annual General Meeting and, in respect of shares held inelectronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) as on the close of business hours on the date of Annual General Meeting.
10. As per the provisions section 72 of the Companies Act, 2013, facility for making nominations is available for members in respect of the physical shares held by them.
11. In terms of the provisions of Section 152 of the Act, Mr. Desh Verma, Director, retire by rotation at the Meeting, whose brief resume is as under:

Name	**Mr. Desh K. Verma**
Date of Birth	20/08/1938
Date ofFirst Appointment	15/05/1989
Qualification	B.Com, LL.B
Terms & Conditions of Re-Appointment	In terms of Section 152(6) of the Act, Mr. Desh Verma who was re-appointed as a Director at the 26th Annual General Meeting held on September 30, 2015 is liable to retire by rotation at the Meeting.
Remuneration last drawn (including Sitting Fees, if any)	₹ 6,00,000 (Six Lakh Only)

Remuneration proposed to be paid	a. Sitting Fees approved by the Nomination & Remuneration Committee and Board of Directors from time to time. b. Commission (within the ceiling limit of 1% of the Net Profit as computed in the manner laid down in Section 198 of the Companies Act, 2013) and Sitting Fees as approved by the Nomination & Remuneration Committee and Board of Directors from time to time.
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
No of Meetings of the Board Attended during FY 2017-18	5 (Five)
Other Directorships held as on March 31, 2018	1. Venkatesh Holding & Marketing Private Limited 2. Upadrasta & Sons Private Limited 3. Samsung Investment & Finance Private Limited 4. Brady Investments Private Limited 5. Amrut Sagar Construction Private Limited 6. Seatech Engineering Private Limited
Membership/Chairmanship of Committeesof Other Company Boards as on March 31, 2018	N.A.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO.5:

The Board, upon the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s B. J. D. Nanabhoy & Company, Cost Auditors to conduct the audit of the cost accounting records maintained by the Company for the Products namely, Organic and Inorganic Chemicals manufactured by the Company at its plant situated at Mahad and Distillery at Satara for the financial year ending March 31, 2019 on the remuneration ₹ 135,000/- (excluding Taxes plus out of pocket expenses at actual).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

The Board of Directors of your Company recommends the passing of resolutions as set out at Item No.5 as the Ordinary Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

ITEM NO. 6 & 7:

At the 25th Annual General Meeting held on September 24, 2014, the Members of the Company by way of passing Special Resolutions accorded its approval under Section 180(1)(c) and 180(1)(a) of the Companies Act, 1956 for borrowing of sums by the Company upto a limit not exceeding ₹ 450,00,00,000 (Rupees Four Hundred and Fifty Crores only) and to create securities for such borrowings by creation of mortgage, charge and/or hypothecation on movable and immovable assets of the Company.

Taking into account the business operations and future growth plans of the Company and to cater to the working capital needs, a fresh resolution is proposed to borrow monies, from time to time, for the purpose of the Company's business, notwithstanding that the monies to be borrowed by the Company together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the Company's paid up share capital, free reserves and Securities Premium account, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which monies may be so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 600,00,00,000/- (Rupees Six Hundred Crores only) and to create security for the borrowings by way of suitable mortgage, hypothecation or charge on all or any of the movable and/or immovable properties of the Company.

Accordingly, the Board of Directors of your Company recommends the passing of resolutions as set out at Item No.6 & 7 as the Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6 & 7.

ITEM NO. 8, 9 & 10 :

The Board of Directors at its meeting held on August 23, 2018, subject to consent of the members of the Company, approved and recommended issue of bonus equity shares of ₹ 10/- (Rupees Ten only) each credited as fully paid-up to eligible members of the Company in the proportion of 4 (Four) new fully paid-up equity share of ₹ 10/- (Rupees Ten only) each for every 1 (one) existing fully paid-up equity share of ₹ 10/- (Rupees Ten only) each by capitalising a sum not exceeding ₹ 40,03,63,240/-(Rupees Forty Crore Three Lakh Sixty Three Thousand Two Hundred and Forty only) out of capital redemption reserve / securities premium account and/or any other permitted reserves / surplus of the Company, as may be considered appropriate.

Presently, the Authorised Share Capital of the Company is ₹ 21,00,00,000/- (Rupees Twenty One Crore) divided into 2,10,00,000 (Two Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each. In order to facilitate issue of bonus shares and for further requirements, if any, it is proposed to increase the Authorised Share Capital to ₹ 51,00,00,000/- (Rupees Fifty One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each. The increase in the Authorised Share Capital as aforesaid would require consequential alteration to the existing Clause V of the Memorandum of Association of the Company and Article 5 of the Articles of Association of the Company.

The present Articles of Association of the Company permits for the issuance of Bonus Shares only out of the Security Premium Account of the Company, whereas the Companies Act, 2013 permits the Companies to issue the Bonus Shares from free reserves, Security premium reserves or capital redemption reserves as well. Accordingly, it is proposed to alter the Articles of Association of the Company in order to make it in conformity with the Companies Act.

The increase in the Authorised Share Capital, consequential alteration to Clause V of the Memorandum of Association of the Company,the alteration of the Articles of Association of the Company and issue of bonus equity shares requires members' approval in terms of Sections 13, 14, 61 and 63 of the Companies Act, 2013 and other applicable statutory and regulatory approvals.

The Board commends the Special Resolutions set out at Item Nos. 8 & 9 and the Ordinary Resolution set out at item No. 10 of this Notice, for approval by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 8, 9 and 10 except to the extent of their shareholding in the Company.

ITEM NO.11

As per Section 188 of the Companies Act, 2013, all the related party transactions which exceed the threshold limit specified under Companies (Meeting of Board and its Power) Rules, 2014 are required to be approved by the Members by way of Special Resolution.

The Audit Committee and subsequently the Board of Directors had at their meeting held on June 20, 2018 approved the following party transaction that may be undertaken by the Company during FY 2018-19 with the related party subject to the approval of the Members.

(₹ in Mn)

Name of Related Party	Name of Director, KMP who is related	Nature, Material Terms, Monitory Value and particulars of Contract	Period of Transaction	Maximum Permissible Amount Annually
Laxmi Petrochem Middle East FZE	NONE	1. Purchase / Sale of Finished and Semi-Finished goods, Raw Materials / Packing Materials etc. 2. Payment of Commission for sale / purchase of Products 3. Interest on Loan and Guarantee Commission	FY 2018-19	200.0

Laxmi Organic Industries (Europe) B.V.	NONE	1. Purchase / Sale of Finished and Semi-Finished goods, Raw Materials / Packing Materials etc. 2. Payment of Commission for sale / purchase of Products 3. Interest on Loan and Guarantee Commission	FY 2018-19	1700.0
Saideep Traders	NONE	1. Purchase / Sale of Finished and Semi-Finished goods, Raw Materials / Packing Materials etc. 2. Payment of Commission for sale / purchase of Products	FY 2018-19	600.0

Further, in terms of Section 188 of the Companies Act, 2013, Mr. Vasudeo Goenka, Mr. Ravi Goenka, Mr. Rajeev Goenka, Mr. Desh Verma and Mr. Harshvardhan Goenka and their relatives, being interested will not vote on these resolutions as shareholders of the Company.

Accordingly, the Board of Directors of your Company recommends the passing of resolutions as set out at Item No.11 as a Special Resolution.

Mr. Vasudeo Goenka, Mr. Ravi Goenka, Mr. Rajeev Goenka, Mr. Desh Verma and other relatives to the extent of their shareholdings interest in the Company, are interested in the resolution set out at Item No.11.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.11.

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DIRECTORS' REPORT

The Members,
Laxmi Organic Industries Limited

Your Directors are pleased to present their report on the business and operations of your Company along with the Audited accounts of your Company for the year ended March 31, 2018.

1. FINANCIAL RESULTS:

(₹ in Mn)

	Year Ended March 2018	Year Ended March 2017
Revenue from operation	12,867.64	10,742.94
Profit before depreciation, interest and tax	1,507.7	1,185.59
FinanceCost	85.32	106.44
Depreciation	288.14	272.66
Profit before tax (PBT)	1,134.24	806.49
Tax	366.97	98.72
Net profit	**767.27**	**707.78**
Transfer to General Reserve		

2. FINANCIAL PERFORMANCE REVIEW:

During the year under review, total revenue got increased by 19.78% to ₹ 12,867.64 mn from ₹ 10,742.94 mn in the previous year largely due to portfolio rationalization, volume maximization, and cost rationalization.

Due to margin expansion across the product lines and higher volumes, the EBIDTA growth by far outperformed the revenue growth. The overall Operating EBIDTA has improved by 27.48% to ₹ 1,507.7 mn versus ₹ 1,185.6 mn in the previous year. The improved contribution margins across products coupled with lower interest and other overheads helped the Company achieve an impressive Profit before tax. PBT grew by 40.64% to ₹ 1,134.24 mn against ₹ 806.5 mn of the previous year however due to the increased tax expenses the Net profit increased only by 8.41% to ₹ 767.27 mn from ₹ 707.77 mn in the previous year.

3. DIVIDEND:

The Directors are pleased to recommend a Dividend of 15% on the ordinary shares of the Company which is ₹ 1.5 per share for the financial year ended March 31, 2018. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result into an outflow of ₹ 18.02 Mn (₹ 3.01 Mn being Corporate Dividend Tax).

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

During the year, there was no unclaimed dividend pertaining to any previous financial years. Therefore, there is no need to transfer any amount to the Investor Education & Protection Fund.

4. OPERATIONAL REVIEW:

During the year under review, the close monitoring and strong market intelligence helped in reacting quickly to changing market conditions, thereby helping maximize pricing in Ethyl Acetate and Acetic Anhydride. Further, the market based pricing instead of cost based pricing also helped in improving margins in Specialty Intermediate (SI). The strong relationship with a new supplier in China helped the Company in competitive sourcing the key raw material. The methodical study and internal analysis helped identify various improvement areas in the manufacturing units especially those related to utilities, which indirectly supported contribution margin.

Intense engagement along with efficient logistic and sales planning in Europe has positively impacted the overall operations of the Company's wholly owned subsidiary namely Laxmi Organic Industries (Europe) B.V. (LOBV). The operations of the Company's Dubai based subsidiary namely Laxmi Petrochem Middle East FZE (LPMEF) is also satisfactory.

The Captive Power Plant also ran efficiently during the year yielding the desired results and your Company got near uninterrupted supply of high quality power at a lower cost compared to public sources. Further the performance of the Distilleries and Windmills have also been satisfactory during the year.

The Company received ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 Certifications with respect to both the plants.

During the year the Hydro Power Project at Yedgaon got commissioned and the power generation for captive consumption was also started. The work relating to Hydro Power Project at Temghar is also progressing well.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year as at March 31, 2018 till the date of this report.

5. FINANCE:

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

6. LOANS, GUARANTEES AND INVESTMENTS:

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

7. CREDIT RATING:

The Company's credit ratings had been revised by CRISIL from 'BBB+/Positive' to A-/Stable for long term and from A2 to A2+ for short term.

8. INTERNAL CONTROL SYSTEMS:

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

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

9. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a mechanism for Directors and employees to report concerns about un-ethical behaviour, actual or suspected frauds, mismanagement, and violation of our Code of Conduct and Ethics. It also provides for adequate safeguard against victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

10. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

11. PERSONNEL / HUMAN RESOURCES DEVELOPMENT:

In our transformational journey our endeavour is to create a high performance learning organization in an engaged environment. The core focus is on Talent Management including talent assessment and talent development by Global firms like DDI and Thomas International. During the year under review, many new employee engagement initiatives have been undertaken to support the business through organizational efficiency improvement, process change, etc. The Performance management Program was revamped through Corporate Balanced Score Card and dynamic quarterly goal monitoring to keep the process live throughout the year. Organizational Capability Development took a new turn by nominating key potentials to AMD Switzerland and by partnering with global organization like Forum, 4th quadrant, DDI and Thomas. Focus was also on creating an outcome driven organisation, Executive presence, MDP and plant trouble shooting.

During the year under review, Company had conducted a wonderful workshop in Alibaug to do a goal setting exercise and introduce Talent Management Process which has enabled the Company to align business activities with the vision and strategy and significantly achieve the set goals. DDI supported in creating 12 key leadership competencies for the organization. Towards focusing on creating young and agile organisation the Company has recruited 16 GET's in Mahad factory.

The employees, as always remain the most valuable asset for the Company and the Company's thrust area is to attract, develop and retain talent. The Company continues to provide an environment of open culture and congenial work atmosphere and healthy industrial relations and is committed to provide the employee with a pragmatic workplace.

12. CONSOLIDATED FINANCIAL STATEMENT:

In accordance with the provisions of the Companies Act, 2013 ("the Act") and Ind AS 110 – Consolidated Financial Statement read with Ind AS - 28 Investments in Associates and Ind AS 31 – Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

13. SUBSIDIARIES & JOINT VENTURE:

The Company presently has following subsidiaries and joint Venture:

Sr. No.	Name & Country of Incorporation	Category
1	Laxmi Organic Industries (Europe) BV, Netherlands	Wholly Owned Subsidiary
2	Laxmi Petrochem Middle East FZE, Dubai	Wholly Owned Subsidiary
3	Cellbion Lifesciences Private Limited, India	Wholly Owned Subsidiary
4	Laxmi Lifesciences Private Limited, India	Wholly Owned Subsidiary
5	Viva Lifesciences Private Limited, India	Wholly Owned Subsidiary
6	Saideep Traders, India	Step Down Subsidiary
7	Suvas Holdings Limited, India	49% Joint Venture

The annual accounts of Subsidiary Companies are available for inspection by Shareholders at the registered office of the Company and interested Shareholders may obtain it by writing to the Company Secretary.

The financial information of the Subsidiaries and Joint Venture Companies as per Section 129(3) of the Act is set out as an ***Annexure "A"*** to this report.

14. SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

15. DIRECTORS:

Mr. Desh Verma (DIN 00064077) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

During the year the under review, Ms. Sangeeta Singh was appointed as an Woman Director on the Board of the Company w.e.f. September 4, 2017, who has been appointed as an Independent Director to hold office for the term of five years from the conclusion of 28th Annual General Meeting up to the conclusion of the 33rd Annual General Meeting of the Company in the Financial Year 2022-23. All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

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

15.1 Board Evaluation:

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees.

15.2 Meetings:

The details of various meetings of the Board and its committees are in Corporate Governance Report.

15.3 Committees of the Board:

The details of the various Committees constituted by the Board are given in Corporate Governance Report.

16. FIXED DEPOSITS:

During the year under review, the Company has not accepted any new fixed deposits from public.

17. INSURANCE:

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

18. RELATED PARTY TRANSACTIONS:

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

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

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

19. AUDITORS AND AUDITORS REPORT:

Under Section 139 of the Companies Act, 2013 and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said Section. The period of the office of M/s Natvarlal Vepari & Co., Chartered Accountants, expires at the conclusion of the ensuing 29th Annual General Meeting.

It is proposed to appoint M/s Natvarlal Vepari & Co., Chartered Accountants, as Statutory Auditors of the Company, for a term of 5 (Five) consecutive years. M/s Natvarlal Vepari & Co. have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers of employees, the details of which would need to be mentioned in the Board Report.

20. SECRETARIAL AUDITOR:

The Board has appointed M/s GMJ & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as ***Annexure"C"*** to this Report.

21. COST AUDITORS:

Pursuant to the Order dated June 30,2014 issued by the Ministry of Corporate Affairs (MCA), the Board, cost accounting records maintained by the Company is subject to audit by qualified Cost Auditors. Your Company has appointed M/s. B.J.D. Nanabhoy & Company, a firm of Cost Auditors for conducting the audit of such records and for preparing Compliance Report for the Financial Year 2018-19. The remuneration proposed to be paid to the Cost Auditor, subject to subject to ratification by the shareholders of the Company at the ensuing 29th Annual General Meeting would not exceed ₹ 135,000/-(excluding Taxes plus out of pocket expenses at actual, if any).

22. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Based on CSR policy adopted by the Board, the Company has taken various initiatives as part of its CSR activities. The major focus is on promoting Education, Community Development, Health & Sanitation and Skill Development etc. The Company has constituted a dedicated CSR Trust in the name of LAXMI FOUNDATION which was specifically formed by the Company to undertake CSR Activities. Some of the major CSR activities undertaken by the Company is as under:

- The Company has built a Community Development Centre in the village namely Asanpoi which is adjoining to the Company's Manufacturing Unit 2, and the same was well received by the village.
- The Company has collaborated with Mahad Manufacturers Association (MMA) whereby it is aiming to work jointly with MMA to impart employability skills to the people of Mahad so as to help them shape up for the future and gain meaningful employment.
- The Company has initiated a unique initiative of "Employee Volunteering" whereby the Sr. Officers from the Company regularly visits the local schools and are imparting lectures & sessions on the subjects which are not readily available to the Schools in terms of expertise.
- As a part of next year's CSR activity the Company is planning to launch a very unique Scholarship programme in the name of "Project e2e" whereby the Company is aiming to sponsor the education cost of few selected Students from Class 12 till their Graduation/Post-Graduation and thereafter based on the suitability, to offer them an opportunity/platform to work with the Company if they desire.
- The Company is also working on improving the quality of schooling at Mahad region whereby the Company is planning to tie-up with Rao Tutorials or any other Academy for making excellent special education available in Mahad for higher education.

The Annual Report on CSR activities is annexed herewith as ***Annexure"D".***

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as ***Annexure "E"*** and forms part of this Report.

24. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as ***Annexure"F"***.

25. PARTICULARS OF EMPLOYEES:

The Company being Unlisted Public Company, the disclosure requirement relating to Employees as required under Section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014, is not applicable. The information required pursuant to Rule, 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

26. CORPORATE GOVERNANCE REPORT:

In continuation of your Company's efforts towards good corporate practices and transparency, a Corporate Governance Report relating to the year under review is annexed as ***Annexure "G"*** herewith and forms part of this Report.

27. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual financial statements have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
6. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

28. GENERAL

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

29. ACKNOWLEDGEMENT:

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

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : June 20, 2018	Vasudeo Goenka	Ravi Goenka
Place : Mumbai	Chairman	Managing Director

ANNEXURE – A

FINANCIAL STATEMENT OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY AS PER COMPANIES ACT, 2013

Part A: Subsidiaries

(₹ in Mn)

1.	Name of the Subsidiary Company*	LOBV	CLPL	ST	VLPL	LLPL	LPMEF
2.	Financial Year ended on	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18
3.	Reporting Currency	EURO	INR	INR	INR	INR	AED
4.	Exchange Rate (in ₹)	80.62	1	1	1	1	17.745
5.	Capital	162.70	0.10	85.87	0.10	0.10	0.60
6.	Reserves	10.18	(4.24)	-	(0.07)	(0.07)	49.65
7.	Total Assets	503.79	84.54	196.65	0.04	0.04	141.32
8.	Total Liabilities	330.92	88.67	110.19	0.01	0.01	91.07
9.	Details of Investment	-	-	-	-	-	-
10.	Net Turnover	1,674.38	-	77.43	-	-	603.67
11.	Profit before taxation	40.62	(5.70)	(5.70)	0.01	0.01	(1.70)
12.	Provision for taxation	8.26	-	-	-	-	-
13.	Profit after taxation	32.36	(5.70)	(5.70)	0.01	0.01	(1.70)
14.	Proposed Dividend	-	-	-	-	-	-
15.	% of Share Holding	100%	100%	95%	100%	100%	100%
16.	Country of Incorporation	Netherland	India	India	India	India	Dubai

From the above, CLPL, VLPL & LLPL are yet to commence the operations.

Part B: Associate & Joint Ventures

	Name of Joint Venture*	SHL
1	Latest Audited Balance Sheet Date	31.03.2018
2	Shares of JV held by Company as on the year end No of Shares Amount of Investment in JV (in ₹ Mn) Extend of %	 6,521,932 65.22 49%
3	Description of How there is significant influence	There is significant influence due to percentage (%) of Share Capital.
4	Reasons why JV is not consolidated	N.A.
5	Net Worth attributable to Shareholding as per latest Audited Balance Sheet	63.91
6	Profit/Loss for the year i. Considered in Consolidation ii. Not considered in consolidation	 (0.16) -

*LOBV: Laxmi Organic Industries (Europe) B.V.; CLPL: Cellbion Lifesciences Private Limited; SHL: Suvas Holding Limited; ST: Saideep Traders; VLPL: Viva Lifesciences Private Limited; LLPL: Laxmi Lifesciences Private Limited; LPMEF: Laxmi Petrochem Middle East FZE

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : June 20, 2018
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

ANNEXURE - B

PARTICULARS OF RELATED PARTY TRANSACTIONS

Form No. AOC-2

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which are not at arm's length basis.

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

   The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows:

(in ₹ Mn)

Sr. No.	Name(s) of the Related Party and Nature of relation	Nature of contracts Arrangements/ transactions	Duration of contracts/ arrangements transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Brady Investments Pvt. Ltd.	Rent & Service Charges Payment	01/04/17 till 31/03/18	7.5	31/05/17	NIL	29/09/17
2	R. R. Investments & Estates Pvt. Ltd.			4.0		NIL	
3	Sherry Exports Pvt. Ltd.			0.5		NIL	
4	Laxmi Nathmal Goenka Charitable Trust	Payment of Donation		2.0		NIL	
5	Laxmi Foundation	Payment of Donation for CSR		Upto 2% of the Avg Net Profits of last 3 FY and unspent CSR Corpus if any of the previous financial years		NIL	
6	Laxmi Petrochem	Sale & Purchase of Goods, Material & Services & Payment of Commission		500.0		NIL	
7	Maharashtra Aldehydes and Chemicals Ltd.			5.0		NIL	
8	Laxmi Petrochem Middle East FZE			200.0		NIL	
9	Laxmi Organic Industries (Europe) B.V.			1700.0		NIL	
10	Saideep Traders			600.0		NIL	
11	Mahalaxmi Traders			50.0		NIL	
12	Wintech Systems	Rent Payment		0.3		NIL	
13	Zenith Distributors			0.3		NIL	
14	Merton Finance and Trading Pvt. Ltd.			0.2		NIL	
15	Mr. Harshvardan Goenka	Remuneration Payment		5.29	04/09/17	NIL	

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : June 20, 2018
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

ANNEXURE- C

SECRETARIAL AUDIT REPORT

Form No.MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
M/s. Laxmi Organic Industries Limited
A-22/2/3, MIDC, MAHAD, Raigad– 402309

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2018** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **LAXMI ORGANIC INDUSTRIES LIMITED** for the financial year ended on March 31, 2018, according to the provisions of:

i. The Companies Act, 2013 and the rules made thereunder.
ii. The Companies Amendment Act, 2017 (to the extent notified).
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.
v. Secretarial Standards I and II including the revised Standards effective from October 1st, 2017 issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

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

We report that based on the information provided and the Company, in our opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws general laws, rules, regulations and guidelines.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings and wherever necessary consent for shorter notice was given by Directors, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that :

1. The Company did not had a Women Director since July 21, 2016, however, Ms. Sangeeta Singh was appointed on September 4, 2017 as an Independent Women Director on the Board of the Company.
2. The Company has paid Remuneration to Managing Director and Whole Time Director beyond the limit specified in Section II Part II of Schedule V of Companies Act, 2013, however, the approval of Members for the same was obtained in Extra Ordinary General Meeting held on April 17, 2017.

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

For **GMJ & ASSOCIATES**
Company Secretaries

[SONIA CHETTAIR]
Mumbai PARTNER
FCS: 27582 COP: 10130

Mumbai
June 20, 2018

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

ANNEXURE A

To,

The Members,
M/s. LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3,MIDC MAHAD, Raigarh,
Mumbai – 402309.

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

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

For GMJ & ASSOCIATES
Company Secretaries

[SONIA CHETTAIR]
Mumbai PARTNER
FCS: 27582 COP: 10130

Mumbai
June 20, 2018

ANNEXURE D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	**A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**	The CSR Activities at Company will be carried out by the Company: a. By Company directly b. By Laxmi Foundation c. By Laxmidevi Nathmal Goenka Charitable Trust d. In collaboration with other Companies undertaking project in CSR activities. e. Contributions/donations to Organizations permitted under the applicable laws from time to time The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and thesame is placed on the Company's website and the weblink for the same is http://www.laxmi.com/about-us/csr.aspx
2.	**Composition of CSR Committee**	Mr. Vasudeo Goenka (Chairman – Non Independent) Mr. Ravi Goenka (MD - Non Independent) Mr. Rajeev Goenka - (Director - Non Independent) Mr. Omprakash V. Bundellu – Independent Director Mr. Radhesh Welling – (CEO & ED – Non Independent)
3.	**Average net profit of the Company for last three financial years**	₹ 539.68 Mn
4.	**Prescribed CSR expenditure (two % of the amount mentioned in item 2 above)**	₹ 10.79 Mn
5.	**Details of CSR spent during the financial year:**	
	Total amount to be spent for the financial year	₹ 21.49 Mn (₹ 10.79 Mn of FY 2017-18 + Unspent ₹ 10.70 Mn of FY 2016-17)
	Amount unspent, if any	₹ 15.61 Mn
	Manner in which the amount spent during the financial year	₹ 5.89 Mn Details given below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FY 2017-18

Sr. No.	CSR project or Activity	Location	Amount Outlay (Budget) Project or Program wise (₹ in Mn)	Amount spent on the Projects or Programs (₹ in Mn)	Cumulative Expenditure upto the reporting period i.e. FY 2016-2017 (₹ in Mn)	Amount Spent Direct or through Agency
1	Providing Medical Aid	Maharashtra	0.06	0.06	0.06	Directly
2	Promotion of Education	Maharashtra	1.09	1.09	1.09	Directly
3	Community Development Services	Maharashtra	3.18	3.18	0.09	Directly
4	Promotion of Sports	Maharashtra	0.03	0.03	0.03	Directly
5	Laxmi Foundation	Maharashtra	1.50	1.50	1.50	Directly
6	Environment	Maharashtra	0.04	0.04	0.04	Directly
		Total	**5.89**	**5.89**	**5.89**	

6.	**In case the Company has failed to spend the 2% of Average Net Profit of the last 3 financial years or any part thereof, the Company shall provide the reason for not spending the amount in Board's Report:**	The focus of the Company is on selecting and pursuing a CSR project which shall have long term viability and benefit to the needy. The Company has put its best efforts in evaluating various CSR Projects/Proposals that can be pursued by the Company. However none was found within the CSR norms and hence support worthy. Though the Company has not undertaken any structural long term CSR project in FY 2017-18, it has spent around ₹ 5.89 Mn out of ₹ 21.49 Mn (₹ 10.79 Mn of FY 2017-18 + Unspent ₹ 10.70 Mn of FY 2016-17) on various eligible CSR Activities as per CSR Policy. The Company is continuously putting its best efforts in evaluating various CSR projects, so as to identifythe long term CSR Project which will yield good results in enhancement of the socially responsible activities and which can be undertaken in FY 2018-19 either directly under "Laxmi Foundation" or with the help of NGOs. The Company is striving to push the CSR spend in FY 2017-18 and aims to spend the balance amount being ₹ 15.61 Mn, which is being added to the CSR Corpus of the FY 2018-19.
7.	**The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:**	The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Vasudeo Goenka
Chairman – CSR Committee

Ravi Goenka
Managing Director

ANNEXURE E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2018.

A. CONSERVATION OF ENERGY:

a) Efforts made for conservation of energy :-

1. Dedicated team has worked on to implementing various projects / initiatives relating to Thermal and Electrical energy saving which led to reduction in Steam consumption per day from 343 MT to 310 MT and reduction in Power consumption per MT of DK reduced from 2700 to 2300.
2. National energy conservation awareness programme conducted with various competitions for period 14th Dec-17 to 20th Dec-17.
3. Utility Systems up-gradation (like Brine and cooling water system) were undertaken during the year. Energy efficiency improvement was seen in each system.
4. Achieved an Energy efficiency improvement in cooling water systems to DK-II plant. Improvement in Tower effectiveness has increased from 37% to 47%.
5. Cogeneration power plant was utilized to achieve maximum output in the year. Specific power generation per MT of steam is improved from 126 to 132 units.
6. The Company is using Energy efficient technologies for new projects design & implementation.
7. The installation of Energy efficient Steam generator is under implementation.
8. Installation of energy efficient Brine systems and cooling towers for DK and INT process, which will reduce further electrical power consumption.
9. Projects were also identified for further energy conservation in thermal and electrical energy.
10. Awareness training was continuously being imparted to employees about need of energy conservation.

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

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

c) Capital investment on energy conservation equipment:- ₹ 104.4 Mn

d) Power & Fuel Consumption:

For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended March 2018	Year ended March 2017
1. **Electricity**			
Unit	KWH	53,531,265	49,963,541
Total Amount	₹ in Mn	423.06	422.33
Rate/Unit	₹/Unit	7.90	8.45
2. **Furnace Oil**			
Quantity	Ltr		-
Total Amount	₹ in Mn		-
Rate/Unit	₹/Ltr		-
3. **Coal**			
Quantity	MT	27,787	22,870
Total Amount	₹ in Mn	164.93	100.48
Rate/Unit	₹/Mt.	5936	4394
4. **C-9 Plus**			
Quantity	MT	418	459
Total Amount	₹ in Mn	13.61	12.87
Rate/Unit	₹/Mt.	32541	28038
5. **Baggase**			
Quantity	MT	23	3,726
Total Amount	₹ in Mn	0.08	12.56
Rate/Unit	₹/Mt.	3596	3370

I. OTHER INTERNAL GENERATION:

Particulars			March 2018	March 2017
1.	Power generated from Alternative Energy Sources:			
	Generated by Wind Mills in:			
	a. Karnataka*			
	Total Units	KWH.	1,881,623	1,590,659
	Rate/Unit	In ₹	6.38	5.61
	b. Maharashtra*			
	Total Units	KWH.	1,987,556	2,122,765
	Rate/Unit	In ₹	10.24	10.59

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

II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products			Year ended March 2018	Year ended March 2017
I.	**Ethyl Acetate**			
	(a) Electricity	Kwh/Mt.	45	71
	(b) Furnace Oil	Kg/Mt.	-	-
	(c) Coal	Kg/Mt.	18	19
	(d) Steam (From CPP)	Kg/Mt.	2.03	2.37
II.	**Diketene Derivative Products**			
	(a) Electricity	Kwh/Mt.	1345	1284
	(b) Coal	Kg/Mt.	816	628
III.	**Special Denatured Spirit**			
	(a) Molasses	Kg/Ltr.	380	358

B. TECHNOLOGY ABSORPTION

(a) Research & Development:

No.	Particulars	Details
1.	**Major efforts made towards technology absorption**	The company continues its efforts for new technologies in the following areas: ● **Process intensification:** Investments this year will yield benefits in the coming years. ● **Product optimization:** Large impact commercial products are being reviewed for improvements ● **New product development:** We are developing new intermediates for the life science, crop science and pigment industry.
2.	**Benefits derived as a result of the above R&D**	Creation of new technology platforms, giving the company access to more opportunities.
3.	**Information regarding imported technology (Imported during last three years)**	- N.A. -

The Company has incurred following expenditure on Research & Development.

(₹ in Mn)

Particulars		March 2018	March 2017
a)	Capital	58.45	0.04
b)	Recurring	20.68	20.14
Total (a + b)		**79.13**	**20.18**
Total R&D Expenditure as % of Total Turnover		0.62%	0.20%

(b) Technology Absorption, Adoption & Innovation: NIL

(c) Foreign Exchange Earning And Outgo:

(₹ in Mn)

Particulars	March 2018	March 2017
Foreign Exchange Earnings (In flow)	2730.34	2186.33
Foreign Exchange (Out go)		
a. Chemicals	6784.79	4965.06
b. Capital Goods	15.31	10.45

c. Expenses	391.78	278.20

ANNEXURE F

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS:	
Corporate Identity Number	U24200MH1989PLC051736
Registration Date	15-May-1989
Name of the Company	**Laxmi Organic Industries Limited**
Category/Sub-category of the Company	Company having Share Capital
Address of Registered Office and contact details	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309 T +91-2145-232424/232 F +91-2145-232203 www.laxmi.com
Whether Listed Company	No
Name, address and contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup – West, Mumbai – 400 078 Tel: 25963838 Fax: 25946969 Email: Mumbai@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITY OF THE Company:

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name & Description of Product / Service	NIC Code of the Product / Service*	% of total Turnover#
Ethyl Acetate	201- Manufacture of basic chemicals, fertilizers and nitrogen compounds, plasticand synthetic rubber in primary forms	48.84%
Acetic Anhydride		11.36%

** As per National Industrial Classification – Ministry of Statistics and Programme Implementation # On the basis of Gross Turnover*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

	Name & Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	Laxmi Organic Industries (Europe) BV BurgemeesterFeithplein 11, 2273 BZ, Voorburg, The Netherlands.	Foreign Company	Subsidiary	100	2(87)
2	Laxmi Petrochem Middle East FZE E-58G-12, Hamriyah Free Zone, Sharjah, UAE.	Foreign Company	Subsidiary	100	2(87)
3	Cellbion Lifesciences Pvt. Ltd. Chandermukhi Basement, Nariman Point, Mumbai–400021	U24233MH2007PTC170041	Subsidiary	100	2(87)
4	Laxmi Lifesciences Pvt. Ltd. 3rd Floor, Chandermukhi Bldg., Nariman Point, Mumbai–400021	U24233MH2013PTC245224	Subsidiary	100	2(87)
5	Viva Lifesciences Pvt. Ltd. 3rd Floor, Chandermukhi Bldg., Nariman Point, Mumbai–400021	U24100MH2013PTC245226	Subsidiary	100	2(87)
6	Saideep Traders C/o The Quality Iron & Steel Works Pvt. Ltd., 413/1, Gadmudshingi, Ghandhinagar Road, M. B. Lohia Industrial Estate, Kolhapur – 416119.	Partnership Firm	Subsidiary	95%	2(87)

7	Suvas Holdings Limited Chandermukhi Basement, Nariman Point, Mumbai – 400021.	U40300MH2000PLC128785	Joint Venture	49%	2(6)

IV. SHAREHOLDING PATTERN:

i) Category-wise Shareholding

Category of Shareholder	No of Share held at the beginning of the year				No of Share held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
a. Individual/HUF	8,362,259	50,500	8,412,759	84.05	462,535	13,000	475,535	4.75	(84.2)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp	-	188,000	188,000	1.88	188,000	-	188,000	1.88	-
e. Banks/FIs	-	-	-	-	-	-	-	-	-
f. Any Other (Trust)	-	-	-	-	8,037,224	-	8,037,224	80.30	100
Sub-total (A)(1)	**8,362,259**	**238,500**	**8,600,759**	**85.93**	**8,687,759**	**13,000**	**8,700,759**	**86.93**	1.00
(2) Foreign									
a. NRI-Individual	-	-	-	-	-	-	-	-	-
b. Others	-	-	-	-	-	-	-	-	-
c. Bodies Corp	-	-	-	-	-	-	-	-	-
d. Banks/FIs	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total Promoter Shareholding (A) = (A)(1)+(A)(2)	**8,362,259**	**238,500**	**8,600,759**	**85.93**	**8,687,759**	**13,000**	**8,700,759**	**86.93**	**1.00**
B. Public Shareholding									
1. Institutional									
a. Mutual Fund	-	-	-	-	-	-	-	-	-
b. Banks/FIs	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	1,005,802	1,005,802	10.05	-	1,005,802	1,005,802	10.05	(0.00)
i. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**1,005,802**	**1,005,802**	**10.05**	**-**	**1,005,802**	**1,005,802**	**10.05**	(0.00)
2.Non-institutions									
a. Bodies Corp									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. holding shares upto Rs.1 Lacs	10	26,500	26,510	0.26	10	26,500	26,510	0.26	-
ii. holding shares more than Rs.1 Lacs	-	376,010	376,010	3.76	-	276,010	276,010	2.76	(1.00)
iii. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**10**	**402,510**	**402,520**	**4.02**	**10**	**302,510**	**302,520**	**3.02**	**(1.00)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**10**	**1,408,312**	**1,408,322**	**14.07**	**10**	**1,308,312**	**1,308,322**	**13.07**	**(1.00)**

C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (A+B+C)	**8,362,269**	**1,646,812**	**10,009,081**	**100**	**8,687,769**	**1,321,312**	**10,009,081**	**100**	**-**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No of Share held at the beginning of the year			No of Share held at the end of the year			% change during the year
		No. of Shares	% of Shares	% of Shares Pledged	No. of Shares	% of Shares	% of Shares Pledged	
1	Vasudeo Goenka	895,526	8.95	-	5	0.00	-	(8.95)
2	Ravi Goenka	3,807,540	38.04	-	5	0.00	-	(38.04)
3	Rajeev Goenka	965,183	9.64	-	5	0.00	-	(9.64)
4	Manisha Goenka	788,010	7.87	-	5	0.00	-	(7.87)
5	Harshvardhan Goenka	281,000	2.81	-	5	0.00	-	(2.81)
6	Ravi Goenka HUF	425,000	4.25	-	425000	4.25	-	-
7	Niharika Goenka	470,000	4.70	-	5	0.00	-	(4.70)
8	Aditi Goenka	730,000	7.29	-	5	0.00	-	(7.29)
9	Rajeev & Manisha Goenka	13,000	0.13	-	13000	0.13	-	-
10	Aryavrat Goenka	37,500	0.37	-	37500	0.37	-	-
11	Brady Investments Pvt. Ltd.	188,000	1.88	-	188,000	1.88	-	-
12	Ravi Goenka as a Trustee of Yellow Stone Trust	-	-	-	8,037,224	80.30		80.30
	Total	**8,600,759**	**85.93**		**8,700,759**	**86.93**		**(79.30)**

iii) Change in Shareholding of Promoters

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	At the Beginning of the year	8,600,759	85.93	8,600,759	85.93
2	04-09-2017 (Transmission of Shares)	100000	1.00	8,700,759	86.93
3	At the end of year	8,700,759	86.93	8,700,759	86.93

iv) Shareholding Pattern of top ten shareholders (other than Directors/Promoters and holder of GDRs and ADRs)

Sr. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	International Finance Corporation (Washington DC)	1,005,802	10.05	1,005,802	10.05
2	Mrs. Hansa K. Agarwal & Mr. Kailash Agarwal (Bahrain)	192,000	1.92	192,000	1.92
3	Mr. Brij Mohan Mishra (US)	100,000	1.00	-	-
4	Mrs. Suman Mishra (US)	50,000	0.50	50,000	0.50
5	Mr. Nilesh Ruparel (UK)	12,500	0.12	12,500	0.12
6	Mr. Vishwas Kunte	11,500	0.11	11,500	0.11
7	Mr. Vishwas Kunte & Mrs. Aparna V. Kunte	10,000	0.10	10,000	0.10
8	Mr. Arun Keshav Dudhane	4,000	0.04	4,000	0.04

9	Mr. Satwik Mishra	2,500	0.02	2,500	0.02
10	Ms. Sukriti Mishra	2,500	0.02	2,500	0.02
11	Mrs. Meenu Satyakam Mishra	2,500	0.02	2,500	0.02
12	Mr. Satyakam Mishra	2,500	0.02	2,500	0.02

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of Shares	No. of Shares	% of Shares
Mr. Vasudeo Goenka, Chairman						
1	At the Beginning of the year		**895,526**	**8.95**	**895,526**	**8.95**
2	04/09/2017	Transmission	100.000	1.00	995,526	9.95
3	05/01/2018	Transfer	(100,000)	(1.00)	895,526	8.95
4	29/01/2018	Transfer	(895,521)	(8.95)	5	0.00
5	At the end of year		**5**	**0.00**	**5**	**0.00**
Mr. Ravi Goenka, Managing Director						
1	At the Beginning of the year		**3,807,540**	**38.04**	**3,807,540**	**38.04**
2	05/01/2018	Transfer	33,500	0.34	3,841,040	38.38
	29/01/2018	Transfer	788,005	7.87	4,629,045	46.25
	29/01/2018	Transfer	469,995	4.70	5,099,040	50.94
	29/01/2018	Transfer	380,995	3.81	5,480,035	54.75
	30/01/2018	Transfer	(5,480,030)	(54.75)	5	0.00
3	At the end of year		**5**	**0.00**		**0.00**
Mr. Rajeev Goenka, Managing Director						
1	At the Beginning of the year		**965,183**	**9.64**	**965,183**	**9.64**
2	05/01/2018	Transfer	(33,500)	(0.34)	931,683	9.31
	29/01/2018	Transfer	729,995	7.29	1,661,678	16.60
	31/01/2018	Transfer	(1,661,673)	(16.60)	5	0.00
3	At the end of year		**5**	**0.00**	**5**	**0.00**
Mr. Desh Verma, Director						
1	At the Beginning of the year		**10,010**	**0.10**	**10,010**	**0.10**
2	No Transaction		-	-	-	-
3	At the end of year		**10,010**	**0.10**	**10,010**	**0.10**
Mr. Omprakash V. Bundellu, Independent Director						
1	At the Beginning of the year		-	-	-	-
2	No Transaction		-	-	-	-
3	At the end of year		-	-	-	-
Mr. Manish Chokhani, Independent Director						
1	At the Beginning of the year		-	-	-	-
2	No Transaction		-	-	-	-
3	At the end of year		-	-	-	-
Mr. Radhesh Welling, Executive Director cum CEO						
1	At the Beginning of the year		-	-	-	-
2	No Transaction		-	-	-	-
3	At the end of year		-	-	-	-
Ms. Sangeeta Singh, Independent Director						
1	At the Beginning of the year		-	-	-	-
2	No Transaction		-	-	-	-
3	At the end of year		-	-	-	-
Mr. Partha Roy Chowdhury, Chief Finance Officer						
1	At the Beginning of the year		-	-	-	-
2	No Transaction		-	-	-	-

3	At the end of year	-	-	-	-
Mr. Aniket Hirpara, Company Secretary and Sr. Manager (Legal)					
1	At the Beginning of the year	-	-	-	-
2	No Transaction	-	-	-	-
3	At the end of year	-	-	-	-

V. INDEBTEDNESS:					
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
Particulars		**Secured Loan (₹ in mn)**	**Unsecured Loan (₹ in mn)**	**Deposits (₹ in mn)**	**Total (₹ in mn)**
Indebtedness at the beginning of the FY					
i	Principal Amount	969.06	54.57	-	**1,023.63**
ii	Interest due but not paid	4.73	-	-	**4.73**
iii	Interest accrued but not due	7.87	-	-	**7.87**
	Total	**981.66**	**54.57**	**-**	**1,036.23**
Change in indebtedness during the FY					
A	Addition	1,211.46	-	-	**1,211.46**
B	Deletion	271.60	14.78	-	**286.38**
C	Exchange Difference	6.43	-	-	**6.43**
	Net Change	**933.43**	**(14.78)**	**-**	**918.65**
Indebtedness at the end of the FY					
i	Principal Amount	1,902.49	39.79	-	**1,942.28**
ii	Interest due but not paid	9.49	-	-	**9.49**
iii	Interest accrued but not due	2.51	-	-	**2.51**
	Total	**1,914.49**	**39.79**	**-**	**1,954.28**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:				
A. Remuneration to Managing Director, Whole-time Director				(₹ in mn)
Particulars		**Mr. Ravi Goenka, Managing Director**	**Mr. Radhesh Welling, Executive Director & CEO**	**Total**
1. Gross Salary				
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30.49	22.00	**52.49**
b.	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	6.85	-	**6.85**
c.	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	**-**
2. Stock Option		-	-	**-**
3. Sweat Equity		-	-	**-**
4. Commission		-	-	**-**
	As % of Profits	-	-	**-**
	Others, Specify	-	-	**-**
5. Others, Specify (One Time Performance Bonus)		50.00	8.75	58.75
	Total – (A)	**87.34**	**30.75**	**118.09**

Ceiling as per Act	₹ 118.74 Mn (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). As required under rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has obtained requisite approval of members by passing Special Resolution at the Extra Ordinary General Meeting held on 18/06/2018, for making excess payment of remuneration, in case if any, beyond the beyond the limit specified in Section II Part II of Schedule V, without obtaining the approval of the Central Government in this regard for this year.

B. Remuneration to Other Directors:

1. Independent Directors: (₹ in mn)

Sr. No	Particulars	Mr. Omprakash V. Bundellu	Mr. Manish Chokhani	Total
1	Fees for attending Board/Committee Meetings	0.24	0.22	**0.46**
2	Commission	1.20	0.90	**2.10**
3	Others, Specify	-	-	**-**
	Total – (1)	**1.44**	**1.12**	**2.56**

2. Other Non-executive Directors:

Sr. No	Particulars	Mr. Vasudeo Goenka	Mr. Rajeev Goenka	Mr. Desh Verma	Ms. Anita Belani	Total
1	Fees for attending Board/ Committee Meetings	0.14	0.08	0.10	0.04	**0.36**
2	Commission	-	-	0.48	-	**0.48**
3	Others, Specify	-	-	-	-	**-**
	Total – (2)	**0.14**	**0.08**	**0.58**	**0.04**	**0.84**

*Appointed w.e.f 04/09/2018

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: (₹ in mn)

Sr. No	Particulars	Mr. Partha Roy Chowdhury, CFO#	Mr. Aniket Hirpara, CS & Sr. Manager (Legal)	Total
1	Gross Salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10.12	2.98	**13.10**
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.32	0.17	**0.50**
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		-	**-**
2	Stock Option		-	**-**
3	Sweat Equity		-	**-**
4	Commission		-	**-**
	As % of Profits		-	**-**
	Others, Specify		-	**-**
5	Others, Specify		-	**-**
	Total – (A)	**10.45**	**3.15**	**13.60**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Penalties/ Punishment / Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give Details)
A. Company:					

Penalty	None
Punishment	
Compounding	
B. Director:	
Penalty	None
Punishment	
Compounding	
C. Other Officers in Default:	
Penalty	None
Punishment	
Compounding	

ANNEXURE G

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

The Company's philosophy on Corporate Governance is 'To Attain Right Results Through Right Means' by conducting business in the most efficient, responsible, honest, transparent and ethical manner. Corporate Governance goes beyond compliance and it involves companywide commitment. This commitment starts with Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all its stakeholders. The Board has adopted a Board charter spelling out the role and responsibilities of the Board.

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity in the functioning of the Company is essential for the long term enhancement of the shareholders/stakeholders value and interest. It encompasses achieving the balance between shareholders' interest and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations. Corporate Governance is about commitment to values and about the ethical business conduct.

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

BOARD OF DIRECTORS:

a) Composition:

The Board of Directors includes the Executive, Non-Executive and Independent Directors so as to ensure proper governance and management.

The total strength of your Board comprises of Eight (8) Directors, which consists of One (1) Managing Director, One (1) Whole-time Director who are Executive Director, Three (3) Independent Directors and Three (3) Non-Executive Directors.

Mr. Vasudeo N. Goenka, Non-Executive Director is a founder promoter under whose chairmanship the rest of the Board is functioning. Mr. Ravi V. Goenka is a Managing Director and Mr. Radhesh Welling is a Whole-time Director of the Company, who are involved in the day-to-day management of the Company, subject to the supervision and control of the Board of Directors.

The Independent Directors on the Board are professionals, who are senior, competent and highly respected persons in marketing, finance and banking.

Directors	Category	No. Of Outside Directorship as on 31/03/2018	No. Of Outside Committee Positions	
			Member	Chairman
Mr. Vasudeo N. Goenka	Non-Executive Chairman	19	-	-
Mr. Ravi V. Goenka	Managing Director	18	-	-
Mr. Rajeev V. Goenka	Non-executive Director	19	-	
Mr. Radhesh Welling	Executive Director & CEO	-	-	-
Mr. Desh Verma	Non-Executive Director	6	-	-
Mr. Omprakash V. Bundellu	Independent Director	1	-	1
Mr. Manish Chokhani	Independent Director	10	11	1
Ms. Sangeeta Singh*	Woman Director	6	-	-

*Since September 4, 2017

Meetings:

The following table gives the details of Directors and their attendance in Board and General meetings held during the year ended March 31, 2018:

Directors	Attendance in Board Meetings during 2017-18					Previous AGM Attendance
	13/04/17	31/05/17	04/09/17	20/11/17	20/02/18	
Mr. Vasudeo N. Goenka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi V. Goenka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajeev V. Goenka	LOA	Yes	LOA	Yes	Yes	No
Mr. Radhesh Welling	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Desh Verma	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	Yes	Yes	No
Ms. Sangeeta Singh*	NA	NA	N.A.	Yes	Yes	N.A.

*Since September 4, 2017

COMMITTEES OF BOARD OF DIRECTORS:

The following are the Committees of the Board:

AUDIT COMMITTEE (Mandatory Committee as per Companies Act, 2013):

a) Constitution and Responsibility:

The Audit Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Section 177 of the Act. The terms of reference of the Audit Committee are as under:

Authority:

1. The Audit Committee is authorised by the Board to:
   (a) investigate any activity within its terms of reference;
   (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Audit Committee; and
   (c) call any director or other employee to be present at a meeting of the Audit Committee as and when required.
2. To obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Audit Committee.

Roles & Responsibility:

1. To recommend for the appointment, remuneration and terms of appointment and scope of work of auditors of the Company viz. Statutory Auditors, Internal Auditors, Cost Auditors, Tax Auditors, Secretarial Auditor.
2. To review and monitor the auditor’s independence and performance, and effectiveness of audit process.
3. To examine the financial statement (Annual, Half Yearly/Quarterly) and the auditors’ report thereon, with particular reference to:
   a. Matters that is required to be included in the Directors’ Responsibility Statement to be included in the Directors’ Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by the management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with other legal requirements relating to financial statements.
   f. Disclosure of related party transactions.
   g. Qualifications in draft audit report.
4. To approve or subsequently modify the transactions of the Company with related parties.
5. To scrutiny the inter-corporate loans and investments.

6. To carry out valuation of undertakings or assets of the Company, wherever it is necessary.
7. To carry out evaluation of internal financial controls and risk management systems.
8. To monitor the end use of funds raised through public offers and related matters
9. To establish vigil mechanism for directors and employees.
10. To discuss audit, control and risk issues with Statutory and Internal Auditors
11. To call for comments and deliberate with the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board.
12. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
13. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board (Vigil Mechanism).
14. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
15. To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
16. To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

b) Composition:

The Audit Committee presently comprises of three (3) Directors viz. Mr. Omprakash V. Bundellu, Mr. Manish Chokhani and Mr. Radhesh Welling.

Mr. Omprakash V. Bundellu is the Chairman of the present Audit Committee.

c) Meetings:

The Audit Committee met five times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2018:

Members	Audit Committee Meetings during 2017-18				
	13/04/17	31/05/17	04/09/17	20/11/17	20/02/18
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	Yes	Yes
Mr. Radhesh Welling	Yes	Yes	Yes	Yes	Yes

NOMINATION & REMUNERATION COMMITTEE(NRC) (Mandatory Committee as per Act):

a) Constitution and Responsibility:

The NRC has been entrusted with all the required authority and powers to play an effective role as envisaged under Section 178 of the Act. The terms of reference of the NRC are as under:

Authority:

1. The Committee is authorised by the Board to:
   (a) investigate any activity within its terms of reference;
   (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the NRC; and
   (c) call any director or other employee to be present at a meeting of the NRC as and when required.
2. To obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the NRC.

Roles & Responsibility:

I. Nomination:

1. To be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer.
2. To review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further to make determinations regarding independence of members of the Board.
3. To consider succession and emergency planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly.
4. To keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place.
5. Annual performance evaluation of the Chairman and Vice-Chairman in their respective offices and all Directors including Managing and other Executive Director with respect to their roles as Directors.
6. To ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings.
7. To recommend to the Board whether to reappoint a Director at the end of their term of office.
8. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract.
9. To identify and recommend Directors who are to be put forward for retirement by rotation.
10. Before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.
11. To ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board.
12. To consider any other matters as may be requested by the Board; and
13. To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

II. Remuneration:

1. To consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Key Managerial Personnel, namely,
   (i) base salary (the Committee shall also consider the pension consequences of basic salary increases);
   (ii) bonuses and performance-related payments (including profit-sharing schemes);
   (iii) discretionary payments;
   (iv) pension contributions;
   (v) benefits in kind; and
   (vi) share options and their equivalents
2. To approve the remuneration of other members of the senior management of the Company;
3. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and considering any other connection that they may have with the Company;
4. In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;

5. To consider any other matters as may be requested by the Board; and
6. To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

b) Composition:

The NRC presently comprises of three (3) Directors viz. Mr. Manish Chokhani, being the Chairman of the Committee and Mr. Omprakash V. Bundellu & Mr. Vasudeo Goenka as members.

c) Meetings:

The NRC met once during the year on 24/08/2017 and all the members have attended the same.

In addition to the NRC meetings as above, as per the requirement of section 149(8) of the Companies Act, 2013 read with Code for Independent Directors, the Company has convened a separate meeting consisting only of Independent Directors on May 18, 2017 whereby the Independent Directors have reviewed the following matters:

a. Review of performance of Non-independent Directors;
b. Review of Performance of Chairperson of the Company;
c. To assess quality, quantity and timeliness of flow of information between the Company, Management and Board;
d. Any reporting of deviation in the ethical or governance issues;
e. Any reporting of insider trading issues;
f. Any reporting on critical whistle blower incident

This meeting was required to be called once in a year as per the Companies Act, 2013 and was attended by both the Independent Directors. Non-independent Directors including the Company Secretary have not participated in this meeting. The Minutes of the Meeting were prepared by the Independent Directors and was kept confidential under the custody of Independent Directors as required under the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE (Mandatory Committee as per Act):

a) Constitution and Responsibility:

The CSR Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Section 135 of the Act. The terms of reference of the NRC are as under:

Authority:

1. The CSR Committee is authorised by the Board to:
   (a) investigate any activity within its terms of reference;
   (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the CSR Committee; and
2. To obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the CSR Committee

Roles & Responsibility:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause 1 above; and
3. To monitor, review, revise and update the Corporate Social Responsibility Policy of the company from time to time.
4. To define and institute a transparent monitoring mechanism for implementation of the CSR activities.

b) Composition:

The CSR Committee presently comprises of five (5) Directors viz. Mr. Vasudeo Goenka, being the Chairman of the Committee, Mr. Ravi Goenka, Mr. Rajeev Goenka, Mr. Omprakash V. Bundellu and Mr. Radhesh Welling as members.

c) Meetings:

The CSR met once during the year on 30/03/2018 and all the members have attended the same.

FINANCE COMMITTEE:

a) Constitution and Responsibility:

The Board has constituted the Finance Committee which looks at all matters relating to interest rate risk/FX risks/bank limits utilizations etc. This Committee is not mandatory as per the requirements of the New Companies Act, 2013, however in order to manage the risk on financial matter and to monitor and mitigate Forex and Interest Risks, the Board has constituted this Finance Committee. The Finance Committee As a risk mitigating measures on FX risks the Finance Committee monitors the hedge ratio of the FX exposure in EUR/USD from time to time and provide guidance. The Finance Committee take note of the various economic factors and interest rate movement in the market and after deliberations gives guidance on the interest rate risk measures and the bank limits are accordingly monitored from time to time. The terms of reference of the Finance Committee are as under:

Authority:

1. The Finance Committee is authorised by the Board to:
   (a) investigate any activity within its terms of reference;
   (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Finance Committee; and
   (c) call any director or other employee to be present at a meeting of the Finance Committee as and when required.
2. To obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Finance Committee.

Delegated Powers:

1. To identify Forex Risks (i.e. Foreign Exchange fluctuation risk, interest rate risk), Financial Risks and other Business Risks and suggest/implement mitigating measures to address the same.
2. To open/close bank accounts (current, cash credit, saving, fixed & recurring deposits, derivative trading etc.) and to avail various other incidental banking facilities (inter-changeability, net banking, phone banking etc.) offered by the Bank.
3. To approve and undertake an expenditure of general nature up to a maximum limit of ₹ 3.00 crore and to borrow money, if required from banks/financial institutions in this regard.
4. To approve and undertake expenditure of capital nature up to a maximum limit of ₹ 5.00 crore and to borrow money, if required from banks/financial institutions in this regard.
5. To approve any additional bank facility for working capital purpose and to accept, acknowledge and sign on behalf of the Board the sanction/facility letters of any amount, issued by Bankers/ Financial Institutions in this regard..
6. To invest the funds of the company up to a maximum limit of ₹ 10.00 crore.
7. To grant loans or give guarantee or provide security in respect of loans obtained by the company, subsidiary company, associate company, joint venture up to a maximum limit of ₹ 50.00 crore.
8. To authorise any officer of the Company for the following matters:
   a. To acquire any movable and immovable assets (property) on Leave & License, Lease or Hire Purchase basis.
   b. To deal with and execute various papers, deeds, agreements and documents with various Departments, Statutory or Local Bodies of the Central or State Government.
9. To authorise the employees/officers to handle and deal in legal matters, if any on behalf of the Company.

b) Composition:

The Finance Committee presently comprises three (3) members viz. Mr. Omprakash V. Bundellu, as the Chairman of the Committee and Mr. Ravi Goenka and Mr. Radhesh Welling as members.

c) Meetings:

The Finance Committee met four (4) times during the year and the following table gives the details of members and their attendance in Finance Committee meetings held during the year ended March 31, 2018:

Members	Finance Committee Meetings during 2017-18	
	Held	Attended
Mr. Omprakash V. Bundellu	4	4
Mr. Ravi Goenka	4	4
Mr. Radhesh Welling	4	4

ANNUAL GENERAL MEETINGS:

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

Year	Day, Date and Time	Location
2016-17 (28th AGM)	Friday, September 29, 2017 At 12.00 Noon	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2015-16 (27th AGM)	Thursday, September 29, 2016 At 12.00 Noon	
2014-15 (26th AGM)	Wednesday, September 30, 2015 At 12.00 Noon	

b. The following are the special resolutions passed at the AGM held in last three years:

Meeting	Subject matter of Special Resolution
2016-2017 (28th AGM)	1. Approval of remuneration to be paid to Cost Auditor 2. Appointment of Ms. Sangeeta Singh as Independent Director 3. Approval for revision in remuneration of Mr. Harshvardhan Goenka 4. Approval for revision in remuneration of Mr. Ravi Goenka 5. Approval for revision in remuneration of Mr. Radhesh Welling 6. Approval for related Party Transactions to be undertaken by the Company during FY 2017-18
2015–2016 (26th AGM)	1. Approval of remuneration to be paid to Cost Auditor 2. Approval for related Party Transactions to be undertaken by the Company during FY 2016-17 3. Approval for revision in remuneration of Mr. Harshvardhan Goenka
2014–2015 (26th AGM)	1. Approval of remuneration to be paid to Cost Auditor 2. Approval for related Party Transactions to be undertaken by the Company during FY 2015-16 3. Approval for revision in remuneration of Mr. Harshvardhan Goenka 4. Approval for revision in remuneration of Mr. Arun Keshav Dudhane 5. Approval for the appointment of Mr. Radhesh Welling as Director 6. Approval for the appointment of Mr. Radhesh Welling as Whole-time Director designated as Executive Director cum Chief Executive Officer (CEO)

EXTRA-ORDINARY GENERAL MEETING:

The Company has convened an Extra-ordinary General Meeting on April 17, 2017 to obtain the approval of the Members for the revision in payment of remuneration of Mr. Ravi Goenka, Mr. Radhesh Welling and Mr. Harshvardhan Goenka.

DEMATERIALISATION OF SHARE:

The Company has obtained electronic connectivity of National Securities Depository Limited (NSDL) to facilitate the members to hold their shares in demat mode. Accordingly, the members may now convert their physical share certificate into demat mode. The member may refer the following information while initiating the demat process:

ISIN Number	:	**INE576O01012**
Details of Share Transfer Agent	:	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup – West, Mumbai – 400 078 Tel: 25963838, Fax: 25946969, Email:Mumbai@linkintime.co.in

COMPANY IDENTIFICATION NUMBER (CIN):

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

SHAREHOLDERS INFORMATION:

Day, Date and Time of AGM	:	Monday, 24 September, 2018 at 12.00 NOON
Venue	:	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
Financial Year	:	April 1, 2017 to March 31, 2018
Record Date	:	Monday, 24 September, 2018
Registered Office	:	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
Compliance Officer	:	Aniket Hirpara, Company Secretary
E-mail Address	:	aniket.hirpara@laxmi.com
Website Address	:	www.laxmi.com

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : June 20, 2018
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

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STANDALONE

FINANCIAL RESULTS

2017-2018

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the Standalone Financial Statements:

We have audited the accompanying standalone Ind AS financial statements of Laxmi Organic Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of cash flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "Standalone Ind AS Financial Statements").

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The balance sheet, statement of profit and loss including the statement of other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS being Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 29 to the Standalone Ind AS Financial Statements.

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

      iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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ANNEXURE-A TO AUDITOR'S REPORT

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

(b) Fixed Assets have been physically verified by the management during the period and no material discrepancies were identified on such verification.

(c) We have verified the title deeds of immovable properties forming part of property, plant and equipment produced before us by the management and in respect of title deeds which were in possession of the bankers due to charge created, we have seen the documents of deposit of title deeds with the bankers.

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

(iii) The Company has not granted any loan secured or unsecured to any company, firm, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Therefore clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of Companies (Auditors Report) Order, 2016 are not applicable to the Company.

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

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

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

(vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities during the year. There are no dues which are outstanding for a period more than six months from the date they become payable except for ₹ 10,800/- pertaining to works contact tax. The same is being since paid by the Company.

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

Name of the Statute	Nature of the dues	Amount (₹ in Mn)	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Additions during assessments	0.15	AY 2012-13	CIT-Appeal
Income Tax Act, 1961	Additions during assessments	2.29	AY 2013-14	CIT-Appeal

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in payment of dues to the Financial Institution or Banks. Further, the Company has not obtained any borrowings by way of debentures.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Therefore clause 3(ix) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

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

(xi) The managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by Ind AS 24 – Related Party Disclosures of the Companies (Indian Accounting Standards) Rules, 2015.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him.

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

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Laxmi Organic Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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BALANCE SHEET AS AT MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	As At March 31, 2018	As At March 31, 2017	April 1, 2016
	ASSETS				
1	**Non-current assets**				
	(a) Property, plant and equipment	3	2,726.23	1,948.38	2,063.56
	(b) Capital work-in-progress		299.54	481.50	329.31
	(c) Other intangible assets	3	1.14	2.20	2.55
	(d) Financial assets				
	(i) Investments	4.1	42.51	89.35	83.40
	(ii) Trade Receivable	4.2	-	-	-
	(iii) Loans	4.3	91.05	84.47	81.54
	(iv) Others	4.5	1.22	1.38	5.61
	(e) Other non-current assets	5	191.62	202.01	106.15
			3,353.31	**2,809.31**	**2,672.13**
2	**Current assets**				
	(a) Inventories	7	1,228.30	636.87	1,081.25
	(b) Financial assets				
	(i) Investments	4.1	161.24	138.50	150.19
	(ii) Trade receivables	4.2	2,889.13	2,145.33	1,496.35
	(iii) Cash and cash equivalents	4.4	71.21	145.43	105.34
	(iv) Loans	4.3	2.71	1.58	99.94
	(v) Others	4.5	17.66	11.01	2.83
	(c) Other current assets	5	624.74	259.94	265.05
	(d) Assets held-for-sale	6	72.97	-	-
			5,067.96	**3,338.65**	**3,200.95**
	Total Assets		**8,421.27**	**6,147.95**	**5,873.08**
	EQUITY & LIABILITIES				
	Equity				
	Equity Share capital	8	100.09	100.09	100.05
	Other Equity	9	3,696.18	2,940.26	2,244.51
			3,796.27	**3,040.35**	**2,344.56**
	Liabilities				
1	**Non-current liabilities**				
	(a) Financial liabilities	10			
	(i) Borrowings	10.1	531.01	421.64	705.61
	(ii) Other financial liabilities	10.2	-	-	-
	(b) Provisions	11	18.47	17.39	11.02
	(c) Deferred tax liabilities (net)	12	158.78	90.20	174.06
	(d) Other non-current liabilities	13	5.33	4.39	4.97
			713.59	**533.62**	**895.66**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	14	1,179.95	371.84	970.11
	(ii) Trade payables	15	1,993.08	1,584.15	1,231.86
	(iii) Other financial liabilities	10.2	510.82	402.00	362.46
	(b) Provisions	11	10.49	8.68	8.24
	(c) Current Tax Liabilities (net)	16	160.09	100.81	-
	(d) Other current liabilities	13	56.98	106.51	60.18
			3,911.41	**2,573.99**	**2,632.85**
	Total Equity and Liabilities		**8,421.27**	**6,147.95**	**5,873.07**

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

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	Year ended March 2018	Year ended March 2017
I)	**INCOME:**			
	Revenue from operations (gross)	17	12,867.64	10,742.94
	Other income	18	38.28	22.27
	Total Income (I)		**12,905.92**	**10,765.21**
II)	**EXPENSES:**			
	Cost of raw materials consumed	19	6,590.90	5,711.61
	Purchase of traded goods	20	2,222.11	1,061.08
	Changes in inventories of Finished Goods,Work in progress and Stock in Trade	21	(10.18)	52.62
	Excise Duty		175.51	664.01
	Employee benefits expense	22	482.70	397.93
	Finance cost	23	85.32	106.43
	Depreciation & amortisation	24	288.14	272.66
	Other expenses	25	1,937.18	1,692.38
	Total expenses (II)		**11,771.68**	**9,958.72**
	Profit before tax (I-II)		**1,134.24**	**806.49**
	Tax expense	26	**366.97**	**98.72**
	1. Current tax		298.39	182.59
	2. Deferred tax liability / (asset)		68.58	-83.87
	Profit for the period from continuing operations		**767.27**	**707.77**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss Reameasurement of the net defined benefit (net of tax)		3.11	0.03
	Total other comprehensive income, net of tax		**3.11**	**0.03**
	Total comprehensive income for the year		**770.38**	**707.80**
	Earnings per equity share (nominal value of share ₹10/- each)			
	Basic (₹)	27	76.66	70.72
	Diluted (₹)		76.66	70.72

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

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		2017-18		2016-17	
A	**Cash flow from operating activities**				
	Profit / (Loss) before extraordinary items and tax		**1,134.24**		**806.49**
	Adjustments for:				
	Depreciation and amortisation expense	288.14		272.66	
	(Profit) / loss on sale / write off of assets	(0.14)		0.03	
	Finance costs	85.32		106.43	
	Interest income	(18.88)		(21.00)	
	Guarantee Commission	(0.58)		(0.48)	
	Amortisation of upfront fees	0.68		0.87	
	Provision for doubtful debts/Write off	0.36		24.11	
	Sundry balances written back	(8.29)		-	
	Net unrealised exchange (gain) / loss	(22.75)	323.86	(3.12)	379.50
	Operating profit / (loss) before working capital changes		**1,458.11**		**1,185.99**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(591.43)		444.38	
	Trade receivables	(744.16)		(679.80)	
	Financial Assets	(13.46)		99.74	
	Other Assets	(394.14)		(22.73)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Financial Liabilities	526.05		401.66	
	Non Financial Liabilties	(48.57)		134.11	
	Provisions	6.00	(1,259.70)	18.88	396.24
	Cash generated from operations		**198.41**		**1,582.23**
	Net income tax (paid) / refunds		(200.06)		(150.68)
	Net cash flow from / (used in) operating activities (A)		**(1.65)**		**1,431.55**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Capital expenditure on Property Pant and Equipment	(883.73)		(310.04)	
	Proceeds from sale of Property Pant and Equipment	0.90		0.68	
	Movement in Other Bank Balances	50.88		(59.89)	
	Purchase of long-term investments				
	- Joint ventures	-		(5.95)	
	Interest received	18.14		12.39	
	Net cash flow from / (used in) investing activities (B)		**(813.80)**		**(362.81)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares	-		0.04	
	Proceeds from Long term borrowings	400.00		-	
	Repayment of Long term borrowings	(289.48)		(366.82)	
	Net Proceeds from Short term borrowings	808.11		(598.27)	
	Finance costs	(85.91)		(111.45)	
	Dividends paid	(12.01)		(10.01)	
	Tax on dividend	(2.45)		(2.04)	
	Net cash flow from / (used in) financing activities (C)		**818.27**		**(1,088.54)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**2.82**		**(19.81)**
	Cash and cash equivalents at the beginning of the year		36.89		56.69
	Cash and cash equivalents at the end of the year		**13.55**		**36.89**

	2017-18	2016-17
Components of Cash and Cash Equivalents		
Cash on Hand	2.49	1.21
Balances with Bank	11.06	35.68
Total Balance	**13.55**	**36.89**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

(iii) Figure in brackets denote outflows

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 Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of Shares	₹	Number of Shares	₹	Number of Shares	₹
Subscribed and Fully Paid up Capital						
Equity shares of INR 10 each						
Opening Balance	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Changes in equity share capital during the year	-	-	4,000	0.04	-	-
Closing Balance	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Employee Stock Option	Total
INDAS balance as at April 1, 2016	**1,369.85**	**5.50**	**500.08**	**368.05**	**1.02**	**2,244.49**
Profit for the year	707.77					707.77
Dividend Paid	(10.01)					(10.01)
Dividend Distribution Tax	(2.04)					(2.04)
Re-measurement of net defined benefit plans	0.03					0.03
On issue of equity shares under ESOP			1.02		(1.02)	-
Balance as at 31 March 2017	**2,065.61**	**5.50**	**501.10**	**368.05**	**-**	**2,940.25**
Profit for the year	767.27					767.27
Dividend Paid	(12.01)					(12.01)
Dividend Distribution Tax	(2.45)					(2.45)
Re-measurement of net defined benefit plans	3.11					3.11
Balance as at 31 March 2018	**2,821.52**	**5.50**	**501.10**	**368.05**	**-**	**3,696.18**

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
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Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1 Corporate Information :

Laxmi Organic Industries Limited (LOIL) is the Goenka Group's flagship company, established in 1989 and is in the business on 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. LOIL is currently the only manufacturer of DDP in India.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 20, 2018.

2 Significant Accounting Policies :

2.1. Basis of preparation of Financial Statements:

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

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 Use of estimates :

The preparation of the financial statememts in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates,judgements 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 finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.3 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) :

i 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.

ii 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.

iii Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

iv Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

v 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.

vi 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.

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

viii 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) Leased Assets :

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies

Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

d) 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.

e) 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 Pant and Equipment of Distillery unit at Satara which is calculated on straight line method on a pro-rata basis calculated as per usefullife of assets mentioned in Schedule II to the Companies Act, 2013.

Lease hold land is amortized over the period of Lease.

f) 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.

g) 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).

h) 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 & semifinished goods :

Finished Goods & semifinished 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 realisble value.

v Traded Goods :

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

i) 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.

j) 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 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 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.

k) 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.

l) Provisions, Contingent Liabilities and Contingent Assets :

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 EIR of the respective company.

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.

iii 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.

m) 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.

n) 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.

o) 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."

p) 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:

Financial liabilities at fair value through profit or loss

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.

C 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.

D 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.

q) Revenue Recognition :

i 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 measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

ii Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods.

iii 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.

iv The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

v Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

vi Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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 Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

ix 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.

r) Employee benefits :

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The

Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits :

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

Termination benefits are recognized as an expense in the period in which they are incurred.

s) 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.

t) Leases :

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Operating lease :

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increase.

Finance leases :

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

u) 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.

v) 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.

w) 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.

x) 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.

y) Government Grants :

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

- Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the Statement of Profit and Loss in a systematic basis over the expected life of the related assets and presented within other income.
- Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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3. Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

A. Property, plant and equipment

(₹ in Mn)

PARTICULARS	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equip-ments	Compu-ters	Air Condi-tioner	Vehicles	Storage terminal	Windmill	Tangible Total	Intangible -Technical Know-how & Non Compete Fees
Cost													
As at 1st April 2016 (refer note iii)	29.06	230.24	204.54	1,541.80	13.83	2.44	4.99	0.91	13.37	0.07	**22.31**	**2,063.56**	**2.55**
Additions	0.30	11.58	-	125.85	0.20	0.75	0.83	0.09	17.06	-	**-**	**156.66**	**1.19**
Disposals/Adjustments	-	-	-	-	-	1.67	-	-	2.90	-	**-**	**4.57**	**-**
As at 31st March 2017	**29.36**	**241.82**	**204.54**	**1,667.65**	**14.03**	**1.52**	**5.82**	**1.00**	**27.53**	**0.07**	**22.31**	**2,215.65**	**3.74**
Additions	-	100.03	23.12	879.54	23.18	7.65	2.55	0.41	29.04	-	-	1,065.52	0.17
Disposals/Adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.14**	**-**	**-**	**3.14**	**-**
As at 31st March 2018	**29.36**	**341.85**	**227.66**	**2,547.19**	**37.21**	**9.17**	**8.37**	**1.41**	**53.43**	**0.07**	**22.31**	**3,278.03**	**3.91**
Depreciation													**-**
Charge for the Year	0.77	24.33	9.94	221.85	3.71	1.16	2.46	0.33	4.13	-	**2.45**	**271.13**	**1.53**
Disposals/Adjustments	-	-	-	-	-	1.56	-	-	2.30	-	-	3.86	-
As at 31st March 2017	**0.77**	**24.33**	**9.94**	**221.85**	**3.71**	**-0.40**	**2.46**	**0.33**	**1.83**	**-**	**2.45**	**267.27**	**1.53**
Charge for the Year	0.76	24.58	12.06	225.68	5.87	2.41	2.35	0.31	10.71	-	2.18	286.91	1.24
Disposals/Adjustments	-	-	-	-	-	-	-	-	2.37	-	-	2.37	-
As at 31st March 2018	**1.53**	**48.91**	**22.00**	**447.54**	**9.58**	**2.01**	**4.81**	**0.64**	**10.17**	**-**	**4.62**	**551.81**	**2.77**
NET BLOCK													**-**
As at 31st March 2017	**28.58**	**217.49**	**194.60**	**1,445.79**	**10.32**	**1.92**	**3.36**	**0.67**	**25.70**	**0.07**	**19.87**	**1,948.38**	**2.20**
As at 31st March 2018	**27.82**	**292.94**	**205.66**	**2,099.66**	**27.63**	**7.16**	**3.56**	**0.77**	**43.26**	**0.07**	**17.69**	**2,726.23**	**1.14**

Note:

i) 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.

The Gross Block under each of the heads of Fixed Assets relating to the aforesaid BOT agreement is as follows:-

(₹ in Mn)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Factory Building	13.83	13.83	13.83
Plant & Machinery	116.22	116.22	116.22
Furniture & Fixture	0.16	0.16	0.16
Office Equipment	0.02	0.02	0.02
Computers	0.07	0.07	0.07
Total	**130.30**	**130.30**	**130.30**

iii. For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 -First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016, is as below:

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(₹ in Mn)

Particulers	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Air Condi-tioner	Vehicles	Storage terminal	Windmill	Tangible Total	Intangible
Gross block	31.71	384.76	236.86	2,955.27	50.85	10.43	33.25	8	40.13	1.39	**121.83**	**3,874.35**	**17.61**
Less : Accumulated depreciation	2.65	154.53	32.32	1,409.06	37.03	8.00	28.26	7	26.77	1.32	**99.52**	**1,806.42**	**15.06**
Less : IND As impact	-	-	-	4.40	-	-	-	-	-	-	**-**	**4.40**	**-**
Net block	**29.06**	**230.23**	**204.54**	**1,541.81**	**13.82**	**2.43**	**4.99**	**0.91**	**13.36**	**0.07**	**22.31**	**2,063.53**	**2.55**

iv) Under Previous GAAP, the Company has exercised the option under para 46(A) of Accounting Standard- 11 "The Effects of Changes in Foreign Exchanges Rates". Exchange differences for ₹ 6.43/- million (loss) (Previous Year: ₹ 11.28 /- million profit) arising on long term foreign currency loan for acquiring property Pant and Equipment at rates different from those at which these were initially recorded, have been added to the cost of Property Pant and Equipment and shall be depreciated over the balance life of Property Pant and Equipment. Depreciation has been provided for the year under report.

The Company has availed exemption under para D13AA, and continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

v) Details of Additions made during te year w.r.t Research and Development

Particulars	2017-18	2016-17
Non Factory Building	23.12	-
Plant and Machinery	28.39	0.04
Computers	0.83	-
Office Equipment	1.56	-
Furniture and Fixtures	4.39	-
Intangibles	**0.15**	**-**
Total	**58.44**	**0.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

(₹ in Mn)

4 Financial Assets	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.1 A Investments in Subsidiaries, Joint Ventures and Associates (Unquoted at cost)						
i) Equity Instrument of Subsidiaries						
Laxmi Organic Industries BV of Euro 100 each (180 shares (March 31, 2017: 180 Shares, April 1, 2016: 180 Shares))	1.26	1.26	1.26	-	-	-
Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2017: 34 Shares, April 1, 2016: 34 Shares))	1.10	1.10	1.10	-	-	-
Cellbion Lifesicence Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	39.95	39.95	39.95	-	-	-
Laxmi Lifescience Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	0.10	0.10	0.10	-	-	-
Viva Lifescience Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2017: 10,000 Shares, April 1, 2016: 10,000 Shares))	0.10	0.10	0.10	-	-	-
ii) Investments in of Joint Ventures - Jointly controlled Entities						
40,65,947 (As at 31 Mar 2016 : 34,70,930) shares of Rs 10 each fully paid up in Suvas holding limited	-	46.84	40.89	-	-	-
iii) 4% Cumulative Reedemable Preference Shares						
Laxmi Organic Industries BV of Euro 20,00,000 each (1 share (March 31, 2017: 1 Share, April 1, 2016: 1 Share))	-	-	-	161.24	138.50	150.19
Total	**42.51**	**89.35**	**83.40**	**161.24**	**138.50**	**150.19**

a) Laxmi Organic Industries (Europe) BV has issued One Cumulative Preference Share to Laxmi Organic Industries Limited @ 20,00,000 Euro Reedemable on August 28, 2018. The above preference Shares carry dividend coupon rate of 4%.

b) Movement on account of INDAS Adjustment

(₹ in Mn)

Particulars	Investment as per IGAAP	Fair Value of Interest Free Loans	Investment as per INDAS
Cellbion Life Science Private Limited:			
As at April 1, 2016	0.10	39.85	39.95
As at March 31, 2017	0.10	39.85	39.95
As at March 31, 2018	0.10	39.85	39.95

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.2 Trade Receivables						
(Unsecured, at amortised cost)						
i) Considered good	-	-	-	2,889.13	2,145.33	1,496.35
ii) Considered doubtful	-	-	-	4.02	11.28	6.30
Less: Allowance for Life Time Credit Loss	-	-	-	(3.46)	(11.07)	(6.02)
				2,889.69	**2,145.54**	**1,496.63**
Less:- Allowance for Expected Credit Loss	-	-	-	(0.56)	(0.20)	(0.27)
Total	-	-	-	**2,889.13**	**2,145.33**	**1,496.35**

Expected Credit Loss Note

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 historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts at every year end.

a) Movement in Allowance for Credit Loss

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of the period	11.28	6.29	-
Addition during the year	-	4.98	6.29
Reversal during the year	(7.26)	-	-
Provision at the end of the period	**4.02**	**11.28**	**6.29**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.3 Loans and Advances (at amortised cost)						
(Unsecured, Considered good)						
i) Security Deposit	29.10	29.49	32.75	-	-	-
ii) Loans to Related Party	61.95	54.98	48.79	-	-	99.94
iii) Other receivable from related party	-	-	-	2.71	1.58	-
	91.05	**84.47**	**81.54**	**2.71**	**1.58**	**99.94**
Details of Related Party:						
Celbion LifeSciences Private Limited	61.95	54.98	48.79	-	-	-
Laxmi Petrochem Middle East (FZE)	-	-	-	2.71	-	99.94
Saideep traders	-	-	-	-	1.58	-

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.4 Cash and Bank Balances						
A Cash and cash equivalents						
i) Balances with banks	-	-	-	11.06	35.68	55.02
ii) Cash on hand	-	-	-	2.49	1.21	1.67
Total	**-**	**-**	**-**	**13.55**	**36.89**	**56.69**
B Other bank balances						
i) Fixed Deposit as margin for BG issued	-	-	-	57.66	108.54	48.65
Total	-	-	-	**57.66**	**108.54**	**48.65**
Grand Total	-	-	-	**71.21**	**145.43**	**105.34**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.5 Other Financial Assets						
(Unsecured considered good unless otherwise stated)						
i) Advance to Staff	1.22	1.38	2.34	6.75	1.29	1.59
ii) Interest accrued receivable						
From related parties	-	-	-	9.24	9.21	-
From Banks	-	-	-	0.24	0.51	1.11
From others	-	-	-	0.98	-	-
iii) Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	-	3.27	-	-	-
iv) Insurance Claim Receivable	-	-	-	0.45	-	0.13
	1.22	**1.38**	**5.61**	**17.66**	**11.01**	**2.83**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
5. Other Assets						
i) Capital Advance	87.69	51.12	28.79	-	-	-
ii) Prepaid expenses	0.25	0.28	0.76	14.68	17.34	16.75
iii) Prepaid Upfront fees	0.80	1.48	2.36			
iv) Prepaid Rent	5.26	-	-			
v) Prepaid taxes (net of provisions)	37.62	76.67	7.77	-	-	-
vi) Balance with Government Authorities	57.57	72.46	66.47	225.49	68.91	150.06
vii) Advance to Suppliers						
- Considered good	-	-	-	343.34	154.94	66.37
- Considered doubtful	-	-	-	27.72	27.72	11.83
	-	-	-	371.06	182.66	78.20
Less: Impairment of doubtful advances	-	-	-	27.72	27.72	11.83
	-	-	-	343.34	154.94	66.37

(₹ in Mn)

viii) Export Incentive receivable	-		-	13.21	14.60	2.33
ix) Export Licenses on hand				27.99	4.12	27.65
x) Other Receivables	-	-	-	0.03	0.03	1.89
xi) Advance Gratuity	2.43	-	-	-	-	-
Total	**191.62**	**202.01**	**106.15**	**624.74**	**259.94**	**265.05**

	As at			As at		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	Non- Current			**Current**		
6. Assets held-for-sale						
i) Equity Instruments of Joint Venture Suvas Holding of Rs 10 each (65,21,932 shares (March 31, 2017: 40,65,947 Shares, April 1, 2016: 34,70,930 Shares))	-	-	-	72.97	-	-
Total	**-**	**-**	**-**	**72.97**	**-**	**-**

(a) Company has entered into share purchase agreement dated June 5, 2017 to sell 65,21,932 equity shares of Suhas Holding Limited to Ravi Goenka and Rajeev Goenka (12,24,991 and 36,74,974 Shares respectively). The considration for the shares is ₹ 10 per equity share which is arrived based on the valuation report of shares dated January 31,2017. However, the aforesaid transfer is pending as on March 31, 2018 on account of approval / clearance from the lenders of Suhas Holdings Limited.

(b) Details Of Loans Given, Investments Made And Guarantee Given Covered U/S 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2018 of the Loans, Investments and Guarantees have been given by the Company to the Subsidiary Companies and Joint Venture Company:

Sr. No.	Name of Party	Nature	Purpose	2017-18	2016-17	2015-16
1	Suvas Holdings Limited - JV	Investment	Equity contribution pursuant to JV Agreement	24.56	-	-
2	Suvas Holdings Limited - JV	Corporate Guarantee	Addition Guarantee for addition equity contribution as above	26.02	-	-
3	Laxmi Organic Industries (Europe) B.V.- WOS	Investments	Infusion of Preference share capital	-	-	150.19
4	Laxmi Organic Industries (Europe) B.V.- WOS	Corporate Guarantee	To secure the payment of money for the goods to be purchased by WOS from Eastmen Chemicals B.V.	-	69.25	112.64
5	Laxmi Petrochem Middle Ease FZE- WOS	Loan	To support business operations of WOS	-	-	99.94

a) Movement on account of INDAS Adjustment

Particulars	Investment as per IGAAP	Fair Value of financial guarantee	Investment as per INDAS
Suvas Holding:			
As at April 1, 2016	34.71	6.18	40.89
As at March 31, 2017	40.66	6.18	46.84
As at March 31, 2018	65.22	7.75	72.97

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
	Current		
7. Inventories			
(at lower of cost and net realisable value)			
a) Raw material	963.68	381.85	764.94
b) Work-in-progress	42.82	30.31	34.25
c) Finished goods	121.89	143.30	205.46
d) Consumable Stores and spares	71.83	63.28	58.96
e) Fuels and consumables	18.46	10.43	14.35
f) Packing Material	6.05	4.90	3.05
g) Trading	3.57	2.80	0.24
	1,228.30	**636.87**	**1,081.25**

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
8. Equity Share capital			
i) Authorised shares :			
2,10,00,000 (March 31, 2017 : 2,10,00,000; April 1, 2016 : 2,10,00,000) Equity Shares of ₹ 10/- each	210.00	210.00	210.00
Total	**210.00**	**210.00**	**210.00**
ii) Issued and subscribed and paid-up shares :			
1,00,09,081 (March 31, 2017 : 1,00,09,081; April 1, 2016 : 1,00,05,081) Equity Shares of ₹ 10/- each	100.09	100.09	100.05
Total paid-up share capital	**100.09**	**100.09**	**100.05**

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

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Issued during the period	-	-	4,000	0.04	-	-
Balance, end of the period	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10/- 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.

c) Details of shares held by each shareholder holding more than 5% shares:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	%	Number of shares	%	Number of shares	-
Shri V.D. Goenka	5	0.00%	895,526	8.95%	1,685,739	16.85%
Shri Ravi Goenka	5	0.00%	3,807,540	38.04%	1,399,510	13.99%
Shri Rajeev Goenka	5	0.00%	965,183	9.64%	1,323,000	13.22%
Smt. Manisha R. Goenka	5	0.00%	788,010	7.87%	788,010	7.88%
Smt. Aditi Goenka	5	0.00%	730,000	7.29%	730,000	7.30%
Miss Avantika Goenka	-	0.00%	-	0.00%	1,260,000	12.59%
Ravi Goenka Trustee of Yellow Stone Trust	8,037,224	80.30%	-	0.00%	-	0.00%
International Finance Corporation (Washington D.C.)	1,005,802	10.05%	1,005,802	10.05%	1,005,802	10.05%

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
9. Other Equity			
i) Retained Earnings	2,821.52	2,065.61	1,369.85
ii) Employee Stock Option	-	-	1.02
iii) General Reserve	368.05	368.05	368.05
iv) Security Premium Reserve	501.10	501.10	500.08
v) Capital Reserve	5.50	5.50	5.50
	3,696.18	**2,940.26**	**2,244.51**

Note on creation of Reserves :

i) The Capital Reserve is special capital incentive, a government grant, received by the Company for setting up of a Unit in backward area. There are no condition to be satisfied and the Capital Reserve is retained as such.

ii) The General Reserve is created to comply with The Companies (Transfer of Profit and Reserve rules 1975).

iii) Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

iv) Employee Stock Option Scheme

a) The Nomination and Remuneration Committee (NRC) of the Board at its meeting held on 29 January 2015 has granted 3,000 options to one of the directors of the Company under Employee Stock Option Scheme 2014. Each Option is convertible into one equity share of ₹ 10/- each of the Company at a price of ₹ 10/- per share, being the exercise price determined by the NRC. The options granted would be vested over a period of one year from the date of the grant.

In February 2016, 1000 options were, further, granted to the director which were to vest simultaneously with the original options. The fair value of these options are considered same as that of the original options. Therefore, the options are valued at same price.

b) The Company, based on the valuation carried out by an Independent Valuer, has considered fair market value at ₹ 264/- per share. Accordingly, the Company has accounted the ESOP Compensation Cost on Intrinsic value Method as per the Guidance Note "Employee Share based Payments".

The total deferred compensation cost of ₹ 10,16,000/- as determined with the aforesaid Guidance Note was amortised over the vesting period. The impact of the same on its earning per share is disclosed separately, in accordance with Aounting Standard-20 on Earnings Per

Share.

c) Employee stock options details during the period and as at Balance Sheet date is as follows:

Particulars	During the year ended 31 March 2018		During the year ended 31 March 2017	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	-	-	4,000	10
Granted during the year:	-	-	-	
Vested during the year:	-	-	-	
Exercised during the year:	-	-	4,000	10
Lapsed during the year:	-	-	-	
Options outstanding at the end of the year:	-	-	-	
Balance exercisable	-	-	-	-
Intrinsic Value		-	-	264

The Valuer has used Discounted Cash Flow Method for valuation of options.

d) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	March 31, 2017
Profit / (Loss) (as reported)	707.77
Add / (Less): stock based employee compensation (intrinsic value)	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	-
Net Profit / (Loss) (proforma)	707.77
Basic earnings per share (as reported)	70.72
Basic earnings per share (proforma)	70.72
Diluted earnings per share (as reported)	70.72
Diluted earnings per share (proforma)	70.72

e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Risk Free Interest Rate	7.80%	7.80%
Options	1000	1000
Expected Annual Volatility of Shares	0.01%	0.01%
Grant date	03/02/2016	03/02/2016
Vesting date	31/03/2016	31/03/2016
Fair value of share price	₹ 255	₹ 255
Exercise price	₹ 10	₹ 10

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
10. Financial Liabilities (at amortised cost)						
10.1 Long term Borrowings						
a) Term loans :						
Rupee Term Loan from Bank	311.11	-	23.07	88.89	-	3.08
Foreign Currency Loan from Bank	-	-	74.96	-	73.27	149.91
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	195.13	324.19	464.33	130.09	129.68	132.67

(₹ in Mn)

	Rupee Term Loan from NBFC	-	63.81	93.57	-	11.05	8.03
(b)	**Vehicle loans :**						
	Vehicle Loans - Other than Bank	2.72	0.35	1.61	1.09	1.37	1.99
(c)	**Government Grant**	22.05	33.29	48.07	11.24	14.78	17.32
					231.31	**230.15**	**313.00**
	Less: Disclosed in Other Current Financial Liabilities	-	-	-	(231.31)	(230.15)	(313.00)
		531.01	**421.64**	**705.61**			
	The break-up of above:						
	Secured	508.96	388.35	657.54	220.07	215.36	295.68
	Unsecured	22.04	33.29	48.07	11.24	14.78	17.32
		531.01	**421.64**	**705.61**	**231.31**	**230.14**	**313.00**

Notes:

i) Term loan as at April 1, 2016 includes loan guaranteed by directors of the Company amounting to ₹ 98.03 million.

ii) **Rupee Term Loan :**

Security Rupee Term Loan (HDFC Bank Ltd) and Foreign Currency loan from banks (Citi Bank NA, Jersey) & Multi Lateral Agency (I.F.C., Washington DC)

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 MIDC, B-3/1/2 Mahad Industrial Area, Dist Raigad Maharashtra.

b) First Charge on all Assets of Diketene Project situated at B/2/2,B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area, District. Raigad Collateral: Second pari passu charge on entire current assets of the Company.

iii) **Repayment Schedule Foreign Currency Term loans from banks (Citi Bank NA, Jersey):** 15 equal quarterly installments in Foreign Currency will start from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

iv) **Repayment of 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.

v) **Rupee Term loans from banks (HDFC Bank Ltd):**

Tenure of Loan : Max 60 Months Repayment : 18 Equal Quaterly Installments after a moratorium period of 6 months from the date of 1st disbursement Interest : Linked with HDFC Bank 1 Year MCLR + 35 bps.

vii) There are multiple Interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ₹ 33.29/- million as at March 31, 2018 (Previous Year ₹ 48.07/- million). The first installment date was May 2009 and last terminal date is May 2023.

viii) Vehicle loans are secured against the same vehicle for which loan is taken. Charge on the Vehicle taken during the year is yet be registered.

ix) **Maturity Profile of Long term Borrowings:**

(₹ in Mn)

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Instalment payable within one year	231.31	230.14	313.00
Instalment payable between 1 to 2 years	228.87	153.73	232.85
Instalment payable between 2 to 5 years	298.90	264.68	427.92
Instalment payable beyond 5 years	3.24	3.24	44.84
Total	**762.32**	**651.79**	**1,018.61**

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
10.2 Other Financial Liabilities (at amortised cost)						
i) Current maturity of long term borrowings	-	-	-	231.31	230.15	313.00
ii) Advance received sale of Investments(**)				56.60	-	-
iii) Payable for Capital Goods	-	-	-	69.23	62.22	20.54
iv) Interest accrued and not due	-	-	-	9.49	7.87	8.50
v) Interest accrued and due to Bank(*)				2.51	4.73	9.12
vi) Deposit received	-	-	-	10.20	11.00	10.80
vii) Staff Salary and other Payable				131.41	86.03	0.50
viii) Amount payable on hedging transactions				0.07	0.00	0.00
Total	**-**	**-**	**-**	**510.82**	**402.00**	**362.46**

(*) Interest accrued and due as at March 31, is debited by bank in first week of April.

(**) Refer Note 6(a) for Advance received for sale of investment.

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
11 Provisions						
i) Provision for employee benefits :						
Leave Encashment	18.47	17.39	11.02	4.26	3.45	3.15
Gratuity	-	-	-	-	0.42	1.07
ii) Provision for Sales Return	-	-	-	6.23	4.81	4.02
Total	**18.47**	**17.39**	**11.02**	**10.49**	**8.68**	**8.24**

(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, 2018	4.81	17.17	15.75	6.23
March 31, 2017	4.02	21.04	20.25	4.81

(b) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits- Gratuity.

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 drawn salary) for each completed year of service restricted to ₹ 20 lacs (previous year ₹ 10 lacs). 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 follow:

(₹ in Mn)

	Particulars	As on March 31, 2018	As on March 31, 2017
a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	23.44	19.73
	Current Service Cost	3.56	2.95
	Interest Cost	1.59	1.48
	Actuarial (Gain) /Loss-Other Comprehensive Income	(3.11)	(0.03)
	Past Service Cost	1.90	0.00
	Benefits paid	(1.21)	(0.68)
	Defined Benefit obligation at the year end	**26.17**	**23.45**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	23.02	18.66
	Investment Income	1.56	1.40
	Employer Contribution	5.22	3.65
	Benefits Paid	(1.21)	(0.68)
	Fair Value of Plan Assets at the year end	**28.59**	**23.03**
c)	**Reconciliation of fair value of assets and obligations**		
	Present value of Defined Benefit obligation	26.17	23.45
	Fair Value of Plan Assets	28.59	23.03
	Net Asset / (Liability)	**2.42**	**(0.42)**
d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	In Income Statement	5.48	3.03
	In Other Comprehensive Income	(3.11)	(0.03)
	Total Expenses Recognized during the period	**2.37**	**3.00**
e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**(3.11)**	**(0.03)**
f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	(2.43)	-
	Short-term provisions	-	0.42
		(2.43)	**0.42**

ii) Actuarial Assumptions

Particulars	**As on March 31, 2018**	**As on March 31, 2017**
Discount rate (per annum)	6.80%	7.50%
Salary growth rate (per annum)	5%	5%
Attriation rate	7%	7%

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	Attriation Rate	Mortality Rate
Changes in Assumption				
March 31, 2018 (%)	1%	1%	50%	10%
March 31, 2017 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2018 (Rs in Million)	24.56	27.87	26.63	26.18
March 31, 2017 (Rs in Million)	22.13	25.01	23.81	23.45
Decrease in assumption				
March 31, 2018 (Rs in Million)	27.98	24.57	25.42	26.16
March 31, 2017 (Rs in Million)	24.91	22.02	22.84	23.44

(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 payouts. This may arise due to non availabilty 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 liabilty.

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 payouts (e.g. Increase in the maximum limit on gratuity of ₹. 20,00,000).

vi) Asset Liability Mismatching or Market Risk: The duration of the liabilty 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.

Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

(₹ in Mn)

	March 31, 2018	March 31, 2017	April 1, 2016
12. Deferred Tax Liability			
a) Deferred Tax Liability on account of :			
i) Property Plant & Equipment	202.41	135.52	206.37
	202.41	**135.52**	**206.37**
b) Deferred Tax Asset on account of :			
i) Minimum Alternate Tax	24.59	24.59	24.59
ii) Provision for doubtful advances and debts	11.10	13.50	2.18
iii) Tax disallowances	7.94	7.21	4.91
iv) Preliminary expenses	-	0.02	0.63
	43.63	**45.32**	**32.31**
Deferred Tax Liability, net	**158.78**	**90.20**	**174.06**

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
13 Other Liabilities						
i) Duties and Taxes payable	-	-	-	24.85	72.24	43.70
ii) Advance from customers	-	-	-	31.52	33.60	10.70
iii) Guarantee Liability	5.33	4.39	4.97	0.61	0.58	0.48
iv) Other Payables	-	-	-	-	0.09	5.30
Total	**5.33**	**4.39**	**4.97**	**56.98**	**106.51**	**60.18**

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
14. Short Term Borrowings (at amortised cost)			
From Banks			
Cash Credit	866.41	365.34	930.69
Buyers Credit	307.04	-	-
From Others			
From Directors	6.50	6.50	39.42
Total	**1,179.95**	**371.84**	**970.11**
Secured	1,173.45	365.34	930.69
Unsecured	6.50	6.50	39.42

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
15. Trade Payables (at amortised cost)			
i) Trade payables - Micro, small and medium enterprises	5.25	16.02	15.14
ii) Trade payables - Others	1,987.83	1,568.13	1,216.72
Total	**1,993.08**	**1,584.15**	**1,231.86**

a) Amounts due to Micro, Small and Medium Enterprises

Details of Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly disclosed hereunder.

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	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due	5.25	16.02	15.14
Interest due on above	-	0.02	0.53
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006			
- Principal amount paid beyond appointed day	23.40	38.46	43.70
- Interest paid thereon	-	-	-
Amount of interest due and payable for the period of delay	0.27	0.39	-
Amount of interest accrued and remaining unpaid as at year end	1.30	1.03	0.64
Amount of further interest remaining due and payable in the succeeding year	-	-	-

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
16. Current Tax Liabilities (net)			
Current Tax Liabilities (net of taxes paid)	160.09	100.81	-
Total	**160.09**	**100.81**	**-**

	Year ended March 31, 2018	Year ended March 31, 2017
17. Revenue from Operations		
i) Sale of Products		
Chemicals	10,481.12	9,595.22
Others	2,327.81	1,111.43
Less: Sales Return	(17.17)	(21.04)
	12,791.76	**10,685.61**
ii) Other Operating Revenue		
Export Incentives	54.68	42.19
Income from DEPB purchase at discount	16.14	9.77
Insurance claim received	5.06	5.36
	75.88	**57.32**
Total	**12,867.64**	**10,742.93**

	Year ended March 31, 2018	Year ended March 31, 2017
18. Other Income		
i) Interest Income on Financial Asset	18.88	21.00
ii) Income from Brokerage	-	0.03
iii) Guarantee Commission	0.58	0.48
iv) Interest on Income Tax Refund	0.67	0.76
v) Sundry balances written back	8.29	-
vi) Profit on Sale of Property Plant & Equipment	0.14	-
vii) Miscellaneous Income	9.72	-
Total	**38.28**	**22.27**

	Year ended March 31, 2018	Year ended March 31, 2017
19. Cost of Materials Consumed		
Opening Stock of Raw Material	381.85	764.94
Add : Purchases	7,172.73	5,328.52
	7,554.58	6,093.46
Less : Closing Stock of Raw Material	(963.68)	(381.85)
Cost of Material Consumed	**6,590.90**	**5,711.61**

	Year ended March 31, 2018	Year ended March 31, 2017
20. Purchase of Stock in trade		
i) Chemicals and Other Purchases	1,124.07	553.02
ii) Coal	1,098.04	508.06
Total	**2,222.11**	**1,061.08**

(₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
21. Changes in inventories of Finished Goods,Work in progress and Stock in Trade		
WIP Inventory at the beginning of the year	30.31	34.25
WIP Inventory at the end of the year	42.82	30.31
	(12.51)	3.94
FG Inventory at the beginning of the year	143.30	205.46
FG Inventory at the end of the year	121.89	143.30
	21.41	62.16
FG Inventory of Traded Goods at the beginning of the year	2.80	0.24
FG Inventory of Traded Goods at the end of the year	3.57	2.80
	(0.77)	(2.56)
(Increase) / Decrease in Excise Duty on Finished Goods		
Closing Stock	-	-18.31
Less Stock at comensment	18.31	29.23
	18.31	10.92
	(10.18)	**52.62**

	Year ended March 31, 2018	Year ended March 31, 2017
22. Employee benefit expenses		
i) Salaries, wages and bonus	334.49	251.62
ii) Contribution to Employees gratuity, leave encashment and Other Funds	21.74	23.92
iii) Director's Remuneration	115.85	114.42
iv) Staff Welfare Expenses	10.62	7.97
Total	**482.70**	**397.93**

	Year ended March 31, 2018	Year ended March 31, 2017
23. Finance Costs:		
i) Interest on Financial Liabilities at amortised cost	73.93	93.50
ii) Interest on Direct Taxes	7.64	0.01
iii) Interest on Indirect Taxes	0.23	0.10
iv) Other borrowing costs	2.84	11.95
v) Amortisation of Upfront Fees	0.68	0.87
Total	**85.32**	**106.43**

	Year ended March 31, 2018	Year ended March 31, 2017
24. Depreciation & amortization		
i) Depreciation	286.91	271.13
ii) Amortisation	1.24	1.53
Total	**288.14**	**272.66**

(₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
25. Other expenses		
Power & Fuels	817.32	695.55
Consumption of Consumables Stores and Spares	114.45	66.29
Consumption of Packing Materials	84.64	102.86
Water Charges	32.02	25.74
Labour Charges	40.33	34.53
Inward Freight Charges	34.21	27.24
Outward Export Freight Charges	221.89	177.44
Clearing and Forwading Expenses	9.21	13.46
Repairs and Maintainance		
Buildings	12.39	12.83
Machineries	38.74	19.38
Others	35.44	21.70
Transportation Charges	149.66	141.98
Consignment Exp	1.43	8.74
Commission	42.01	23.16
Advertisement	0.51	0.58
Director's Sitting Fees	0.82	0.99
Books and Periodicals	0.18	0.15
Business Promotion Expenses	11.34	10.58
Commission to Non-Executive Director	3.65	2.60
Computer Maintenance	6.57	5.86
Conveyance Expenses	-	1.03
Donation	2.88	0.59
CSR Expenditure	5.88	3.33
General Expenses	5.29	2.81
Inspection charges	0.46	1.50
Insurance Charges	19.12	18.24
Membership & Subscription	27.22	10.93
Postage & Telegram	2.15	1.72
Professional and Legal Expenses	80.49	55.16
Printing & Stationery	3.22	2.98
Rent	15.26	3.75
Rates and Taxes	9.86	10.83
Security Service Charges	9.27	8.92
Travelling Expenses	26.05	30.60
Telephone Expenses	5.13	5.17
Vehicle Expenses	15.52	11.63
Auditors' remuneration	1.71	1.32
Bank Charges	19.18	21.42
Provision for Advance/Doubtful debt	-	20.94
Expected credit loss	0.36	-0.07
Sundry Balance w/off	-	3.24
Exchange Loss	20.46	63.25
Other Expenses	5.66	17.77
Loss on Sale of Asset	-	0.03
Sales Tax	5.20	0.14
Local Body Tax paid	-	3.45
Service Tax Credit Not Availed	-	0.04
Total	**1,937.18**	**1,692.38**

Note:

(₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
Payments to the auditors comprises (net of tax input credit, where applicable) :		
(a) To Statutory auditors		
For audit including consolidation	1.14	1.10
For limited review	0.28	0.15
For certification and other services	0.29	0.07
Total	**1.71**	**1.32**

26. Tax Expense

	Year ended March 31, 2018	Year ended March 31, 2017
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	298.39	182.59
Deferred tax	68.58	-83.87
Income tax recognised in statement of profit or loss	**366.97**	**98.72**

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 :

		Year ended March 31, 2018	Year ended March 31, 2017
A Current Tax			
Profit Before tax		1,134.24	806.49
Enacted tax rates in India (%)		34.61%	34.61%
Computed expected tax expenses		392.54	279.11
Effect of non- deductible expenses		113.39	103.29
Effects of deductable Expenses		(137.95)	(73.95)
Non Taxable effects		(69.59)	(57.46)
Mat Credit Entitlement		-	(68.41)
Income tax expenses - Net	**A**	**298.39**	**182.59**
Tax liability as per Minimum Alternate Tax on book profits			
Minimum Alternate Tax rate		21.34%	21.34%
Computed tax liability on book profits		242.07	172.12
Tax effect on adjustments:			
1/5 portion of Opening IND AS Reserve as on March 31, 2017		(0.82)	-
Effect of non deductible expense		15.78	4.47
Minimum Alternate Tax on Book Profit	**B**	**257.03**	**176.59**
Higher of A or B		**298.39**	**182.59**

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:

(₹ in Mn)

	Opening	Recognised in profit and loss	Recognised in O C I	Closing
Property Plant & Equipment	(206.37)	70.85	-	(135.52)
Minimum Alternate Tax	24.59	-	-	24.59
Provision for doubtful advances and debts	2.18	11.32	-	13.50
Tax disallowances	4.91	2.31	-	7.21
Preliminary expenses	0.63	(0.60)	-	0.02
As at March, 31, 2017	**(174.06)**	**83.87**	**-**	**(90.19)**
Property Plant & Equipment	(135.52)	(66.89)	-	(202.41)
Minimum Alternate Tax	24.59	-	-	24.59
Provision for doubtful advances and debts	13.50	(2.40)	-	11.10
Tax disallowances	7.21	0.73	-	7.94
Preliminary expenses	0.02	(0.02)	-	-
As at March, 31, 2018	**(90.19)**	**(68.58)**	**-**	**(158.78)**

27 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit/(loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit / (Loss) as per Statement of Profit and Loss	767.27	707.77
Outstanding equity shares at period end	10,009,081	10,009,081
Weighted average Number of Shares outstanding during the period – Basic	10,009,081	10,007,854
Weighted average Number of Shares outstanding during the period - Diluted	10,009,081	10,007,854
Earnings per Share - Basic (₹)	76.66	70.72
Earnings per Share - Diluted (₹)	76.66	70.72

Reconciliation of weighted number of outstanding during the period:

	Year ended March 31, 2018	Year ended March 31, 2017
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	10,009,081	10,005,081
Add : Issue of Equity Shares	-	4,000
Total number of equity shares outstanding at the end of the period	**10,009,081**	**10,009,081**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	10,009,081	10,007,854
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	10,009,081	10,007,854

(₹ in Mn)

28. Details of research and development expenditure recognised as an expense

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense	16.08	12.07
Legal & Professional fees	4.08	7.67
Other expenses	0.52	0.41
Depreciation and amortisation expense	5.18	10.61
Capital expenditure (Refer Note 3(v))	58.44	0.04
Total	**84.30**	**30.80**

29. Contingent liabilities and commitments (to the extent not provided for)

		As at March 31, 2018	As at March 31, 2017
i)	**Contingent liabilities**		
	a) Liabilities Disputed - Appeals filed with respect to :		
	i) Disputed Excise/ Custom Matters in Appeals	-	16.43
	ii) Income Tax on account of Disallowances /Additions and default of TDS	5.44	5.82
	iii) VAT credits disallowed by the authorities against which the company has preferred appeals.	2.33	2.33
	b) Guarantees:		
	i) Given on behalf of WOS to their Vendors	106.64	164.41
	ii) Furnished by banks on behalf of the Company	98.00	111.21
	c) Other money for which the Company is contingently liable (give details)		
	i) Standby letter of credit given on behalf of WOS	282.94	-
ii)	**Commitments**		
	a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	218.03	57.15
	b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	770.96	1,022.19
iii)	**Letters of Credit**	657.65	1,309.38

30 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken office premises on leave and license basis which are cancellable contracts.

31 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, 2018 and March 31, 2017, the power generation business does not meet the criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind AS 108) and hence the same is not seperately disclosed.

There are no Customers whose contribution is equal or more than 10% of the Turnover of the Company for the year ended March 31, 2018 and March 31, 2017.

32 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

Details are given in **Annexure -1**

33 Derivative Instruments and Unhedged Foreign Currency Exposure

Details on unhedged foreign currency exposures

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	3,882,900	252.56	2,857,373	185.27	970,101	64.35
Trade Receivable (EURO)	-	-	280,239	19.41	190,016	14.27
Interest receivable (EURO)	-	-	-	-	25,682	1.93
Interest receivable (USD)	142,027	9.24	142,027	9.21	106,625	7.07
Loans and Advances Given (USD)	-	-	-	-	1,400,000	92.87
Loans and Advances Given (EURO)	39,800	3.22	-	-	15,000	1.13
Interest payable (USD)	85,541	5.56	110,249	7.15	38,575	2.90
Trade payable (USD)	8,933,351	581.06	14,013,301	908.60	1,292,634	85.74
Trade payable (EURO)	-	-		-	2,024	0.15
Borrowings (USD)	9,720,588	632.27	8,130,000	527.14	12,390,000	821.86

34 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainity about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements`

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

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.

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.

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

35 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018 together with the comparative period data as at and for the period ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including;

- Balance Sheet reconciliation for the year ended April 1, 2016 and March 31, 2017,
- Profit reconciliation for the period ended March 31, 2017 ,
- Equity Reconciliation as at April 1, 2016 and March 31, 2017,
- Notes explaning the changes from previous GAAP to Ind AS ,
- Exemption availed by the Company on first time adoption of Ind AS.

Details of the same is given vide **Statement "A"**

36 Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

37 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

(₹ in Mn)

	Carrying Value			Fair Value		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
a) Financial Assets						
Amortised Cost						
Loans	93.76	86.05	181.48	93.76	86.05	181.48
Others	18.87	12.39	8.44	18.87	12.39	8.44
Trade receivables	2,889.13	2,145.33	1,496.35	2,889.13	2,145.33	1,496.35
Cash and cash equivalents	71.21	145.43	105.34	71.21	145.43	105.34
Total Financial Assets	**3,072.97**	**2,389.20**	**1,791.61**	**3,072.97**	**2,389.20**	**1,791.61**
b) Financial Liabilities						
Amortised Cost						
Borrowings	1,942.27	1,023.64	1,988.72	1,942.27	1,023.64	1,988.72
Trade payables	1,993.08	1,584.15	1,231.86	1,993.08	1,584.15	1,231.86
Others	279.52	171.85	49.46	279.52	171.85	49.46
Total Financial Liabilities	**4,214.87**	**2,779.64**	**3,270.04**	**4,214.87**	**2,779.64**	**3,270.04**

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.

38 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, 2018, March 31, 2017 and April 1, 2016.

	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 measured at fair value:				
Forward Contracts	31-Mar-18		0.07	
Forward Contracts	31-Mar-17		19.80	
Forward Contracts	1-Apr-16		10.22	

39 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance 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 Net exposure based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company’s exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs. are as follows:

	Assets		Liabilities	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD	4,067,481	2,999,400	26,473,794	22,253,550
EUR	374,874	936,680	-	-

Foreign Currency Sensitivity analysis:

The company is mainly exposed to USD and EURO fluctuations

The following table details the company's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	As at March 31, 2018		As at March 31, 2017	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
	(₹ in mn)		(₹ in mn)	
USD	14.43	(14.43)	12.36	(12.36)
EUR	(0.30)	0.30	(0.64)	0.64

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative contract is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

	No of Contracts		Foreign Currency		INR	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD/ INR Buy forward	9	22	7.82	10.00	510.90	648.63
USD/ INR Sell forward	1	-	0.04	-	2.78	-
EUR/ INR Sell forward	4	-	1.00	-	83.46	-
EUR/ USD Buy forward	-	3	-	0.41	-	28.41
EUR/ INR Buy forward	-	1	-	0.25	-	17.04

Sensitivity on the above derivative contacts in respect of foreign currency exposure is insignificant

B) Interest Rate Risk Management

Interest rate risk arises from 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 a agreed portfolio of fixed and variable rate loans and borrowings. Out of the total borrowings, the amount of fixed interest loan is ₹ 37.10 Mn and floating interest loan is ₹ 725.22 Mn (March 31, 2017: Fixed interest loan ₹ 124.65 Mn and Floating interest loan ₹ 527.14 Mn; April 1, 2016: Fixed interest loan ₹ 170.60 Mn and Floating interest loan ₹ 848.01 Mn) The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2017-18		2016-17	
	Rupee loans interest rate decreases by 1.00 %	**USD loans interest decreases by 0.15%**	**Rupee loans interest rate decreases by 1.00 %**	**USD loans interest decreases by 0.15%**
Impact on Profit and Loss: Profit /(Loss)	4.00	0.49	-	0.79

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.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department 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 an annual 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 Mn)

	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Trade receivables *(Refer Note 4.2)*	2,889.13	2,145.33	1,496.35
Allowances for Credit Loss *(Refer Note 4.2 (a))*	4.02	11.28	6.29

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

D) Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director and , Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the Company's financial liabilities into relevant maturity companyings based on their contractual maturities:

(₹ in Mn)

	Within one year	Between 1 to 2 years	Between 2 to 5 years	Beyond 5 years	Total
As at March 31, 2018					
Borrowings*	231.31	228.87	298.90	3.24	762.32
Trade Payables	1,993.08	-	-	-	1,993.08
Other financial Liabilities	510.82	-	-	-	510.82
	2,735.22	**228.87**	**298.90**	**3.24**	**3,266.23**

(₹ in Mn)

As at March 31, 2017					
Borrowings*	230.15	153.73	264.68	3.24	651.80
Trade Payables	1,584.15	-	-	-	1,584.15
Other financial Liabilities	402.00	-	-	-	402.00
	2,216.30	**153.73**	**264.68**	**3.24**	**2,637.95**
As at April 1, 2016					
Borrowings*	313.00	232.85	427.92	44.84	1,018.61
Trade Payables	1,231.86	-	-	-	1,231.86
Other financial Liabilities	362.46	-	-	-	362.46
	1,907.32	**232.85**	**427.92**	**44.84**	**2,612.93**

* including Current Maturity of non current borrowing

40 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.

	March 31, 2018	March 31, 2017	"April 1, 2016"
Gross Debt	762.31	651.79	1,018.61
Less:			
Cash and Cash Equivalent	71.21	145.43	105.34
Net debt (A)	**691.11**	**506.36**	**913.28**
Total Equity (B)	**3,796.27**	**3,040.35**	**2,344.56**
Gearing ratio (A/B)	**0.18**	**0.17**	**0.39**

41 The Board of Directors at their meeting held on June 20, 2018 has recommended dividend of ₹ 1.50 per equity share which is subject to shareholder approval at the Annual General Meeting. The total payment of this account on approval by the members would be ₹ 18.07 Mn (previous year ₹ 14.46 Mn) including dividend distribution tax thereon.

42 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

Annexure -1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting, enterprise

A	**Subsidiaries**
1	Cellbion Lifesciences Pvt. Ltd.
2	Laxmi Lifesciences Pvt. Ltd.
3	Laxmi Organic Industries (Europe) BV
4	Laxmi Petrochem Middle East FZC
5	Viva Lifesciences Pvt Ltd.
6	Saideep Traders
B	**Associates and joint ventures of the reporting enterprise**
1	Suvas Holding Ltd.
C	**Key Management Personnel and**
1	Vasudeo Goenka
2	Ravi Goenka
4	Radhesh Welling
D	**Relatives of Key Management Personnel**
1	Rajeev 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 (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	Merton Finance & Trading
9	Ojas Dye-Chem (India) Pvt. Ltd.
10	Pedestal Finance & Trading Pvt. Ltd.
11	Rajeev Goenka HUF
12	Ravi Goenka HUF
13	Sherry Exports Pvt. Ltd
14	Zenith Distibutors
15	Wintech Systems
16	Varadvinayak Multi Impex Pvt Ltd
17	Merton Finance & Trading Pvt. Ltd
18	Pedestal Finance & Trading Pvt. Ltd.
19	Ravi Goenka as a Trustee of Yellow Stone Trust

B The following are the transactions with related parties

Related party transactions

(₹ in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Management Personnel	4 Relatives of Key Management Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Interest Paid	**1.62**	**-**	**-**	**-**	**-**	**1.62**
	-	-	(0.24)	(0.12)	-	(0.35)
Laxmi Organic Industries (Europe) BV	1.62	-	-	-	-	1.62
	-	-	-	-	-	-
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(0.05)	-	-	(0.05)
Ravi Goenka	-	-	-	-	-	-
	-	-	(0.19)	-	-	(0.19)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(0.12)	-	(0.12)
Interest Received	**0.78**	**-**	**-**	**-**	**-**	**0.78**
	(3.39)	-	-	-	-	
Laxmi Organic Industries (Europe) BV	0.78	-	-	-	-	0.78
	(1.00)	-	-	-	-	(1.00)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(2.39)	-	-	-	-	(2.39)
Cellbion Lifesciences Pvt. Ltd.	69.73	-	-	-	-	69.73
	(61.87)	-	-	-	-	(61.87)
Rent, Commission and Other Expenses	**-**	**-**	**-**	**-**	**0.59**	**0.59**
	-	-	-	-	(1.49)	(1.49)
Merton Finance & Trading Pvt. Ltd	-	-	-	-	0.11	0.11
	-	-	-	-	(0.90)	(0.90)
Sherry Exports Pvt. Ltd.	-	-	-	-	0.48	0.48
	-	-	-	-	(0.48)	(0.48)
Donation	**-**	**-**	**-**	**-**	**1.60**	**1.60**
	-	-	-	-	(0.60)	(0.60)
Laxmidevi Nathmal Goenka Charitable Trust	-	-	-	-	0.10	0.10
	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	-	-	-	-	1.50	1.50
	-	-	-	-	(0.10)	(0.10)
Expenses Incurred on bahalf of	**-**	**-**	**-**	**-**	**1.07**	**1.07**
	-	-	-	-	(0.37)	(0.37)
Brady Investments Pvt. Ltd.	-	-	-	-	1.07	1.07
	-	-	-	-	(0.00)	(0.00)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(0.37)	(0.37)
Laxmi Petrochem Middle East FZC	2.71	-	-	-	-	2.71
	-	-	-	-	-	-
Expenses Recovered	**-**	**-**	**-**	**-**	**0.83**	**0.83**
	-	-	-	-	(0.28)	(0.28)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	0.83	0.83
	-	-	-	-	(0.22)	(0.22)
Zenith Disrtibuters						-
					(0.03)	(0.03)

(₹ in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Sales	**1,282.10**	**-**	**-**	**-**	**28.54**	**1,310.64**
	(854.04)	-	-	-	(25.77)	(879.80)
Laxmi Organic Industries (Europe) BV	1,207.20	-	-	-	-	1,207.20
	(751.21)	-	-	-	-	(751.21)
Laxmi Petrochem Middle East FZC		-	-	-	-	-
	(102.83)	-	-	-	-	(102.83)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	28.54	28.54
	-	-	-	-	(25.77)	(25.77)
Purchases of goods	**122.08**	**-**	**-**	**-**	**5.06**	**127.14**
	(81.64)	-	-	-	(14.50)	(96.14)
Laxmi Petrochem Middle East FZC	45.11	-	-	-	-	45.11
	-	-	-	-	-	-
Saideep Traders	76.97	-	-	-	-	76.97
	(81.64)	-	-	-	-	(81.64)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Sitting Fees	**-**	**-**	**0.14**	**0.08**	**-**	**0.22**
	-	-	(0.18)	(0.12)	-	(0.30)
Vasudeo Goenka	-	-	0.14	-	-	0.14
	-	-	(0.18)	-	-	(0.18)
Rajeev Goenka	-	-	-	0.08	-	0.08
	-	-	-	(0.12)	-	(0.12)
Salary	**-**	**-**	**-**	**3.91**	**-**	**3.91**
	-	-	-	(16.86)	-	(16.86)
Harshvardhan Goenka	-	-	-	3.91	-	3.91
	-	-	-	(16.86)	-	(16.86)
Directors Remuneration	**-**	**-**	**115.86**	**-**	**-**	**115.86**
	-	-	(114.42)	-	-	(114.42)
Ravi Goenka	-	-	80.49	-	-	80.49
	-	-	(76.19)	-	-	(76.19)
Radhesh Welling	-	-	35.37	-	-	35.37
	-	-	(38.23)	-	-	(38.23)
Loan / Deposit Taken	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(11.50)	(24.00)	-	(35.50)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(4.00)	-	-	(4.00)
Ravi Goenka	-	-	-	-	-	-
	-	-	(7.50)	-	-	(7.50)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(24.00)	-	(24.00)
Loan / Advance Given	**-**	**-**	**-**	**-**	**-**	**-**
	(10.03)	-	-	-	-	(10.03)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(8.45)	-	-	-	-	(8.45)
Saideep Traders	-					
	(1.58)					(1.58)

(₹ in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Repayment of Advance Given	**-**	**-**	**-**	**-**	**-**	**-**
	(101.90)	-	-	-	-	(101.90)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(101.90)	-	-	-	-	(101.90)
Loan / Deposit Repaid	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(37.06)	(31.39)	-	(68.45)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(12.95)	-	-	(12.95)
Ravi Goenka	-	-	-	-	-	-
	-	-	(24.11)	-	-	(24.11)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(31.39)	-	(31.39)
Advance received sale of Investments	**-**	**-**	**19.10**	**37.50**	**-**	**56.60**
	-	-	-	-	-	-
Ravi Goenka	-	-	19.10	-	-	19.10
	-	-	-	-	-	-
Rajeev Goenka	-	-	-	37.50	-	37.50
	-	-	-	-	-	-
Equity Investment In JV	**22.75**	**24.56**	**-**	**-**	**-**	**47.31**
	-	(5.95)	-	-	-	(5.95)
Suvas Holding Ltd.		24.56	-	-	-	24.56
	-	(5.95)	-	-	-	(5.95)
Laxmi Organic Industries (Europe) BV				-	-	-
	-	-	-	-	-	-
Dividend Paid	**-**	**-**	**5.76**	**3.94**	**0.74**	**10.44**
	-	-	(4.61)	(2.59)	(0.61)	(7.81)
Vasudeo Goenka	-	-	1.19	-	-	1.19
	-	-	(0.90)	-	-	(0.90)
Ravi Goenka	-	-	4.57	-	-	4.57
	-	-	(3.71)	-	-	(3.71)
Mr. Rajeev Goenka	-	-	-	1.17	-	1.17
	-	-	-	(1.07)	-	(1.07)
Balance Payable As On 31.03.2018	**45.11**	**-**	**-**	**-**	**0.67**	**45.78**
	-	-	-	(8.38)	(20.26)	(28.64)
Laxmi Petrochem Middle East FZC	45.11	-	-	-	-	45.11
	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(5.21)	(5.21)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Harshvardhan Goenka				-		
				(8.38)		
Balance Receivable As On 31.03.2018	**198.80**	**-**	**-**	**-**	**2.74**	**201.55**
	(220.72)	-	-	-	(12.62)	(233.34)
Laxmi Organic Industries (Europe) BV	24.43	-	-	-	-	24.43
	(62.63)	-	-	-	-	(62.63)
Cellbion Lifesciences Pvt. Ltd.	61.95	-	-	-	-	61.95
	(54.98)	-	-	-	-	(54.98)
Saideep Traders	76.29	-	-	-	-	76.29
	-	-	-	-	-	-
Laxmi Petrochem Middle East (FZE)	11.94	-	-	-	-	11.94
	(67.88)	-	-	-	-	(67.88)

Note: Figures in parenthesis are pertaining to previous year.

Statement A

Reconciliations to First time adoption

A Balance sheet reconciliation

(₹ in Mn)

Particulars		As at March 31, 2017	Ind As Adjust-ment	As at March 31, 2017	As at April 1, 2016	Ind As Adjust-ment	As at April 1, 2016
ASSETS		**Previous GAAP**		**Ind As**	**Previous GAAP**		**Ind As**
NON-CURRENT ASSETS							
a)	Property, plant and equipment	1,952.81	(4.40)	1,948.38	2,067.97	(4.40)	2,063.56
b)	Capital work-in-progress	481.50	-	481.50	329.31	-	329.31
c)	Other intangible assets	2.20	-	2.20	2.55	-	2.55
d)	Financial assets						
	(i) Investments	43.33	46.03	89.35	37.38	46.03	83.40
	(i) Trade Receivable	-	-	-	-	-	-
	(ii) Loans	118.13	(33.66)	84.47	121.39	(39.85)	81.54
	(ii) Others	1.38	-	1.38	5.61	-	5.61
e)	Other non-current assets	200.53	1.48	202.01	103.79	2.36	106.15
	TOTAL NON-CURRENT ASSETS	**2,799.86**	**9.46**	**2,809.31**	**2,668.00**	**4.14**	**2,672.13**
CURRENT ASSETS							
a)	Inventories	636.87	-	636.87	1,081.24	-	1,081.25
b)	Financial assets			-			-
	(i) Investments	138.50	-	138.50	150.19	-	150.19
	(ii) Trade receivables	2,145.53	(0.20)	2,145.33	1,496.62	(0.27)	1,496.35
	(iii) Cash and cash equivalents	145.43	-	145.43	105.33	-	105.34
	(iv) Loans	1.58	-	1.58	99.94	-	99.94
	(v) Others	11.01	-	11.01	2.83	-	2.83
c)	Other current assets	264.73	(4.80)	259.94	274.07	(9.03)	265.05
d)	Assets held-for-sale	-	-	-	-	-	-
	TOTAL CURRENT ASSETS	**3,343.65**	**(5.00)**	**3,338.65**	**3,210.23**	**(9.30)**	**3,200.94**
	TOTAL ASSETS	**6,143.50**	**4.45**	**6,147.95**	**5,878.23**	**(5.16)**	**5,873.07**
EQUITY AND LIABILITIES							
EQUITY							
(a)	Equity Share capital	100.09	-	100.09	100.05	-	100.05
(b)	Other Equity	2,939.19	1.06	2,940.26	2,238.39	6.10	2,244.51
	TOTAL EQUITY	**3,039.28**	**1.06**	**3,040.35**	**2,338.44**	**6.10**	**2,344.56**
LIABILITIES							
NON-CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	421.65	-	421.64	705.61	-	705.61
	(ii) Other financial liabilities			-			-
(b)	Provisions	17.39	-	17.39	11.02	-	11.02
(c)	Deferred tax liabilities (net)	91.78	(1.59)	90.20	175.68	(1.62)	174.06
(d)	Other non-current liabilities	-	4.97	4.39	-	5.45	4.97
	TOTAL NON-CURRENT LIABILITIES	**530.83**	**3.38**	**533.62**	**892.31**	**3.83**	**895.66**
CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	371.84	-	371.84	970.11	-	970.11
	(ii) Trade payables	1,588.91	(4.76)	1,584.15	1,238.94	(7.08)	1,231.86
	(iii) Other financial liabilities	401.99	-	402.00	362.47	-	362.46
(b)	Provisions	3.87	4.81	8.68	16.26	(8.02)	8.24
(c)	Liabilities for current tax (net)	100.81	-	100.81	-	-	-
(d)	Other current liabilities	105.97	(0.03)	106.51	59.70	-	60.18
	TOTAL CURRENT LIABILITIES	**2,573.39**	**0.01**	**2,573.99**	**2,647.48**	**(15.10)**	**2,632.86**
	TOTAL EQUITY AND LIABILITIES	**6,143.50**	**4.45**	**6,147.97**	**5,878.23**	**(5.16)**	**5,873.08**

B Equity Reconciliation

(₹ in Mn)

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds under previous GAAP	**3,039.28**	**2,338.44**
Adjustments on account of IND AS:		
Allowances for Expected Credit loss	(0.20)	(0.27)
Foreign Exchange Effects	(0.00)	(1.95)
Provision for Sales Return	(25.06)	(4.02)
Prepaid Upfront fees	(2.92)	(2.04)
Interest income on Fair Value of Loans and Guarantee	7.40	0.73
Reversal of Proposed Dividend	-	12.05
Deferred Tax	1.59	1.62
Total IND AS Adjustments	**(19.18)**	**6.11**
Total equity under Ind AS	**3,020.10**	**2,344.54**

C Profit and Loss Reconciliation

Particulars	For year ended March 31, 2017	INDAS Adjustment	For year ended March 31, 2016
	Previous GAAP		INDAS
INCOME:			
Revenue from operations (gross)	10,743.73	(0.79)	10,742.94
Other income	15.60	6.67	22.27
Total Income (I)	**10,759.33**	**5.88**	**10,765.21**
EXPENSES:			
Cost of raw materials and components consumed	5,711.61	-	5,711.61
Purchase of traded goods	1,061.08	-	1,061.08
Changes in inventories of Finished Goods,Work in progress and Stock in Trade	52.61	0.00	52.62
Excise Duty	664.01	-	664.01
Employee benefits expense	397.91	0.02	397.93
Finance cost	105.56	0.86	106.43
Depreciation & amortisation	272.66	-	272.66
Other expenses	1,682.68	9.70	1,692.38
Total expenses (II)	**9,948.13**	**10.58**	**9,958.72**
Profit before tax (I-II)	**811.20**	**(4.70)**	**806.49**
Tax expense	**98.69**	**0.02**	**98.72**
1. Current tax	182.59	-	182.59
2. Deferred tax liability / (asset)	(83.90)	0.02	(83.87)
Profit for the period from continuing operations	**712.50**	**(4.73)**	**707.78**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Reameasurement of the net defined benefit liability / asset (net of tax)	-	0.03	0.03
Total other comprehensive income, net of tax	**-**	**0.03**	**0.03**
Total comprehensive income for the year	**712.50**	**(4.69)**	**707.81**

D Notes to the reconciliation of equity as at April 1, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31 March, 2017.

i) Property, Plant and Equipment

The Company has made adjustment to Upfront fees capitalised on application of INDAS 109 " Financiial Instruments". Therefore Property, Plant and Equipment is decreased by ₹ 4.40 Mn as on transition date i.e, April 1, 2016.

ii) Loans and Advances

Under Ind AS, loans given are valued at present value as compared to being carried at cost in the previous GAAP. The difference between the book value and the present value of loan below market rate given to a subsidiary is treated as investment in subsidiary. The interest on the present value of this loan is recognised over the tenure of the loan using the Effective Interest rate (EIR) of the Company. Amount transferred to investment is ₹ 39.85 Mn as on the date of transition i.e., April 1, 2016 and ₹ 39.85 Mn as at March 31, 2017.

iii) Foreign Currency Translation Reserve

On Application of Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" the Company has transferred balance in Foreign Exchange Transition Reserve to Retained earnings as on transition date i.e., April 1, 2016, and deferred tax assets on the portion of balance in FETR is also reversed. Total amount credited to Retained earning as at April 1, 2016 is ₹ 2.23 Mn. Amount transferred to FETR during the year ended March 31, 2017 is debited to Statement of Profit and Loss amounting to ₹ 9.46 Mn.

iv) Forward Contracts

All forward contracts are measured at Mark to Mark as per Ind AS 21 The Effects of Changes in Foreign Exchange Rates as at balance Sheet date. The consequent impact on Opening IND AS reserves is ₹ 1.99 Mn (debit) and ₹ 1.86 Mn (Credit) to statement of profit and loss for the year ended March 31, 2017.

v) Other financial liabilities - Financial guarantees

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 guarantee income to the Statement of Profit and Loss. Accordingly the Company has accrued liability of ₹ 5.45 Mn as at April 1, 2016 and accrued income of ₹ 0.48 Mn for the year ended March 31, 2017.

vi) Defined benefit obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Total amount debited to Opening INDAS Resaves is ₹ 19.93 Mn as on April 1, 2016 and ₹ 0.03 Mn for the year ended March 31, 2017.

vii)Taxes:

(a) Current Tax:

Tax component on the gain/ (loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

b) Deferred income tax (including MAT)

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

viii) Other Comprehensive Income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, measurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

ix) **Statement of cash flows**

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

x) **Expected credit loss**

The Company has provided for Expected credit Loss of ₹ 0.27 Mn as at April 1, 2016, ₹ 0.20 Mn as at March 31, 2017.

E Exemption under INDAS 101 "First time adoption of Indian Accounting Standards"

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions. The Company has elected for the following exemptions available under INDAS 101 "First time adoption of Indian Accounting Standards":

i) **Foreign Currency on Long Term Borrowings:**

The Company has availed exemption under para D13AA, and continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Therefore exchange Gain / loss on Long term Borrowing are continued to be adjusted in Property, Plant and Equipment.

ii) **Property, Plant and Equipment :**

For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 - First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016.

iii) **Loans and Advances:**

The fair value adjustment of all financial assets being Loans given has been accounted for as on the date of transition over the balance period of the loan.

iv) **Share Based Payments:**

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2016.

v) **Estimates:**

The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with previous GAAP.

vi) **Investment in Subsidiaries and Joint Venture :**

The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

vii) **Government Grant:**

The Company as per Para B 10 of INDAS "101- First time Adoption of Indian Accounting Standards" had applied retrospective exemption on applicability of IND AS 109 on the Government Grant received before transition date i.e., April 1, 2016. Therefore Sales tax deferral as at April 1, 2016 is carried at previous GAAP values.

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CONSOLIDATED

FINANCIAL RESULTS

2017-2018

INDEPENDENT AUDITOR'S REPORT

To the Members,
Laxmi Organic Industries Limited

Report on the Consolidated Financial Statements :

We have audited the accompanying consolidated Ind AS 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"), (as defined in the Companies (Indian Accounting Standards) Rules, 2015,comprisingof the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidatedInd AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements :

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules thereon. The respective Governing Bodies of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

Auditors' Responsibility :

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and thedisclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for ouraudit opinion on the consolidated Ind AS financial statements.

Basis of Qualified Opinion :

The financial statements of one of the subsidiary M/s Laxmi Organic (Europe) BV is based on un-audited management prepared financial statements and have been accounted on the basis of the management accounts including the INDAS conversion for the purposes of making the said financial statements fit for consolidation which has been prepared by the management. We have not carried out further audit procedures on the management prepared accounts including the INDAS effects. The financial statements of this subsidiary is having total assets of ₹ 504.79 Mn as at March 31, 2018, Revenue of ₹ 1674.38 Mn and cash outflow of ₹ 18.01 Mn for the period April 1, 2017 to March 31, 2018.

Opinion :

Except for the possible effects arising out of the matters mentioned in our basis for qualified opinion mentioned hereinabove, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, 2018, their consolidated profit, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Emphasis of Matter :

Without qualifying our opinion, we draw attention to note no 4.2(b) with respect to trade receivable pertaining to one of the subsidiary of the Company amounting to AED 21,56,296/- (₹ 38.26 mn approximately) as at March 31, 2018 from two Customers which are lying since more than a year. There is no subsequent realisation from these customers after the reporting date and the balance confirmation from these customers are not received. The management is vigorously following up for the recovery of this amount from the customers and believes that these balances are good and recoverable in full. The auditors of the said subsidiary have made an emphasis of matter in their Auditors' Report.

Other Matters :

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 422.60 Mn as at March 31, 2018 and total revenue of ₹ 682.19 mn and net cash outflows amounting to ₹ 29.20 Mn for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. The consolidated financial statements also includes the Group's share of net profit after tax of ₹ 0.16 Mn in respect of one Jointly controlled entity as considered in the consolidated financial statements, whose financial statements have not been audited by us. This financial statements has 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 this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements :

1. As required by sub-section (3) of Section143 of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and working / records maintained for the purpose of preparation of the consolidated Ind AS financial statements.
   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon.
   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group Companiesincorporatedin India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. Since the provisions of Section 164(2) of the Act do not apply to entities incorporated outside India no comments are made in respect of such overseas entities.
   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 30 to the consolidated Ind AS financial statements.
      ii. The Group did not have any material foreseeable losseson long-term contracts including derivative contracts.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

ANNEXURE - A TO THE AUDITORS' REPORT

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

We have audited the internal financial controls with reference to Financial Statements ofconsolidated Ind AS financial statements of **Laxmi Organic Industries Limited** (hereinafter referred to as "the Holding Company")and its subsidiary companies, which are companies incorporated in India as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

The respective Board of Directors of the Holding company and its subsidiary companies, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility :

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements reporting included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements

Meaning of Internal Financial Controls over Financial Reporting :

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 internal 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 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 subsidiary companies, 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, 2018, based on the internal control with reference to Financial Statementscriteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 six subsidiary company which are company incorporated in India, are based on the corresponding reports of the auditors' of such company.

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
	ASSETS				
1	**Non-current assets**				
	(a) Property, plant and equipment	3	2,780.25	2,006.65	2,127.07
	(b) Capital work-in-progress		299.54	481.50	329.31
	(c) Other intangible assets	3	11.06	13.03	14.29
	(d) Financial assets	4			
	(i) Investments	4.1	-	45.57	39.45
	(ii) Trade Receivable	4.2	-	-	-
	(iii) Loans	4.3	29.10	29.49	32.75
	(iv) Others	4.5	2.02	3.30	12.61
	(e) Deferred tax assets (net)	5	-	4.49	10.19
	(e) Other non-current assets	6	191.76	202.01	106.15
			3,313.73	**2,786.04**	**2,671.82**
2	**Current assets**				
	(a) Inventories	7	1,458.30	746.23	1,210.37
	(b) Financial assets				
	(i) Investments	4.1	-	-	-
	(ii) Trade receivables	4.2	3,241.82	2,311.66	1,906.89
	(iii) Cash and cash equivalents	4.4	110.02	231.46	141.57
	(iv) Loans	4.3	10.35	4.93	4.07
	(v) Others	4.5	8.42	1.80	2.83
	(c) Other current assets	6	596.12	288.84	316.47
	(d) Assets held-for-sale	8	71.82	-	-
			5,496.85	**3,584.92**	**3,582.20**
	Total Assets		**8,810.59**	**6,370.96**	**6,254.02**
	EQUITY & LIABILITIES				
	Equity				
	a) Equity Share capital	9	100.09	100.09	100.05
	b) Other Equity	10	3,698.97	2,948.27	2,252.16
	Equity attributable to equity holders of the parent		**3,799.06**	**3,048.36**	**2,352.21**
	c) Non-controling interests		2.08	0.92	2.46
	Total Equity		**3,801.14**	**3,049.28**	**2,354.67**
	Liabilities				
1	**Non-current liabilities**				
	(a) Financial liabilities	11			
	(i) Borrowings	11.1	531.02	421.64	705.61
	(ii) Other financial liabilities	11.2	-	-	-
	(b) Provisions	12	18.47	17.39	11.02
	(c) Deferred tax liabilities (net)	13	158.78	90.20	174.06
	(d) Other non-current liabilities	14	5.34	4.39	4.97
			713.61	**533.62**	**895.66**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	15	1,388.28	525.67	1,148.64
	(ii) Trade payables	16	2,141.32	1,633.29	1,410.80
	(iii) Other financial liabilities	11.2	518.36	406.70	367.31
	(b) Provisions	12	15.33	11.74	10.16
	(c) Current Tax Liabilities (net)	17	160.09	100.81	4.40
	(d) Other current liabilities	14	72.46	109.84	62.38
			4,295.84	**2,788.05**	**3,003.69**
	Total Equity and Liabilities		**8,810.59**	**6,370.95**	**6,254.02**

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 Reg. No.106971W

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		Note No.	Year ended March 2018	Year ended March 2017
I)	**INCOME:**			
	Revenue from operations (gross)	18	13,893.94	11,422.57
	Other income	19	30.01	18.60
	Total Income (I)		**13,923.95**	**11,441.17**
II)	**EXPENSES:**			
	Cost of raw materials consumed	20	6,500.53	5,687.02
	Purchase of traded goods	21	3,212.96	1,681.62
	Changes in inventories of Finished Goods,Work in progress and Stock in Trade	22	-29.61	49.96
	Excise Duty		175.51	664.01
	Employee benefits expense	23	526.01	438.22
	Finance cost	24	89.12	110.43
	Depreciation & amortisation	25	294.62	279.66
	Other expenses	26	2,017.05	1,720.52
	Total expenses (II)		**12,786.19**	**10,631.44**
	Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items		1,137.76	809.73
	Share of profit/(loss) of a Joint Venture		0.16	0.16
	Profit /(Loss) before exceptional items and tax		**1,137.92**	**809.89**
	Exceptional items		**-**	**-**
	Profit before tax (I-II)		**1,137.92**	**809.89**
	Tax expense	27	**375.24**	**103.93**
	1. Current tax		302.16	182.11
	2. Deferred tax liability / (asset)		73.08	(78.18)
	Profit for the period from continuing operations		**762.68**	**705.96**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Reameasurement of the net defined benefit liability / asset (net of tax)		3.11	0.03
	Items that will be reclassified subsequently to profit or loss			
	-Foreign Currency Translation Reserve		(0.61)	3.27
	Other comprehensive income /(loss) for the period		**2.50**	**3.30**
	Total Comprehensive income/(loss) for the period (XI+XII)		**765.18**	**709.26**
	Profit/(Loss) attributable to:			
	Owners of the Company		**762.68**	**704.81**
	Non-Controlling Interest		-	1.15
	Other Comprehensive Income attributable to:			
	Owners of the Company		**2.50**	**3.30**
	Non-Controlling Interest		-	-
	Earnings per equity share (nominal value of share Rs.10/- each)			
	Basic (Rs) per share	28	76.20	70.54
	Diluted (Rs) per share		76.20	70.54

The accompanying notes form an integral part of the Consolidated Financial Statement

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

		2017-18		2016-17	
A	**Cash flow from operating activities**				
	Profit / (Loss) before extraordinary items and tax		**1,137.92**		**809.89**
	Adjustments for:				
	Depreciation and amortisation expense	294.62		279.66	
	(Profit) / loss on sale / write off of assets	(0.14)		0.03	
	Finance costs	(0.58)		(0.48)	
	Interest income	0.68		0.87	
	Guarantee Commission	89.12		110.43	
	Amortisation of upfront fees	-		20.94	
	Provision for doubtful debts/Write off	(9.80)		(13.54)	
	Sundry balances written back	(9.10)	364.80	(0.16)	397.76
	Operating profit / (loss) before working capital changes		**1,502.72**		**1,207.65**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(712.07)		464.14	
	Trade receivables	(921.06)		(404.77)	
	Financial Assets	(9.66)		(8.81)	
	Other Assets	(336.62)		(0.21)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Financial Liabilities	619.64		270.87	
	Non Financial Liabilties	(35.84)		47.36	
	Provisions	7.78	(1,387.84)	7.99	376.57
	Cash generated from operations		**114.88**		**1,584.22**
	Net income tax (paid) / refunds		(203.97)		(154.59)
	Net cash flow from / (used in) operating activities (A)		**(89.08)**		**1,429.63**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Capital expenditure on Property Pant and Equipment	(884.90)		(311.02)	
	Proceeds from sale of Property Pant and Equipment	0.77		(0.83)	
	Movement in Other Bank Balances				
	Purchase of long-term investments	(26.25)		(6.11)	
	- Joint ventures	50.88		(59.90)	
	Interest received	9.09		14.14	
	Net cash flow from / (used in) investing activities (B)		**(850.40)**		**(363.72)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares	-		0.04	
	Proceeds from Long term borrowings	1.16		(1.53)	
	Repayment of Long term borrowings	(89.71)		(115.46)	
	Net Proceeds from Short term borrowings	400.00		-	
	Finance costs	(290.63)		(283.97)	
	Dividends paid	862.61		(622.97)	
	Tax on dividend	(14.46)		(12.05)	
	Net cash flow from / (used in) financing activities (C)		**868.96**		**(1,035.93)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(70.55)**		**29.98**

	2017-18	2016-17
Cash and cash equivalents at the beginning of the year	122.92	92.92
Cash and cash equivalents at the end of the year	52.36	122.92
Net Increase In Cash And Cash Equivalents	**(70.55)**	**29.99**
Components of Cash and Cash Equivalents		
Cash on Hand	5.61	3.86
Balances with Bank	46.75	119.06
Total Balance	**52.36**	**122.92**

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discontinuing operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

(iii) Figure in brackets denote outflows

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

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of Shares	₹	Number of Shares	₹	Number of Shares	₹
Subscribed and Fully Paid up Capital						
Equity shares of INR 10 each						
Opening Balance	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Changes in equity share capital during the year	-	-	4,000	0.04	-	-
Closing Balance	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	OCI - Foreign Currency Translation Reserve	Employee Stock Option	Total
INDAS balance as at April 1, 2016	**1,376.42**	**9.55**	**500.08**	**368.05**	**(2.96)**	**1.02**	**2,252.16**
Profit for the year	705.96						705.96
Dividend Paid	(10.01)						(10.01)
Dividend Distribution Tax	(2.04)						(2.04)
Re-measurement of net defined benefit plans	0.03						0.03
FETR- Impact which will be reveresed	-				3.27		3.27
Transfer to 'Minority Interst	(1.15)						(1.15)
Others	0.05						0.05
Balance as at 31 March 2017	**2,069.26**	**9.55**	**500.08**	**368.05**	**0.31**	**1.02**	**2,948.27**
Profit for the year	762.68						762.68
Dividend Paid	(12.01)						(12.01)
Dividend Distribution Tax	(2.45)						(2.45)
FETR- Impact which will be reversed					(0.61)		(0.61)
Re-measurement of net defined benefit plans	3.11						3.11
Others	(0.03)						(0.03)
Balance as at 31 March 2018	**2,820.56**	**9.55**	**500.08**	**368.05**	**(0.30)**	**1.02**	**3,698.96**

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
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Radhesh Welling
Executive Director & CEO
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1 Corporate Information:

Laxmi Organic Industries Limited ("LOIL" or "The Company") is the Goenka Group's flagship company, established in 1989 and is in the business on 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. LOIL is currently the only manufacturer of DDP in India.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 20, 2018.

2 Significant Accounting Policies:

A Basis of preparation of Financial Statements :

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS and the provisions of the Companies Act, 2013 (`Act') (to the extent notified).

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

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.

B Principles of Consolidation :

The consolidated financial statements relates to Laxmi Organic Industries Limited. and its Subsidiary Companies (referred to as Group), Associates and Joint Ventures. 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 2018. 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 off 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 2018.

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."

C The list of subsidiary companies, associates and joint ventures included in consolidation and Company's holding therein are as under :

Subsidiaries Companies

(*) Laxmi Organic Industries (Europe) BV (Refer Note (i) below)

(*) Laxmi Petrochem Middle East FZC

(*) Cellbion Lifesciences Pvt. Ltd.

(*) Laxmi Lifesciences Pvt. Ltd.

(*) Viva Lifesciences Pvt Ltd.

(**) Saideep Traders

Note:

(*) The Companies Effective Interest and Ownership Interest is 100%

(**) The Companies Effective Interest and Ownership Interest is 95%

(i) The accounts of Laxmi Organic Industries (Europe) BV are based on unaudited managements accounts

Joint Venture

Suvas Holding Ltd.(49% holding)

D 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.

E Summary of other significant accounting policies :

1 Use of Estimates :

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements 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.

2 Operating Cycle :

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 Current and non-current classification :

The Group presents assets and liabilities in the balance sheet based on current/non current classification. An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve 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

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- 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 atleast twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

4 Property, Plant and Equipment :

a) 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.

b) 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.

c) Borrowing costs on Property, Plant and Equipment's are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

d) Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

e) 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.

f) 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.

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

h) 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.

5 Leased Assets :

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

6 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.

7 **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 Pant 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.

8 **Borrowings :**

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.

9 **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).

10 **Inventories :**

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

a) **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.

b) **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.

c) **Finished Goods & semifinished goods :**

Finished Goods & semifinished 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.

d) **Stores and Spares** :

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

e) **Traded Goods :**

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

11 **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.

12 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 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 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.

13 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.

14 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.

15 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.

16 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.

17 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.

18 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:

Financial liabilities at fair value through profit or loss

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.

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.

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.

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.

C 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

D 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.

19 Revenue Recognition :

i) 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 measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

ii) Revenue from sale of goods is recognised net of returns, product expiry claims and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods.

iii) 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.

iv) The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue.

v) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

vi) Revenue in respect of insurance/other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

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) Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

ix) 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.

20 Employee benefits :

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
- Net interest expense or income.

Long-term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits :

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value. Termination benefits are recognized as an expense in the period in which they are incurred.

21 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.

22 Leases :

Operating lease :

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis in accordance with Ind AS 17.

23 Excise Duty and Cenvat / Service Tax Credit :

The excise duty expenses are bifurcated into two components: excise duty expenses related to sales and the un-recovered excise duty is recognized under other expenses and excise duty relating to the difference between the closing and opening stock of finished goods is recognized in the material cost and inventory adjustments.

CENVAT /Service Tax credit utilised during the year is accounted in excise duty and unutilised CENVAT / Service Tax credit at the year end is considered as duties and taxes refundable.

24 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.

25 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.

26 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.

27 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.

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3.Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

A. Property, plant and equipment

(₹ in Mn)

PARTICULARS	Land under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Storage Terminal	Windmill	Total	Intangible Assets
GROSS BLOCK												
As at 1st April 2016 (refer note iii)	29.06	232.08	204.54	1,599.91	14.25	3.50	7.04	14.31	0.07	22.31	**2,127.07**	14.29
Additions	0.30	11.59	-	126.81	0.20	0.84	0.83	17.06	-	-	**157.64**	1.19
Disposals/Adjustments	-	-	-	-	-	1.67	-	2.90	-	-	**4.57**	-
As at 31st March 2017	**29.36**	**243.67**	**204.54**	**1,726.72**	**14.45**	**2.67**	**7.87**	**28.47**	**0.07**	**22.31**	**2,280.15**	**15.48**
Additions	-	100.03	23.12	880.43	23.18	8.07	2.82	29.04	-	-	**1,066.68**	**0.18**
Disposals/Adjustments	-	-	-	-	-	-	0.28	3.14	-	-	**3.42**	
Exchange Fluctuation	**-**	-	-	-	0.14	0.17	0.70	-	-	-	**1.00**	
As at 31th March 2018	**29.36**	**343.70**	**227.66**	**2,607.15**	**37.77**	**10.91**	**11.10**	**54.37**	**0.07**	**22.31**	**3,344.41**	**15.66**
DEPRECIATION												
Charge for the Year	0.77	24.47	9.94	226.40	3.88	1.75	3.35	4.13	-	2.45	**277.14**	2.45
Disposals/Adjustments	-	-	-	-	-	1.56	-	2.10	-	-	**3.66**	-
As at 31st March 2017	**0.77**	**24.47**	**9.94**	**226.40**	**3.8773**	**0.19**	**3.35**	**2.03**	**-**	**2.45**	**273.48**	**2.45**
Charge for the Year	0.76	24.72	12.06	230.31	6.05	2.96	2.72	10.71	-	2.18	**292.47**	2.15
Disposals/Adjustments	-	-	-	-	-	-	0.28	2.37	-	-	**2.65**	
Exchange Fluctuation	-	-	-	-	0.09	0.08	0.70	-	-	-	**0.87**	
As at 31th March 2018	**1.53**	**49.19**	**22.00**	**456.71**	**10.02**	**3.23**	**6.48**	**10.37**	**-**	**4.62**	**564.17**	**4.60**
NET BLOCK												
As at 31st March 2017	**28.59**	**219.20**	**194.60**	**1,500.32**	**10.57**	**2.48**	**4.52**	**26.44**	**0.07**	**19.86**	**2,006.65**	**13.03**
As at 31th March 2018	**27.83**	**294.51**	**205.66**	**2,150.44**	**27.75**	**7.67**	**4.63**	**44.00**	**0.07**	**17.69**	**2,780.25**	**11.06**

Note:

i) 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.

The Gross Block under each of the heads of Fixed Assets relating to the aforesaid BOT agreement is as follows:

(₹ in Mn)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Factory Building	13.83	13.83	13.83
Plant & Machinery	116.22	116.22	116.22
Furniture & Fixture	0.16	0.16	0.16
Office Equipment	0.02	0.02	0.02
Computers	0.07	0.07	0.07
Total	**130.30**	**130.30**	**130.30**

iii. For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 - First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016, is as below:

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(₹ in Mn)

Particulars	Leasehold Land	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Storage terminal	Windmill	Total	Intangible -Technical Know-how & Non Compete Fees
Gross block	31.71	386.88	236.86	3,025.51	51.48	18.83	37.87	41.40	1.39	121.83	**3,953.76**	**33.62**
Less : Accumulated depreciation	2.65	154.80	32.32	1,421.20	37.23	15.33	30.83	27.09	1.32	99.52	**1,822.29**	**19.33**
Less : IND As impact	-	-	-	4.40	-	-	-	-	-	-	**4.40**	**-**
Net block	**29.06**	**232.08**	**204.54**	**1,599.91**	**14.25**	**3.50**	**7.04**	**14.31**	**0.07**	**22.31**	**2,127.07**	**14.29**

iv) Under Previous GAAP, the Company has exercised the option under para 46(A) of Accounting Standard- 11 "The Effects of Changes in Foreign Exchanges Rates". Exchange differences for ₹ 6.43/- Mn (loss) (Previous Year: ₹ 11.28 /- Mn profit) arising on long term foreign currency loan for acquiring property Pant and Equipment at rates different from those at which these were initially recorded, have been added to the cost of Property Pant and Equipment and shall be depreciated over the balance life of Property Pant and Equipment. Depreciation has been provided for the year under report.

The Company has availed exemption under para D13AA, and continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

v) Details of Additions made during te year w.r.t Research and Development

Particulars	2017-18	2016-17
Non Factory Building	23.12	-
Plant and Machinery	28.39	0.04
Computers	0.83	-
Office Equipment	1.56	-
Furniture and Fixtures	4.39	-
Intangibles	**0.15**	**-**
Total	**58.44**	**0.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2018

(All figures are Rupees in Million unless otherwise stated)

(₹ in Mn)

4 Financial Assets

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	**March 31, 2018**	March 31, 2017	April 1, 2016"
	Non- Current			**Current**		
4.1 A Investments in of Joint Ventures - Jointly controlled Entities						
40,65,947 (As at 31 Mar 2016 : 34,70,930) shares of ₹ 10 each fully paid up in Suvas holding limited	-	45.57	39.45	-	-	-
Total	**-**	**45.57**	**39.45**	**-**	**-**	**-**

B Disclosure as per Ind AS 112 " Disclosure of Interest in Other Entities"

a) Joint Ventures: Suhas Holdings Limited

Share of Holding - 49%

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
I Balance Sheet			
Non-current assets	344.11	268.45	160.11
Current assets:			
Cash and Cash equivalents	11.04	3.39	4.69
- Other assets	0.76	0.93	0.48
Current assets	11.80	4.32	5.17
Non-current liabilities:			
- Financial liabilities (excluding trade payables, other payables and provisions)	212.43	185.00	88.50
- Other liabilities	-		0.00
Non-current liabilities	212.43	185.00	88.50
Current liabilities:			
- Financial liabilities (excluding trade payables , other payables and provisions)	12.55	6.79	8.36
- Other liabilities	0.50	0.35	0.18
Current liabilities	13.05	7.14	8.54
Net assets	**130.43**	**80.63**	**68.23**
II Statement of Profit and Loss			
Revenue	0.45	0.55	0.56
Depreciation and amortisation	0.01	0.02	0.02
Other Expenses	0.67	0.21	0.20
Profit/ (Loss) for the year before tax	**(0.23)**	**0.32**	**0.34**
Income tax expenses	0.11	0.06	0.12
Profit/ (Loss) for the year	**(0.33)**	**0.26**	**0.22**
Other comprehensive income	-	-	-
Total comprehensive income	**(0.33)**	**0.26**	**0.22**
Group share of profit/ (Loss)	(0.16)	0.13	0.11
Group share of OCI	-	-	-
Group share of total comprehensive income	**(0.16)**	**0.13**	**0.11**

(₹ in Mn)

III	**Reconciliation of Carrying Value**			
	Net Assets as above	**130.43**	**80.63**	**68.23**
	Group share of net assets (49%)	63.91	39.51	33.43
	INDAS Adjustment	7.75	6.19	6.19
	Group share of total comprehensive income	(0.16)	0.13	0.11
	Intergroup Adjustments	0.33	(0.26)	(0.27)
	Total	**71.82**	**45.57**	**39.45**
	Carrying Value as per Financial Statements (*)	**71.82**	**45.57**	**39.45**

The same is shown under Assets held for sale under note 8

b) Subsidiaries

	Laxmi Organic Industries BV 100%			Laxmi Petrochem Middle East Fze 100%		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Non-current assets	1.68	2.10	8.13	-	-	-
Current assets	502.12	369.14	372.91	141.32	114.69	272.08
Non-current liabilities	-	-	-	-	-	99.66
Current liabilities	330.92	252.67	273.38	100.59	72.46	141.81
Net assets	**172.87**	**118.58**	**107.66**	**40.73**	**42.23**	**30.61**
Net assets attributable to NCI	-	-	-	-	-	-
Contingent Liabilities	-	-	-	-	-	-
Revenue	1,674.38	1,242.69	-	603.67	293.82	-
Profit for the year	32.36	20.51	-	(1.70)	12.67	-
Profit/(Loss) allocated to NCI	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
OCI allocated to NCI	-	-	-	-	-	-

	Celbion Lifesciences 100%			Saideep Traders 95%		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Non-current assets	84.38	90.07	113.14	63.12	68.85	74.06
Current assets	0.16	0.16	0.17	133.53	44.62	88.94
Non-current liabilities	-	-	-	-	-	-
Current liabilities	61.99	55.01	48.81	110.19	22.48	47.40
Net assets	**22.55**	**35.22**	**64.49**	**86.46**	**91.00**	**115.59**
Net assets attributable to NCI	-	-	-	-	-	-
Contingent Liabilities	-	-	-	-	-	-
Revenue	-	-	-	78.52	82.72	-
Profit for the year	(12.68)	(29.27)	-	(5.70)	(23.07)	-
Profit/(Loss) allocated to NCI	-	-	-	-	(1.15)	-
Other comprehensive income	-	-	-	-	-	-
OCI allocated to NCI	-	-	-	-	-	-

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.2 Trade Receivables						
(Unsecured, at amortised cost)						
i) Considered good	-	-	-	3,241.82	2,311.66	1,906.89
ii) Considered doubtful	-	-	-	8.38	15.02	10.35
Less: Allowance for Life Time Credit Loss	-	-	-	(7.81)	(14.81)	(10.08)
				3,242.39	**2,311.86**	**1,907.16**
Less:- Allowance for Expected Credit Loss				(0.56)	(0.20)	(0.27)
Total	-	-	-	**3,241.82**	**2,311.66**	**1,906.89**

Expected Credit Loss Note

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 historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts at every year end.

a) Movement in Allowance for Credit Loss

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of the period	15.02	10.35	-
Addition during the year	-	4.67	10.35
Reversal during the year	(6.64)	-	-
Provision at the end of the period	**8.38**	**15.02**	**10.35**

b) Trade receivables includes AED 21,56,296/- (amounting to ₹ 38.26 Million approximately) as at March 31, 2018, in respect of one of the Subsidiary, from two Customers which are lying since more than a year. There is no subsequent realisation from these customers after the reporting date and the balance confirmation from these customers are not received. The management is vigorously following up for the recovery of this amount from the customers and believes that these balances are good and recoverable in full.The auditors of the Subsidiary have made an Emphasis of matter on the same.

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.3 Loans and Advances (at amortised cost)						
(Unsecured, Considered good)						
i) Security Deposit	29.10	29.49	32.75	1.95	1.70	1.44
ii) Others Loans and advances	-	-	-	8.40	3.23	2.63
	29.10	**29.49**	**32.75**	**10.35**	**4.93**	**4.07**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
4.4 Cash and Bank Balances						
A Cash and cash equivalents						
i) Balances with banks	-	-	-	46.75	119.06	87.88
ii) Cash on hand	-	-	-	5.61	3.86	5.04
Total	**-**	**-**	**-**	**52.36**	**122.92**	**92.92**

(₹ in Mn)

		March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
B	**Other bank balances**						
i)	Fixed Deposit as margin for BG issued	-	-	-	57.66	108.54	48.65
	Total	**-**	**-**	**-**	**57.66**	**108.54**	**48.65**
	Grand Total	**-**	**-**	**-**	**110.02**	**231.46**	**141.57**

		As at			As at		
		March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Non- Current			**Current**		
4.5	**Other Financial Assets**						
	Unsecured considered good unless otherwise stated						
i)	Advance to Staff	1.22	1.38	2.34	6.75	1.29	1.59
ii)	Interest accrued receivable						
	From Banks	-	-	-	0.24	0.51	1.11
	From others	-	-	-	0.98	-	-
iii)	Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	-	-	4.77	-	-	-
iv)	Insurance Claim Receivable	-	-	-	0.45	-	0.13
v)	Guarantee Rental Obligation	0.80	0.92	5.50	-	-	-
		2.02	**3.30**	**12.61**	**8.42**	**1.80**	**2.83**

		As at		
		March 31, 2018	**March 31, 2017**	**April 1, 2016**
5.	**Deferred tax assets (net)**			
i)	On carry forward losses	-	4.49	10.19
		-	4.49	10.19

		As at			As at		
		March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
		Non- Current			**Current**		
6.	**Other Assets**						
i)	Capital Advance	87.69	51.12	28.79	-	-	-
ii)	Prepaid expenses	0.25	0.28	0.76	18.00	20.84	21.32
iii)	Prepaid Upfront fees	0.80	1.48	2.36			
iv)	Prepaid Rent	5.26	-	-			
v)	Prepaid taxes (net of provisions)	37.76	76.67	7.77	-	-	-
vi)	Balance with Government Authorities	57.57	72.46	66.47	259.60	90.69	191.87
vii)	Advance to Suppliers						
	- Considered good	-	-	-	277.29	158.56	71.41
	- Considered doubtful	-	-	-	27.72	27.72	11.83
		-	-	-	305.01	186.29	83.24
	Less: Impairment of doubtful advances	-			27.72	27.72	11.83
		-	-	-	277.29	158.56	71.41
viii)	Export Incentive receivable	-	-	-	13.21	14.60	2.33
ix)	Export Licenses on hand	-	-	-	27.99	4.12	27.65
x)	Other Receivables	-	-	-	0.03	0.03	1.89
xi)	Advance Gratuity	2.43	-	-	-	-	-
	Total	**191.76**	**202.01**	**106.15**	**596.12**	**288.84**	**316.47**

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
	Current		
7. Inventories			
(at lower of cost and net realisable value)			
a) Raw material	1,051.04	388.82	789.48
b) Work-in-progress	42.82	30.31	34.25
c) Finished goods	121.89	143.30	205.46
d) Consumable Stores and spares	72.36	63.84	59.28
e) Fuels and consumables	18.46	10.43	14.35
f) Packing Material	6.05	4.90	3.05
g) Trading	145.68	104.63	104.50
	1,458.30	**746.23**	**1,210.37**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
8. Assets held-for-sale						
i) Equity Instruments of Joint Venture	-	-	-	71.82	-	-
Suvas Holding of ₹ 10 each (65,21,932 shares (March 31, 2017: 40,65,947 Shares, April 1, 2016: 34,70,930 Shares))						
Total	**-**	**-**	**-**	**71.82**	**-**	**-**

(a) Company has entered into share purchase agreement dated June 5, 2017 to sell 65,21,932 equity shares of Suhas Holding Limited to Ravi Goenka and Rajeev Goenka (12,24,991 and 36,74,974 Shares respectively). The consideration for the shares is ₹ 10 per equity share which is arrived based on the valuation report of shares dated January 31,2017. However the aforesaid transfer is pending as on March 31, 2018 on account of approval / clearance from the lenders of Suhas Holdings Limited.

(b) Details of loans given, investments made and guarantee given covered U/S 186 (4) of the companies Act, 2013:
The following is the details as of March 31, 2018 of the Loans, Investments and Guarantees have been given by the Company to the Subsidiary Companies and Joint Venture Company:

Sr. No.	Name of Party	Nature	Purpose	2017-18	2016-17	2015-16
1	Suvas Holdings Limited - JV	Investment	Equity contribution pursuant to JV Agreement	24.56	-	-
2	Suvas Holdings Limited - JV	Corporate Guarantee	Addition Guarantee for addition equity contribution as above	26.02	-	-

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
9. Equity Share capital			
i) Authorised shares :			
2,10,00,000 (March 31, 2017: 2,10,00,000; April 1, 2016: 2,10,00,000) Equity Shares of ₹ 10/- each	210.00	210.00	210.00
Total	**210.00**	**210.00**	**210.00**
ii) Issued and subscribed and paid-up shares :			
1,00,09,081 (March 31, 2017 : 1,00,09,081; April 1, 2016 : 1,00,05,081) Equity Shares of ₹ 10/- each	100.09	100.09	100.05
Total paid-up share capital	**100.09**	**100.09**	**100.05**

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

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	10,009,081	100.09	10,005,081	100.05	10,005,081	100.05
Issued during the period	-	-	4,000	0.04	-	-
Balance, end of the period	**10,009,081**	**100.09**	**10,009,081**	**100.09**	**10,005,081**	**100.05**

b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 10/- 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.

c) Details of shares held by each shareholder holding more than 5% shares:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Number of shares	%	Number of shares	%	Number of shares	-
Shri V.D. Goenka	5	0.00%	895,526	8.95%	1,685,739	16.85%
Shri Ravi Goenka	5	0.00%	3,807,540	38.04%	1,399,510	13.99%
Shri Rajeev Goenka	5	0.00%	965,183	9.64%	1,323,000	13.22%
Smt. Manisha R. Goenka	5	0.00%	788,010	7.87%	788,010	7.88%
Smt. Aditi Goenka	5	0.00%	730,000	7.29%	730,000	7.30%
Miss Avantika Goenka	-	0.00%	-	0.00%	1,260,000	12.59%
Ravi Goenka Trustee of Yellow Stone Trust	8,037,224	80.30%	-	0.00%	-	0.00%
International Finance Corporation (Washington D.C.)	1,005,802	10.05%	1,005,802	10.05%	1,005,802	10.05%

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
10. Other Equity			
i) Retained Earnings	2,820.56	2,069.26	1,376.42
ii) Employee Stock Option	1.02	1.02	1.02
iii) General Reserve	368.05	368.05	368.05
iv) Security Premium Reserve	500.08	500.08	500.08
v) Capital Reserve	9.55	9.55	9.55
vi) Other Comprehensive Income:			
Items that will be reclassified subsequently to profit or loss	(0.30)	0.31	(2.96)
-Foreign Currency Translation Reserve			
	3,698.97	**2,948.27**	**2,252.16**

Note on creation of Reserves :

i) The Capital Reserve is special capital incentive, a government grant, received by the Company for setting up of a Unit in backward area. There are no condition to be satisfied and the Capital Reserve is retained as such.

ii) The General Reserve is created to comply with The Companies (Transfer of Profit and Reserve rules 1975)

iii) Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

iv) Employee Stock Option Scheme

a) The Nomination and Remuneration Committee (NRC) of the Board at its meeting held on 29 January 2015 has granted 3,000 options to one of the directors of the Company under Employee Stock Option Scheme 2014. Each Option is convertible into one equity share of ₹ 10/- each of the Company at a price of ₹ 10/- per share, being the exercise price determined by the NRC. The options granted would be vested over a period of one year from the date of the grant.

In February 2016, 1000 options were, further, granted to the director which were to vest simultaneously with the original options. The fair value of these options are considered same as that of the original options. Therefore, the options are valued at same price.

b) The Company, based on the valuation carried out by an Independent Valuer, has considered fair market value at ₹ 264/- per share. Accordingly, the Company has accounted the ESOP Compensation Cost on Intrinsic value Method as per the Guidance Note "Employee Share based Payments".

The total deferred compensation cost of ₹ 10,16,000/- as determined with the aforesaid Guidance Note was amortised over the vesting period. The impact of the same on its earning per share is disclosed separately, in accordance with Aounting Standard-20 on Earnings Per Share.

c) Employee stock options details during the period and as at Balance Sheet date is as follows:

Particulars	During the year ended 31 March 2018		During the year ended 31 March 2017	
	Options (Numbers)	**Weighted average exercise price per option (₹)**	**Options (Numbers)**	**Weighted average exercise price per option (₹)**
Option outstanding at the beginning of the year:	-	-	4,000	10
Granted during the year:	-	-	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	4,000	10
Lapsed during the year:	-	-	-	-
Options outstanding at the end of the year:	-	-	-	-
Balance exercisable	-	-	-	-
Intrinsic Value		-	-	264

The Valuer has used Discounted Cash Flow Method for valuation of options.

d) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

(₹ in Mn)

Particulars	**March 31, 2017**
Profit / (Loss) (as reported)	705.96
Add / (Less): stock based employee compensation (intrinsic value)	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (f) below)	-
Net Profit / (Loss) (proforma)	705.96
Basic earnings per share (as reported)	70.54
Basic earnings per share (proforma)	70.54
Diluted earnings per share (as reported)	70.54
Diluted earnings per share (proforma)	70.54

e) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Risk Free Interest Rate	7.80%	7.80%
Options	1000	1000
Expected Annual Volatility of Shares	0.01%	0.01%
Grant date	03/02/2016	03/02/2016
Vesting date	31/03/2016	31/03/2016
Fair value of share price	₹ 255	₹ 255
Exercise price	₹ 10	₹ 10

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
11. Financial Liabilities (at amortised cost)						
11.1 Long term Borrowings						
a) Term loans :						
Rupee Term Loan from Bank	311.11	-	23.07	88.89	-	3.08
Foreign Currency Loan from Bank	-	-	74.96	-	73.27	149.91
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	195.13	324.19	464.33	130.09	129.68	132.67
Rupee Term Loan from NBFC	-	63.81	93.57	-	11.05	8.03
(b) Vehicle loans :						
Vehicle Loans - Other than Bank	2.72	0.35	1.61	1.09	1.37	1.99
(c) Government Grant	22.05	33.29	48.07	11.24	14.78	17.32
				231.31	**230.15**	**313.00**
Less: Disclosed in Other Current Financial Liabilities	-	-	-	(231.31)	(230.15)	(313.00)
	531.02	**421.64**	**705.61**	**-**	**-**	**-**
The break-up of above:	508.97	388.35	657.54	220.07	215.37	295.68
Secured	22.05	33.29	48.07	11.24	14.78	17.32
Unsecured	**531.02**	**421.64**	**705.61**	**231.31**	**230.15**	**313.00**

Notes:

i) Term loan as at April 1, 2016 includes loan guaranteed by directors of the Company amounting to ₹ 98.03 million.

ii) Rupee Term Loan

Security Rupee Term Loan (HDFC Bank Ltd) and Foreign Currency loan from banks (Citi Bank NA, Jersey) & Multi Lateral Agency (I.F.C., Washington DC)

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 MIDC, B-3/1/2 Mahad Industrial Area, Dist Raigad Maharashtra.

b) First Charge on all Assets of Diketene Project situated at B/2/2,B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area, District. Raigad Collateral: Second pari passu charge on entire current assets of the Company.

iii) Repayment Schedule Foreign Currency Term loans from banks (Citi Bank NA, Jersey): 15 equal quarterly installments in Foreign Currency will start from October 2019. Interest is payable @ 3 months USD Libor plus 175 bps p.a.

iv) Repayment of 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.

v) Rupee Term loans from banks (HDFC Bank Ltd):

Tenure of Loan: Max 60 Months Repayment: 18 Equal Quaterly Installments after a moratorium period of 6 months from the date of 1st disbursement Interest: Linked with HDFC Bank 1 Year MCLR + 35 bps.

vi) There are multiple Interest free sales tax loans which are repayable in five installments from their due date. The Company has outstanding of ₹ 33.29/- Mn as at March 31, 2018 (Previous Year 48.07/- Mn). The first installment date was May 2009 and last terminal date is May 2023.

vii) Vehicle loans are secured against the same vehicle for which loan is taken. Charge on the Vehicle taken during the year is yet be registered.

viii) Maturity Profile of Long term Borrowings:

(₹ in Mn)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Installment payable within one year	231.31	230.15	313.00
Installment payable between 1 to 2 years	228.87	153.73	232.85
Installment payable between 2 to 5 years	298.90	264.68	427.92
Installment payable beyond 5 years	3.24	3.24	44.84
Total	**762.32**	**651.80**	**1,018.61**

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
11.2 Other Financial Liabilities (at amortised cost)						
i) Current maturity of long term borrowings	-	-	-	231.31	230.14	313.00
ii) Advance received sale of Investments (**)	-	-	-	56.60	-	-
iii) Payable for Capital Goods	-	-	-	69.23	62.22	20.54
v) Interest accrued and not due	-	-	-	12.00	7.87	8.50
vi) Interest accrued and due to Bank (*)					4.73	9.12
vii) Deposit received	-	-	-	10.20	11.00	10.80
viii) Staff Salary and other Payable	-	-	-	131.63	86.03	0.50
ix) Other Liabilities	-	-	-	7.32	4.71	4.85
x) Amount payable on hedging transactions	-	-	-	0.07	0.00	0.00
Total	**-**	**-**	**-**	**518.36**	**406.70**	**367.31**

(*) Interest accrued and due as at March 31, is debited by bank in first week of April.

(**) Refer Note 6(a) for Advance received for sale of investment.

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current Maturities		
12 Provisions						
i) Provision for employee benefits :						
Leave Encashment	18.47	17.39	11.02	9.10	6.51	5.07
Gratuity	-	-	-	-	0.42	1.07
ii) Provision for Sales Return	-	-	-	6.23	4.81	4.02
Total	**18.47**	**17.39**	**11.02**	**15.33**	**11.74**	**10.16**

(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, 2018	4.81	17.17	15.75	6.23
March 31, 2017	4.02	21.04	20.25	4.81

(b) Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits-Gratuity.

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 drawn salary) for each completed year of service restricted to ₹ 20 lacs (previous year ₹10 lacs). 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 follow:

(₹ in Mn)

	Particulars	As on March 31, 2018	As on March 31, 2017
a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	23.44	19.7290
	Current Service Cost	3.56	2.9543
	Interest Cost	1.59	1.4786
	Actuarial (Gain) /Loss-Other Comprehensive Income	(3.11)	(0.0320)
	Past Service Cost	1.90	0.0000
	Benefits paid	(1.21)	(0.6827)
	Defined Benefit obligation at the year end	**26.17**	**23.45**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	23.02	18.6625
	Investment Income	1.56	1.3985
	Employer Contribution	5.22	3.6486
	Benefits Paid	(1.21)	(0.6827)
	Fair Value of Plan Assets at the year end	**28.60**	**23.03**
c)	**Reconciliation of fair value of assets and obligations**		
	Present value of Defined Benefit obligation	26.17	23.45
	Fair Value of Plan Assets	28.60	23.03
	Net Asset / (Liability)	**2.43**	**(0.42)**
d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	In Income Statement	5.48	3.03
	In Other Comprehensive Income	(3.11)	(0.03)
	Total Expenses Recognized during the period	**2.37**	**3.00**
e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**(3.11)**	**(0.03)**
f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	(2.43)	-
	Short-term provisions	-	0.42
		(2.43)	**0.42**

ii) Actuarial Assumptions

Particulars	**As on March 31, 2018**	**As on March 31, 2017**
Discount rate (per annum)	6.80%	7.50%
Salary growth rate (per annum)	5%	5%
Attriation rate	7%	7%

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	Attriation Rate	Mortality Rate
Changes in Assumption				
March 31, 2018 (%)	1%	1%	50%	10%
March 31, 2017 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2018 (Rs in Mn)	245.64	278.70	266.34	261.84
March 31, 2017 (Rs in Mn)	221.35	250.05	238.12	234.52
Decrease in assumption				
March 31, 2018 (Rs in Mn)	279.78	245.67	254.19	261.64
March 31, 2017 (Rs in Mn)	249.12	220.15	228.39	234.36

(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 payouts. This may arise due to non availabilty 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 liabilty.

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 payouts (e.g. Increase in the maximum limit on gratuity of ₹. 20,00,000).

vi) **Asset Liability Mismatching or Market Risk:** The duration of the liabilty 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.

Note: The above is a standard list of risk exposures in providing the gratuity benefit. The Company is advised to carefully examine the above list and make suitable amendments (including adding more risks, if relevant) to the same before disclosing the above in its financial statements.

(₹ in Mn)

	March 31, 2018	March 31, 2017	April 1, 2016
13. Deferred Tax Liability			
a) Deferred Tax Liability on account of :			
i) Property Plant & Equipment	202.41	135.52	206.37
	202.41	**135.52**	**206.37**
b) Deferred Tax Asset on account of :			
i) Minimum Alternate Tax	24.59	24.59	24.59
ii) Provision for doubtful advances and debts	11.10	13.50	2.18
iii) Tax disallowances	7.94	7.21	4.91
iv) Preliminary expenses	-	0.02	0.63
	43.63	**45.32**	**32.31**
Deferred Tax Liability, net	**158.78**	**90.20**	**174.06**

(₹ in Mn)

	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
	Non- Current			Current		
14 Other Liabilities						
i) Duties and Taxes payable	-	-	-	32.18	75.57	44.95
ii) Advance from customers	-	-	-	38.78	33.60	10.70
iii) Guarantee Liability	5.34	4.39	4.97	0.61	0.58	0.48
iv) Other Payables	-	-	-	0.89	0.09	6.25
Total	**5.34**	**4.39**	**4.97**	**72.46**	**109.84**	**62.38**

	March 31, 2018	March 31, 2017	April 1, 2016
15. Short Term Borrowings (at amortised cost)			
From Banks			
Cash Credit	1,074.46	518.89	1,108.93
Buyers Credit	307.04		
From Others			
From Directors	6.78	6.78	39.71
Total	**1,388.28**	**525.67**	**1,148.64**
Secured	**1,074.46**	**518.89**	**1,108.93**
Unsecured	**313.83**	**6.78**	**39.71**

	March 31, 2018	March 31, 2017	April 1, 2016
16. Trade Payables (at amortised cost)			
i) Trade payables - Micro, small and medium enterprises	5.25	16.02	15.14
ii) Trade payables - Others	2,136.07	1,617.27	1,395.66
Total	**2,141.32**	**1,633.29**	**1,410.80**

a) Amounts due to Micro, Small and Medium Enterprises

Details of Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly disclosed hereunder.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due	5.25	16.02	15.14
Interest due on above	0.00	0.02	0.53
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006			
- Principal amount paid beyond appointed day	23.40	38.46	43.70
- Interest paid thereon	-	-	-
Amount of interest due and payable for the period of delay	0.27	0.39	
Amount of interest accrued and remaining unpaid as at year end	1.30	1.03	0.64
Amount of further interest remaining due and payable in the succeeding year	-	-	-

(₹ in Mn)

	As at		
	March 31, 2018	March 31, 2017	April 1, 2016
17. Current Tax Liabilities (net)			
Current Tax Liabilities (net of taxes paid)	160.09	100.81	4.40
Total	**160.09**	**100.81**	**4.40**

	Year ended March 31, 2018	Year ended March 31, 2017
18. Revenue from Operations		
i) Sale of Products		
Chemicals	9,274.39	8,741.98
Others	4,560.84	2,644.31
Less: Sales Return	(17.17)	(21.04)
	13,818.06	**11,365.25**
ii) Other Operating Revenue		
Export Incentives	54.68	42.1928
Income from DEPB purchase at discount	16.14	9.7703
Insurance claim received	5.06	5.3600
Total	**13,893.94**	**11,422.57**

	Year ended March 31, 2018	Year ended March 31, 2017
19. Other Income		
i) Interest Income on Financial Asset	9.80	13.54
ii) Income from Brokerage	0.00	0.03
iii) Guarantee Commission	0.58	0.48
iv) Interest on Income Tax Refund	0.67	0.76
vi) Sundry balances written back	9.10	0.16
vi) Profit on Sale of Property Plant & Equipment	0.14	-
vii) Miscellaneous Income	9.72	3.63
Total	**30.01**	**18.60**

	Year ended March 31, 2018	Year ended March 31, 2017
20. Cost of Materials Consumed		
Opening Stock of Raw Material	388.82	764.94
Add : Purchases	7,162.75	5,310.90
	7,551.57	6,075.84
Less : Closing Stock of Raw Material	(1,051.04)	(388.82)
Cost of Material Consumed	**6,500.53**	**5,687.02**

	Year ended March 31, 2018	Year ended March 31, 2017
21. Purchase of Stock in trade		
i) Chemicals and Other Purchases	2,114.92	1,173.56
ii) Coal	1,098.04	508.06
Total	**3,212.96**	**1,681.62**

(₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
22. Changes in inventories of Finished Goods, Work in progress and Stock in Trade		
WIP Inventory at the beginning of the year	30.31	34.25
WIP Inventory at the end of the year	(42.82)	(30.31)
	(12.51)	3.94
FG Inventory at the beginning of the year	143.30	208.40
FG Inventory at the end of the year	(121.89)	(143.30)
	21.41	65.10
FG Inventory of Traded Goods at the beginning of the year	104.63	104.50
Add Foreign Currency Translation Adjustments	20.85	(8.02)
FG Inventory of Traded Goods at the end of the year	(145.68)	(104.63)
	(20.20)	(8.15)
(Increase) / Decrease in Excise Duty on Finished Goods		
Closing Stock	-	(18.31)
Less Stock at commencement	18.31	29.23
	18.31	10.92
	(29.61)	**49.96**

	Year ended March 31, 2018	Year ended March 31, 2017
23. Employee benefit expenses		
i) Salaries, wages and bonus	373.18	287.3093
ii) Contribution to Employees gratuity, leave encashment and Other Funds	22.45	24.6492
iii) Director's Remuneration	115.85	114.4220
iv) Staff Welfare Expenses	14.53	11.8361
Total	**526.01**	**438.22**

	Year ended March 31, 2018	Year ended March 31, 2017
24. Finance Costs:		
i) Interest on Financial Liabilities at amortised cost	77.72	97.48
ii) Interest on Direct Taxes	7.65	0.03
iii) Interest on Indirect Taxes	0.23	0.10
iv) Other borrowing costs	2.84	11.95
v) Amortisation of Upfront Fees	0.68	0.87
Total	**89.12**	**110.43**

	Year ended March 31, 2018	Year ended March 31, 2017
25. Depreciation & amortization		
i) Depreciation	293.38	278.13
ii) Amortisation	1.24	1.53
Total	**294.62**	**279.66**

(₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
26. Other expenses		
Power & Fuels	823.25	698.69
Consumption of Consumables Stores and Spares	114.45	66.29
Consumption of Packing Materials	84.64	102.86
Water Charges	32.46	26.11
Labour Charges	41.98	36.42
Inward Freight Charges	34.45	27.53
Outward Export Freight Charges	225.33	180.86
Clearing and Forwading Expenses	9.21	13.46
Repairs and Maintenance		-
Buildings	12.39	12.84
Machineries	39.08	19.53
Others	35.76	23.14
Transportation Charges	164.05	146.79
Consignment Exp	1.43	8.74
Commission	42.01	23.80
Advertisement	0.51	0.58
Director's Sitting Fees	0.82	0.99
Books and Periodicals	0.18	0.15
Business Promotion Expenses	14.75	14.36
Commission to Non-Executive Director	3.65	2.60
Computer Maintenance	6.64	6.09
Conveyance Expenses	0.71	1.53
Donation	2.88	0.59
CSR Expenditure	5.88	3.33
General Expenses	10.41	5.47
Inspection charges	0.46	1.50
Insurance Charges	22.45	21.53
Membership & Subscription	27.74	11.41
Postage & Telegram	2.90	2.20
Professional and Legal Expenses	83.42	56.11
Printing & Stationery	3.28	5.66
Rent	30.86	17.88
Rates and Taxes	9.86	11.00
Security Service Charges	9.91	9.75
Travelling Expenses	32.11	38.26
Telephone Expenses	6.24	6.69
Vehicle Expenses	15.52	11.66
Auditors' remuneration	1.71	1.32
Component Auditors Fees	1.66	1.49
Bank Charges	21.58	26.34
Provision for Advance/Doubtful debt	-	20.94
Expected credit loss	0.36	-0.07
Sundry Balance w/off	-	3.22
Exchange Loss	20.78	21.04
Other Expenses	10.68	22.17
Loss on Sale of Asset	-	0.03
Preliminary Expenses W/off	0.00	1.45
Sales Tax	7.47	2.60
Local Body Tax paid	-	3.45
Service Tax Credit Not Availed	1.14	0.14
Total	**2,017.05**	**1,720.52**

Note:

(₹ in Mn)

	Year ended March 31, 2017	Year ended March 31, 2016
Payments to the auditors comprises (net of tax input credit, where applicable) :		
(a) To Statutory auditors		
For audit including consolidation	1.14	1.10
For limited review	0.28	0.15
For certification and other services	0.29	0.07
Total	**1.71**	**1.32**

27. Tax Expense

	Year ended March 31, 2017	Year ended March 31, 2016
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	302.16	182.11
Deferred tax	73.08	(78.18)
Income tax recognised in statement of profit or loss	**375.23**	**103.93**

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 :

			Year ended March 31, 2018	Year ended March 31, 2017
A	**Current Tax**			
	Profit Before tax		**1,137.76**	**809.73**
	Enacted tax rates in India (%)	**A**	**1,105.40**	**789.22**
	Enacted tax rates in India (%)		34.61%	34.61%
	Computed expected tax expenses		382.56	273.13
	Effect of non- deductible expenses		113.39	103.29
	Effects of deductible Expenses		(137.95)	(73.95)
	Non Taxable effects		(59.61)	(51.49)
	Set off of brought forward losses		-	(68.41)
	Income tax expenses - Net		298.39	182.58
	Profit Before tax- From Foreign Entity	**B**	**32.36**	**20.51**
	Tax Effects on above		**3.77**	**(0.48)**
	Income tax expenses - Net	**C= (A+B)**	**302.15**	**182.10**
	Tax liability as per Minimum Alternate Tax on book profits			
	Minimum Alternate Tax rate		21.34%	21.34%
	Computed tax liability on book profits		235.91	168.43
	Tax effect on adjustments:			
	1/5 portion of Opening IND AS Reserve as on March 31, 2017		0.05	-
	Effect of non deductible expense		15.78	4.47
	Minimum Alternate Tax on Book Profit	**D**	**251.73**	**172.90**
	Higher of C or D		**302.15**	**182.10**

B **Deferred Tax**

Deferred tax assets/(liabilities) in relation to:-

(₹ in Mn)

Particulars	**Opening**	**Recognised in profit and loss**	**Recognised in O C I**	**Closing**
Property Plant & Equipment	(206.37)	70.85	-	(135.52)
Minimum Alternate Tax	24.59	-	-	24.59
Provision for doubtful advances and debts	2.18	11.32	-	13.50
Tax disallowances	4.91	2.31	-	7.21
Preliminary expenses	0.63	(0.60)	-	0.02
Unabsorbed losses	10.19	(5.70)	-	4.49
As at March, 31, 2017	**(163.87)**	**78.18**	**-**	**(85.70)**
Property Plant & Equipment	(135.52)	(66.89)	-	(202.41)
Minimum Alternate Tax	24.59	0.00	-	24.59
Provision for doubtful advances and debts	13.50	(2.40)	-	11.10
Tax disallowances	7.21	0.73	-	7.94
Preliminary expenses	0.02	(0.02)	-	-
Unabsorbed losses	4.49	(4.49)	-	-
As at March, 31, 2018	**(85.71)**	**(73.07)**	**-**	**(158.78)**

28 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:

	Year ended March 31, 2018	**Year ended March 31, 2017**
Net Profit / (Loss) as per Statement of Profit and Loss	762.68	705.96
Outstanding equity shares at period end	10,009,081	10,009,081
Weighted average Number of Shares outstanding during the period – Basic	10,009,081	10,007,854
Weighted average Number of Shares outstanding during the period - Diluted	10,009,081	10,007,854
Earnings per Share - Basic (₹)	76.20	70.54
Earnings per Share - Diluted (₹)	76.20	70.54

Reconciliation of weighted number of outstanding during the period:

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	10,009,081	10,005,081
Add : Issue of Equity Shares	-	4,000
Total number of equity shares outstanding at the end of the period	**10,009,081**	**10,009,081**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	10,009,081	10,007,854
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	10,009,081	10,007,854

29. Details of research and development expenditure recognised as an expense (₹ in Mn)

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense	16.08	12.07
Legal & Professional fees	4.08	7.67
Other expenses	0.52	0.41
Depreciation and amortisation expense	5.18	10.61
Capital expenditure (Refer Note 3(v))	58.44	0.04
Total	**84.30**	**30.80**

30. Contingent liabilities and commitments (to the extent not provided for)

	Year ended March 31, 2018	Year ended March 31, 2017
i) Contingent liabilities		
a) Liabilities Disputed - Appeals filed with respect to :		
i) Disputed Excise/ Custom Matters in Appeals	-	16.43
ii) Income Tax on account of Disallowances / Additions and default of TDS	5.44	5.82
iii) VAT credits disallowed by the authorities against which the company has preferred appeals.	2.33	2.33
b) Guarantees:		
i) Given on behalf of WOS to their Vendors	106.64	164.41
ii) Furnished by banks on behalf of the Company	98.00	111.21
c) Other money for which the Company is contingently liable (give details)		
i) Standby letter of credit given on behalf of WOS	282.94	-
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	218.03	57.15
b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	770.96	1,022.19
iii) Letters of Credit	697.58	1,309.38

31 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company has taken office premises on leave and license basis which are cancellable contracts.

32 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, 2018 and March 31, 2017, the power generation business does not meet the criteria mentioned in para 13 of the Indian Accounting Standard "Operating Segment " (Ind AS 108) and hence the same is not seperately disclosed.

There are no Customers whose contribution is equal or more than 10% of the Turnover of the Company for the year ended March 31, 2018 and March 31, 2017.

33 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015.

Details are given in **Annexure -1.**

34 Derivative Instruments and Unhedged Foreign Currency Exposure

Details on unhedged foreign currency exposures

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	3,882,900	252.56	2,857,373	185.27	970,101	64.35
Trade Receivable (EURO)	-	-	280,239	19.41	190,016	14.27
Interest receivable (EURO)	-	-	-	-	25,682	1.93
Interest receivable (USD)	142,027	9.24	142,027	9.21	106,625	7.07
Loans and Advances Given (USD)	-	-	-	-	1,400,000	92.87
Loans and Advances Given (EURO)	39,800	3.22	-	-	15,000	1.13
Interest payable (USD)	85,541	5.56	110,249	7.15	38,575	2.90
Trade payable (USD)	8,933,351	581.06	14,013,301	908.60	1,292,634	85.74
Trade payable (EURO)	-	-		-	2,024	0.15
Borrowings (USD)	9,720,588	632.27	8,130,000	527.14	12,390,000	821.86

35 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

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.

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.

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

36 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For eighteen months periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018 together with the comparative period data as at and for the period ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including;

- Balance Sheet reconciliation for the year ended April 1, 2016 and March 31, 2017,
- Profit reconciliation for the period ended March 31, 2017 ,
- Equity Reconciliation as at April 1, 2016 and March 31, 2017,
- Notes explaining the changes from previous GAAP to Ind AS ,
- Exemption availed by the Company on first time adoption of Ind AS.

Details of the same is given vide **Statement A**

37 Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

38 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

(₹ in Mn)

		Carrying Value			Fair Value		
		March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
a)	**Financial Assets**						
	Amortised Cost						
	Loans	39.45	34.42	36.82	39.45	34.42	36.82
	Others	10.44	5.10	15.44	10.44	5.10	15.44
	Trade receivables	3,241.82	2,311.66	1,906.89	3,241.82	2,311.66	1,906.89
	Cash and cash equivalents	110.02	231.46	141.57	110.02	231.46	141.57
	Total Financial Assets	**3,401.73**	**2,582.64**	**2,100.72**	**3,401.73**	**2,582.64**	**2,100.72**
b)	**Financial Liabilities**						
	Amortised Cost						
	Borrowings	2,150.61	1,177.45	2,167.25	2,150.61	1,177.45	2,167.25
	Trade payables	2,141.32	1,633.29	1,410.80	2,141.32	1,633.29	1,410.80
	Others	287.05	176.56	54.31	287.05	176.56	54.31
	Total Financial Liabilities	**4,578.98**	**2,987.31**	**3,632.36**	**4,578.98**	**2,987.31**	**3,632.36**

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.

39 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, 2018, March 31, 2017 and April 1, 2016.

	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 measured at fair value:				
Forward Contracts	31-Mar-18	-	0.07	-
Forward Contracts	31-Mar-17	-	19.80	-
Forward Contracts	1-Apr-16	-	10.22	-

40 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance 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 Net exposure based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in ₹ are as follows:

Particulars	Assets		Liabilities	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
USD	4,067,481	2,999,400	26,473,794	22,253,550
EUR	374,874	936,680	-	-

Foreign Currency Sensitivity analysis:

The company is mainly exposed to USD and EURO fluctuations

The following table details the company's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Rupee Strengthens by 1%	**Rupee weakens by 1%**	**Rupee Strengthens by 1%**	**Rupee weakens by 1%**
	(₹ in mn)		**(₹ in mn)**	
USD	14.43	(14.43)	12.36	(12.36)
EUR	(0.30)	0.30	(0.64)	0.64

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative contract is entered into for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

	No of Contracts		Foreign Currency		INR	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
USD/ INR Buy forward	9	22	7.82	10.00	510.90	648.63
USD/ INR Sell forward	1	-	0.04	-	2.78	-
EUR/ INR Sell forward	4	-	1.00	-	83.46	-
EUR/ USD Buy forward	-	3	-	0.41	-	28.41
EUR/ INR Buy forward	-	1	-	0.25	-	17.04

Sensitivity on the above derivative contacts in respect of foreign currency exposure is insignificant .

B) Interest Rate Risk Management

Interest rate risk arises from 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 a agreed portfolio of fixed and variable rate loans and borrowings. Out of the total borrowings, the amount of fixed interest loan is 37.10 million and floating interest loan is ₹ 725.22 Million (March 31, 2017: Fixed interest loan ₹ 124.65 Million and Floating interest loan ₹ 527.14 Million; April 1, 2016: Fixed interest loan ₹ 170.60 Million and Floating interest loan ₹ 848.01 Million) The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	2017-18		2016-17	
	Rupee loans interest rate decreases by 1.00 %	**USD loans interest decreases by 0.15%**	**Rupee loans interest rate decreases by 1.00 %**	**USD loans interest decreases by 0.15%**
Impact on Profit and Loss: Profit /(Loss)	4.00	0.49	-	0.79

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.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department 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 an annual 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.

	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Trade receivables *(Refer Note 4.2)*	3,241.82	2,311.66	1,906.89
Allowances for Credit Loss *(Refer Note 4.2 (a))*	8.38	15.02	10.35

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur

D) Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility using money market instruments, bank overdrafts, bank loans and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director and Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyse the Company's financial liabilities into relevant maturity companyings based on their contractual maturities:

(₹ in Mn)

	Within one year	Between 1 to 2 years	Between 2 to 5 years	Beyond 5 years	Total
As at March 31, 2018					
Borrowings*	1,619.59	228.87	298.90	3.24	2,150.61
Trade Payables	2,141.32	-	-	-	2,141.32
Other financial Liabilities	287.05	-	-	-	287.05
	4,047.96	**228.87**	**298.90**	**3.24**	**4,578.97**
As at March 31, 2017					
Borrowings*	755.81	153.73	264.68	3.24	1,177.46
Trade Payables	1,633.29	-	-	-	1,633.29
Other financial Liabilities	176.56	-	-	-	176.56
	2,565.66	**153.73**	**264.68**	**3.24**	**2,987.31**
As at April 1, 2016					
Borrowings*	1,461.64	232.85	427.92	44.84	2,167.25
Trade Payables	1,410.80	-	-	-	1,410.80
Other financial Liabilities	54.31	-	-	-	54.31
	2,926.75	**232.85**	**427.92**	**44.84**	**3,632.36**

* including Current Maturity of non current borrowing

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.

	March 31, 2018	March 31, 2017	April 1, 2016
Gross Debt	762.32	651.79	1,018.61
Less:			
Cash and Cash Equivalent	110.02	231.46	141.57
Net debt (A)	**652.30**	**420.33**	**877.05**
Total Equity (B)	**3,799.06**	**3,048.36**	**2,352.21**
Gearing ratio (A/B)	**0.17**	**0.14**	**0.37**

41 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	Rs in Million	% of Consolidated Profit	Rs in Million
Parent :				
Laxmi Organic Industries Limited				
Current Year	98.09%	3,726.52	97.65%	744.75
Previous Year	98.18%	2,992.92	99.45%	702.11
Subsidiary - Indian :				
Laxmi Lifesicences Pvt. Ltd				
Current Year	0.00%	(0.07)	0.00%	(0.01)
Previous Year	0.00%	(0.05)	0.00%	(0.01)
Viva Lifesicences Pvt. Ltd.				
Current Year	0.00%	(0.07)	0.00%	(0.01)
Previous Year	0.00%	(0.05)	0.00%	(0.01)

Cellbion Lifesicences Pvt. Ltd				
Current Year	0.59%	22.45	-0.92%	(6.98)
Previous Year	1.15%	35.12	-0.88%	(6.20)
Saideep Traders				
Current Year	0.00%	-	-0.75%	(5.70)
Previous Year	0.00%	-	-3.27%	(23.07)
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current Year	1.06%	40.13	-0.22%	(1.70)
Previous Year	1.37%	41.63	1.79%	12.67
Laxmi Organic Industries (Europe) BV				
Current Year	0.27%	10.18	4.24%	32.36
Previous Year	-0.69%	(21.16)	2.90%	20.51

42 The Board of Directors at their meeting held on June 20, 2018 has recommended dividend of ₹ 1.50 per equity share which is subject to shareholder approval at the Annual General Meeting. The total payment of this account on approval by the members would be ₹ 18.07 mn (previous year ₹ 14.46 mn) including dividend distribution tax thereon.

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 Company for the year ended March 31, 2018.

As per our report of even date

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

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : June 20, 2018

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Radhesh Welling
Executive Director &
DIN-07279004

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : June 20, 2018

Annexure -1

Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting, enterprise

A	**Subsidiaries**
1	Cellbion Lifesciences Pvt. Ltd.
2	Laxmi Lifesciences Pvt. Ltd.
3	Laxmi Organic Industries (Europe) BV
4	Laxmi Petrochem Middle East FZC
5	Viva Lifesciences Pvt Ltd.
6	Saideep Traders
B	**Associates and joint ventures of the reporting enterprise**
1	Suvas Holding Ltd.
C	**Key Management Personnel and**
1	Vasudeo Goenka
2	Ravi Goenka
4	Radhesh Welling
D	**Relatives of Key Management Personnel**
1	Rajeev 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 (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	Merton Finance & Trading
9	Ojas Dye-Chem (India) Pvt. Ltd.
10	Pedestal Finance & Trading Pvt. Ltd.
11	Rajeev Goenka HUF
12	Ravi Goenka HUF
13	Sherry Exports Pvt. Ltd
14	Zenith Distibutors
15	Wintech Systems
16	Varadvinayak Multi Impex Pvt Ltd
17	Merton Finance & Trading Pvt. Ltd
18	Pedestal Finance & Trading Pvt. Ltd.
19	Ravi Goenka as a Trustee of Yellow Stone Trust

B The following are the transactions with related parties

Related party transactions

(₹ in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Interest Paid	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(0.24)	(0.12)	-	(0.35)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(0.05)	-	-	(0.05)
Ravi Goenka	-	-	-	-	-	-
	-	-	(0.19)	-	-	(0.19)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(0.12)	-	(0.12)
Rent, Commission and Other Expenses	**-**	**-**	**-**	**-**	**0.59**	**0.59**
	-	-	-	-	(1.49)	(1.49)
Merton Finance & Trading Pvt. Ltd	-	-	-	-	0.11	0.11
	-	-	-	-	(0.90)	(0.90)
Sherry Exports Pvt. Ltd.	-	-	-	-	0.48	0.48
	-	-	-	-	(0.48)	(0.48)
Donation	**-**	**-**	**-**	**-**	**1.60**	**1.60**
	-	-	-	-	(0.60)	(0.60)
Laxmidevi Nathmal Goenka Charitable Trust	-	-	-	-	0.10	0.10
	-	-	-	-	(0.50)	(0.50)
Laxmi Foundation	-	-	-	-	1.50	1.50
	-	-	-	-	(0.10)	(0.10)
Expenses Incurred on bahalf of	**-**	**-**	**-**	**-**	**1.07**	**1.07**
	-	-	-	-	(0.37)	(0.37)
Brady Investments Pvt. Ltd.	-	-	-	-	1.07	1.07
	-	-	-	-	(0.00)	(0.00)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(0.37)	(0.37)
Expenses Recovered	**-**	**-**	**-**	**-**	**0.83**	**0.83**
	-	-	-	-	(0.28)	(0.28)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	0.83	0.83
	-	-	-	-	(0.22)	(0.22)
Zenith Disrtibuters					-	-
					(0.03)	(0.03)
Sales	**-**	**-**	**-**	**-**	**28.54**	**28.54**
	-	-	-	-	(25.77)	(25.77)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	28.54	28.54
	-	-	-	-	(25.77)	(25.77)
Purchases of goods	**-**	**-**	**-**	**-**	**5.06**	**5.06**
	-	-	-	-	(14.50)	(14.50)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Sitting Fees	**-**	**-**	**0.14**	**0.08**	**-**	**0.22**
	-	-	(0.18)	(0.12)	-	(0.30)
Vasudeo Goenka	-	-	0.14	-	-	0.14
	-	-	(0.18)	-	-	(0.18)
Rajeev Goenka	-	-	-	0.08	-	0.08
	-	-	-	(0.12)	-	(0.12)

(₹ in Mn)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Management Personnel	4 Relatives of Key Management Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Salary	**-**	**-**	**-**	**3.91**	**-**	**3.91**
	-	-	-	(16.86)	-	(16.86)
Harshvardhan Goenka	-	-	-	3.91	-	3.91
	-	-	-	(16.86)	-	(16.86)
Directors Remuneration	**-**	**-**	**115.86**	**-**	**-**	**115.86**
	-	-	(114.42)	-	-	(114.42)
Ravi Goenka	-	-	80.49	-	-	80.49
	-	-	(76.19)	-	-	(76.19)
Radhesh Welling	-	-	35.37	-	-	35.37
	-	-	(38.23)	-	-	(38.23)
Loan / Deposit Taken	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(11.50)	(24.00)	-	(35.50)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(4.00)	-	-	(4.00)
Ravi Goenka	-	-	-	-	-	-
	-	-	(7.50)	-	-	(7.50)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(24.00)	-	(24.00)
Loan / Deposit Repaid	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(37.06)	(31.39)	-	(68.45)
Vasudeo Goenka	-	-	-	-	-	-
	-	-	(12.95)	-	-	(12.95)
Ravi Goenka	-	-	-	-	-	-
	-	-	(24.11)	-	-	(24.11)
Rajeev Goenka	-	-	-	-	-	-
	-	-	-	(31.39)	-	(31.39)
Advance received sale of Investments	**-**	**-**	**19.10**	**37.50**	**-**	**56.60**
	-	-	-	-	-	-
Ravi Goenka	-	-	19.10	-	-	19.10
	-	-	-	-	-	-
Rajeev Goenka	-	-	-	37.50	-	37.50
	-	-	-	-	-	-
Equity Investment In JV	**-**	**24.56**	**-**	**-**	**-**	**24.56**
	-	(5.95)	-	-	-	(5.95)
Suvas Holding Ltd.		24.56	-	-	-	24.56
	-	(5.95)	-	-	-	(5.95)
Dividend Paid	**-**	**-**	**5.76**	**3.94**	**0.74**	**10.44**
	-	-	(4.61)	(2.59)	(0.61)	(7.81)
Vasudeo Goenka	-	-	1.19	-	-	1.19
	-	-	(0.90)	-	-	(0.90)
Ravi Goenka	-	-	4.57	-	-	4.57
	-	-	(3.71)	-	-	(3.71)
Mr. Rajeev Goenka	-	-	-	1.17	-	1.17
	-	-	-	(1.07)	-	(1.07)
Balance Payable As On 31.03.2018	**-**	**-**	**-**	**-**	**0.67**	**0.67**
	-	-	-	(8.38)	(20.26)	(28.64)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	-	-
	-	-	-	-	(5.21)	(5.21)
Enersun Power Tech Pvt. Ltd.	-	-	-	-	-	-
	-	-	-	-	(14.50)	(14.50)
Harshvardhan Goenka	-	-	-	-	-	-
	-	-	-	(8.38)	-	-
Balance Receivable As On 31.03.2018	**-**	**-**	**-**	**-**	**2.74**	**2.74**
	-	-	-	-	(12.62)	(12.62)

Note: Figures in parenthesis are pertaining to previous year.

Statement A

Reconciliations to First time adoption

A Balance sheet reconciliation

(₹ in Mn)

Particulars		As at March 31, 2017	Ind As Adjust-ment	As at March 31, 2017	As at April 1, 2016	Ind As Adjust-ment	As at April 1, 2016
ASSETS		**Previous GAAP**		**Ind As**	**Previous GAAP**		**Ind As**
NON-CURRENT ASSETS							
a)	Property, plant and equipment	2,011.05	(4.40)	2,006.65	2,131.47	(4.40)	2,127.07
b)	Capital work-in-progress	481.50	-	481.50	329.31	-	329.31
c)	Other intangible assets	13.03	-	13.03	14.29	-	14.29
d)	Financial assets			-			-
	(i) Investments	40.57	5.01	45.57	35.23	4.22	39.45
	(i) Trade Receivable	-	-	-	-	-	-
	(ii) Loans	29.49	-	29.49	32.75	-	32.75
	(ii) Others	3.30	-	3.30	12.61	-	12.61
e)	Deferred tax assets (net)	4.49	-	4.49	10.19	-	10.19
f)	Other non-current assets	200.53	1.48	202.01	103.79	2.36	106.15
	TOTAL NON-CURRENT ASSETS	**2,783.96**	**2.09**	**2,786.04**	**2,669.65**	**2.18**	**2,671.82**
CURRENT ASSETS							
a)	Inventories	746.23	-	746.23	1,210.37	-	1,210.37
b)	Financial assets			-			-
	(i) Investments	-	-	-	-	-	-
	(ii) Trade receivables	2,311.86	(0.20)	2,311.66	1,907.17	(0.27)	1,906.89
	(iii) Cash and cash equivalents	231.46	-	231.46	141.57	-	141.57
	(iv) Loans	4.93	-	4.93	4.07	-	4.07
	(v) Others	1.80	-	1.80	2.83	-	2.83
c)	Other current assets	293.63	(4.80)	288.84	325.50	(9.03)	316.47
d)	Assets held-for-sale	-	-	-	-	-	-
	TOTAL CURRENT ASSETS	**3,589.92**	**(5.00)**	**3,584.92**	**3,591.50**	**(9.30)**	**3,582.20**
	TOTAL ASSETS	**6,373.88**	**(2.91)**	**6,370.96**	**6,261.14**	**(7.13)**	**6,254.02**
EQUITY AND LIABILITIES							
EQUITY							
(a)	Equity Share capital	100.09	-	100.09	100.05	-	100.05
(b)	Other Equity	2,954.62	(6.35)	2,948.27	2,247.29	4.87	2,252.16
(c)	Non controlling interest	0.92		0.92	2.46		2.46
	TOTAL EQUITY	**3,055.64**	**(6.35)**	**3,049.28**	**2,349.80**	**4.87**	**2,354.67**
LIABILITIES							
NON-CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	421.64	-	421.64	705.61	-	705.61
	(ii) Other financial liabilities	-	-	-	-	-	-
(b)	Provisions	17.39	-	17.39	11.02	-	11.02
(c)	Deferred tax liabilities (net)	91.79	(1.59)	90.20	175.68	(1.62)	174.06
(d)	Other non-current liabilities	(0.58)	4.97	4.39	0.25	4.72	4.97
	TOTAL NON-CURRENT LIABILITIES	**530.24**	**3.38**	**533.62**	**892.56**	**3.10**	**895.66**
CURRENT LIABILITIES							
(a)	Financial liabilities						
	(i) Borrowings	525.67	-	525.67	1,148.64	-	1,148.64
	(ii) Trade payables	1,638.05	(4.76)	1,633.29	1,417.88	(7.08)	1,410.80
	(iii) Other financial liabilities	406.70	-	406.70	367.31	-	367.31
(b)	Provisions	6.93	4.81	11.74	18.18	(8.02)	10.16
(c)	Liabilities for current tax (net)	100.81	-	100.81	4.40	-	4.40
(d)	Other current liabilities	109.87	(0.03)	109.84	62.38	-	62.38
	TOTAL CURRENT LIABILITIES	**2,788.04**	**0.01**	**2,788.05**	**3,018.79**	**(15.10)**	**3,003.69**
	TOTAL EQUITY AND LIABILITIES	**6,373.92**	**(2.96)**	**6,370.95**	**6,261.15**	**(7.13)**	**6,254.02**

B Equity Reconciliation

(₹ in Mn)

Particulars	As at March 31, 2017	As at April 1, 2016
Total equity / shareholders' funds under previous GAAP	**3,054.71**	**2,347.34**
Adjustments on account of IND AS:		
On account of Upfront fees - in Joint venture	(1.24)	(1.24)
Allowances for Expected Credit loss	(0.25)	(0.27)
Foreign Exchange Effects	(0.00)	(1.95)
Provision for Sales Return	(4.81)	(4.02)
Prepaid Upfront fees	(2.92)	(2.04)
Interest income on Fair Value of Loans and Guarantee	1.22	0.73
Reversal of Proposed Dividend	-	12.05
Others	0.06	-
Deferred Tax	1.59	1.62
Total IND AS Adjustments	**(6.35)**	**4.87**
Total equity under Ind AS	**3,048.36**	**2,352.21**

C Profit and Loss Reconciliation

Particulars	For year ended March 31, 2017	INDAS Adjustment	For year ended March 31, 2016
	Previous GAAP		INDAS
INCOME:			
Revenue from operations (gross)	11,423.37	(0.80)	11,422.57
Other income	18.39	0.21	18.60
Total Income (I)	**11,441.76**	**(0.59)**	**11,441.17**
EXPENSES:			
Purchase of traded goods	5,687.02	(0.00)	5,687.02
Changes in inventories of Finished Goods, Work in progress and Stock in Trade	1,681.62	(0.00)	1,681.62
Excise Duty	49.97	-0.01	49.96
Employee benefits expense	664.01	0.00	664.01
Finance cost	438.21	0.01	438.22
Depreciation & amortisation	109.56	0.87	110.43
Other expenses	279.66	0.00	279.66
Total expenses (II)	**1,710.90**	**9.62**	**1,720.52**
Profit before share of profit/(loss) of an associate / Joint venture and exceptional items	10,620.95	10.49	10,631.44
Share of profit/(loss) of an associate and joint venture	-	0.16	0.16
Profit /(Loss) before exceptional items and tax	**820.81**	**(10.91)**	**809.89**
Exceptional items	-	0.00	-
Profit/(loss) before tax	**820.81**	**(10.91)**	**809.89**
Tax expense	***103.91***	*0.02*	***103.93***
1. Current tax	182.11	(0.00)	182.11
2. Deferred tax liability / (asset)	(78.20)	0.02	(78.18)
Profit for the period from continuing operations	716.90	(10.93)	705.96
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss	-	0.03	0.03
Items that will be reclassified subsequently to profit or loss		3.27	3.27
Total other comprehensive income, net of tax	**-**	**3.30**	**3.30**
Total comprehensive income for the year	**716.90**	**(7.63)**	**709.27**

D Notes to the reconciliation of equity as at April 1, 2016 and 31st March, 2017 and total comprehensive income for the year ended 31 March, 2017.

i) Property, Plant and Equipment

The Company has made adjustment to Upfront fees capitalised on application of INDAS 109 "Financial Instruments". Therefore Property, Plant and Equipment is decreased by ₹ 4.40 Mn as on transition date i.e., April 1, 2016.

ii) Foreign Currency Translation Reserve

On Application of Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" the Company has transferred balance in Foreign Exchange Transition Reserve to Retained earnings as on transition date i.e., April 1, 2016, and deferred tax assets on the portion of balance in FETR is also reversed. Total amount credited to Retained earning as at April 1, 2016 is ₹ 2.23 Mn. Amount transferred to FETR during the year ended March 31, 2017 is debited to Statement of Profit and Loss amounting to ₹ 9.46 Mn.

iii) Forward Contracts

All forward contracts are measured at Mark to Mark as per Ind AS 21 The Effects of Changes in Foreign Exchange Rates as at balance Sheet date. The consequent impact on Opening IND AS reserves is ₹ 1.99 Mn (debit) and ₹ 1.86 Mn (Credit) to statement of profit and loss for the year ended March 31, 2017.

iv) Other financial liabilities - Financial guarantees

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 guarantee income to the Statement of Profit and Loss. Accordingly the Company has accrued liability of ₹ 5.45 Mn as at April 1, 2016 and accrued income of ₹ 0.48 Mn for the year ended March 31, 2017.

v) Defined benefit obligation

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI). Total amount debited to Opening INDAS Reseves is ₹ 19.93 Mn as on April 1, 2016 and ₹ 0.03 Mn for the year ended March 31, 2017.

vi) Taxes:

(a) Current Tax:

Tax component on the gain/(loss) on fair value of defined benefit plans and equity instruments have been transferred to the OCI under Ind AS.

b) Deferred income tax (including MAT)

Under previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences.

vii) Other Comprehensive Income

Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

viii) Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

ix) Expected credit loss

The Company has provided for Expected credit Loss of ₹ 0.27 Mn as at April 1, 2016, ₹ 0.20 Mn as at March 31, 2017.

E Exemption under INDAS 101 "First time adoption of Indian Accounting Standards"

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions. The Company has elected for the following exemptions available under INDAS 101 "First time adoption of Indian Accounting Standards":

i) Foreign Currency on Long Term Borrowings:

The Company has availed exemption under para D13AA, and continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Therefore exchange Gain / loss on Long term Borrowing are continued to be adjusted in Property, Plant and Equipment.

ii) Property, Plant and Equipment :

For Property, plant and equipment existing as on April 1, 2016 i.e. date of transition to Ind AS, the company has used Previous GAAP carrying value as deemed cost as permitted by Ind As 101 - First time adoption. Accordingly, the Net WDV as per previous GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016.

iii) Share Based Payments:

Ind AS 101 encourages, but does not require, first time adopters to apply Ind AS 102 Share based Payment to equity instruments that were vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to options that vested prior to April 1, 2016

iv) Estimates:

The estimates as at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with previous GAAP.

v) Investment in Subsidiaries and Joint Venture :

The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for investment in subsidiaries, associates and joint ventures on the date of transition to Ind AS.

vi) Government Grant:

The Company as per Para B 10 of INDAS "101- First time Adoption of Indian Accounting Standards" had applied retrospective exemption on applicability of IND AS 109 on the Government Grant received before transition date i.e., April 1, 2016. Therefore Sales tax deferral as at April 1, 2016 is carried at previous GAAP values.

Notes

Notes

LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC, Mahad, Dist Raigad - 402309

ATTENDANCE SLIP

I hereby record my presence at the 29th Annual General Meeting of the Company to be held on Monday, September 24, 2018 at 12.00 NOON at the Registered Office of the Company.

For Physical Holdings	For Electronic Form (Demat) Holding NSDL/CDSL		No. of Shares
	DP ID	Client ID	
NAME OF THE MEMBER/JOINT MEMBER(S) (IN BLOCK LETTERS)			SIGNATURE
NAME OF THE PROXY (IN BLOCK LETTERS)			SIGNATURE

Notes:

1. You are requested to sign and hand over this slip at the entrance of the Meeting Venue
2. This attendance is valid only in case shares are held on the date of the Meeting.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No : U24200MH1989PLC051736
Name of Company : Laxmi Organic Industries Limited
Registered Office : A-22/2/3, MIDC, Mahad, Dist Raigad – 402309

Name of Member(s)	
Registered Address	
Email ID	
Folio No./DP ID	
DP ID	

I/We, being the member (s) of ………… shares of the above named Company, hereby appoint

1. Name : ………………………………………………………………
   Address : ………………………………………………………………
   E-mail Id : ………………………………………………………………
   Signature : ……………………………………………………………… , or failing him
2. Name : ………………………………………………………………
   Address : ………………………………………………………………
   E-mail Id : ………………………………………………………………
   Signature : ……………………………………………………………… , or failing him
3. Name : ………………………………………………………………
   Address : ………………………………………………………………
   E-mail Id : ………………………………………………………………
   Signature : ………………………………………………………………

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, September 24, 2018 at 12.00 NOON at the Registered Office of the Company at A-22/2/3, MIDC, Mahad, Dist Raigad – 402309 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.:

1. Adoption of Audited Standalone and Consolidated Accounts for FY 2017-18
2. Declaration of final dividend on Equity Shares
3. Appointment of Director in place of Mr. Desh Verma
4. Approval for the appointment of Statutory Auditors
5. Approval of remuneration to be paid to Cost Auditor for FY 2018-19
6. Authority to the Board of Directors of the Company to Borrow in excess of limit specified u/s 180(1)(c)
7. Authority to the Board of Directors of the Company to create mortgage/charge/hypothecation on assets of the Company u/s 180(1)(a)
8. Approve the increase in the Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association of the Company
9. Alter the Articles of Associationof the Company
10. Capitalize Reserves of the Company and to issue Bonus Shares
11. Approval of Related Party Transactions

Signed this ………… day of …………….. 2018

Signature of shareholder : ……………………………………………

Signature of Proxy holder(s) : ……………………………………………

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.