LAXMI ORGANIC INDUSTRIES LTD

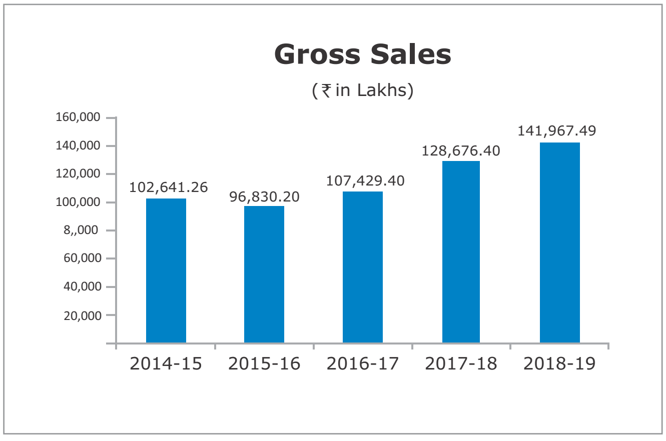
30TH

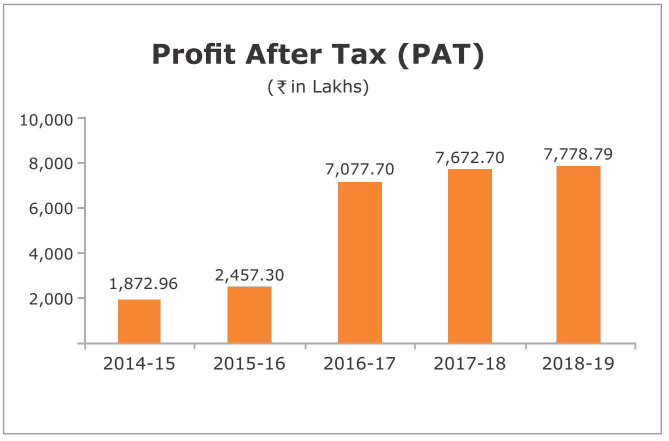
ANNUAL REPORT

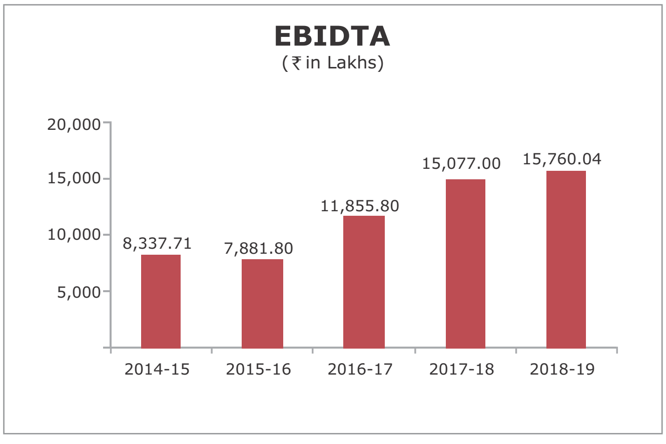
2018-2019

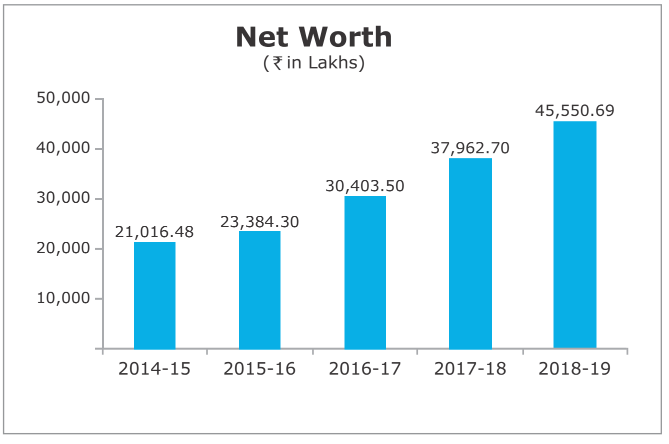
OUR MISSION

"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."









LAXMI ORGANIC INDUSTRIES LIMITED
CIN: U24200MH1989PLC051736
Registered office: A-22/2/3, MIDC, Mahad, Dist Raigad – 402309
Website: www.laxmiorganic.co.in; Email: info@laxmiorgnic.co.in;
Tel: +91 22 49104444; Fax: +91 22 22853752

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Company is scheduled to be held on **THURSDAY**, **SEPTEMBER 5, 2019** 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 financial statement of the Company for the financial year ended March 31, 2019, 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, 2019, 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 Financial Statement of the Company for the financial year ended March 31, 2019 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, 2019 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 3.5% (Rs.0.35 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, 2019, to whose name appears on the Register of Equity Shareholders of the Company as on date of 30th 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) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on the date of 30th Annual General Meeting or to their mandates"

3. To appoint a Director in place of Mr. Rajeev Goenka (DIN: 0059346) who retires by rotation and being eligible, offers himself for re-appointment and in this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajeev Goenka (DIN: 00059346), Director of the Company, who retires by rotation at this meeting, being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotations"

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 148,000/- (excluding Taxes plus out of pocket expenses at actual), as approved by the Board of Directors and set out in the Statement annexed to the notice convening this Meeting, to be paid to 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, 2020, be and is hereby ratified."

5. To re-appoint Mr. Omprakash V. Bundellu (DIN: 00032950) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Mr. Omprakash V. Bundellu (DIN: 00032950), who was appointed as an Independent Director not liable to retire by rotation at the 25th Annual General Meeting of the Company and who holds office up to the conclusion of the 30th Annual General Meeting of the Company in the Financial Year 2019-20 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years from the conclusion of this Annual General Meeting up to the conclusion of the 35th Annual General Meeting of the Company in the Financial Year 2024-25."

6. To re-appoint Mr. Manish Chokhani (DIN: 00204011) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17, as amended from time to time, Mr. Manish Chokhani (DIN: 00204011), who was appointed as an Independent Director not liable to retire by rotation at the 25th Annual General Meeting of the Company and who holds office up to the conclusion of the 30th Annual General Meeting of the Company in the Financial Year 2019-20 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years from the conclusion of this Annual General Meeting up to the conclusion of the 35th Annual General Meeting of the Company in the Financial Year 2024-25."

By Order of the Board of Directors
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : July 2, 2019
Place : Mumbai

Sd/-

Mr. Vasudeo Goenka
Chairman

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 appointing the 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 in electronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on 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, details of the Director seeking appointment/re-appointment at the Annual General Meeting is as under:

Name	Mr. Rajeev Goenka	Mr. Omprakash V. Bundellu	Mr. Manish Chokhani
Date of Birth	04/08/1967	15/01/1950	14/10/1966
Date of First Appointment	12/08/1994	21/02/2011	30/03/2012
Qualification	B.Com, MBA	MSc, MFM, CAIIB(I)	CA, MBA
Terms & Conditions of Re-Appointment	In terms of Section 152(6) of the Act, Mr. Rajeev Goenka who was re-appointed as a Director at the 27th Annual General Meeting held on September 29, 2016 is liable to retire by rotation at the Meeting.	In terms of Section 149 (10) of the Act, Mr. Omprakash V. Bundellu who was appointed as an independent Director at the 25th Annual General Meeting held on September 24, 2014 is proposed to be re-appointed for a second term of 5 years.	In terms of Section 149 (10) of the Act, Mr. Manish Chokhani who was appointed as an independent Director at the 25th Annual General Meeting held on September 24, 2014 is proposed to be re-appointed for a second term of 5 years.
Remuneration last drawn (including Sitting Fees, if any)			
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	Mr. Rajeev Goenka is a son of Mr. Vasudeo Goenka, Chairman and Mr. Ravi Goenka, Managing Director of the Company.	Independent Director	Independent Director
No of Meetings of the Board Attended during FY 2018-19	3 (Three)	5 (Five)	5 (Five)
Other Directorships held as on March 31, 2019	1. Maharashtra Aldehydes & Chemicals Limited 2. Alumi Profiles Private Limited 3. Laxmi Capital Services Private Limited 4. Laxmi Bioenergie Limited 5. Suvas Holding Limited 6. Anugrah Investments Limited 7. Aqua Mischief Private Limited 8. Brady Investments Private Limited 9. Amrutsagar Constructions Private Limited 10. International Knowledge Park Private Limited 11. Krishna Meadows Private Limited 12. Laxmi Tank Terminal Private Limited 13. Merton Finance & Trading Private Limited 14. Ojas Dye-Chem (India) Private Limited	1. Principal Trustee Company Private Limited	1. Enam Securities Limited 2. Quadrillion Capital Private Limited 3. Sears Securities & Investments Private Limited 4. Westlife Development Limited 5. Shoppers Stop Limited 6. Zee Entertainment Enterprises Limited 7. Auxilo Finserve Private Limited 8. Parksons Packaging Limited

	15. Unity Portfolio Private Limited 16. Arch Shelters Private Limited 17. Sherry Securities Private Limited 18. Starsilver Mercantile Company Private Limited 19. Alphakids Learning Centres Private Limited		
Membership/Chairmanship of Committees of Other Company Boards as on March 31, 2019	N.A.		
No of shares held	96,275	NIL	NIL

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

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

ITEM NO.4:

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, 2020 on the remuneration Rs. 148,000/- (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, 2020.

The Board of Directors of your Company recommends the passing of resolution as set out at Item No.4 as the Ordinary Resolution.

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

ITEM NO.5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Omprakash V. Bundellu (DIN: 00032950) as Independent Director, for a second term of 5 years from the conclusion of this Annual General Meeting up to the conclusion of the 35th Annual General Meeting of the Company in the Financial Year 2024-25, not liable to retire by rotation. Mr. Omprakash V. Bundellu was appointed as Non-executive Independent Director at the 25th Annual General Meeting ("AGM") of the Company and holds office up to the conclusion of this AGM. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Omprakash V. Bundellu would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder. In the opinion of the Board, he fulfills the conditions specified in the Act for appointment as an Independent Director and is independent of the management of the Company. Mr. Omprakash V. Bundellu does not hold any shares in the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Omprakash V. Bundellu has obtained a Masters' Degree in Science and a Masters' Degree in Financial Management (MFM) from JBIMS, Bombay University and has also completed CAIIB-I.

Mr. Omprakash V. Bundellu has participated in a number of seminars/ programmes both in India and abroad at various premier Institutes including Indian Institute of Management, Ahmedabad (IIM-A), IMI, Geneva. He has attended the Advanced Management Programme (AMP) at Harvard Business School (HBS), Boston, USA during April-June 1997. Mr. Bundellu has joined **INDIAN BANK** in 1973 as a Probationary Officer and has over a period of 8 years, gained all-round experience in the multifarious operations of commercial banking. In 1981, he joined **INDUSTRIAL DEVELOPMENT BANK OF INDIA (IDBI)** as an Assistant General Manager (AGM) and over a period of 28 years tenure in IDBI, he gained experience in Treasury, International and Domestic Funding Division, Credit, HRD, Corporate Planning and rose to the title of Deputy Managing Director (Board level position) in March 2006 and took responsibility for the entire Retail Banking Segment in the Bank, which includes Personal Banking, Agri Banking, SME Business. During his Tenure of Deputy Managing Director at IDBI he has held positions of Chairman and member in several management committees of IDBI in a broad range of areas including Credit, Investment, Risk, Audit, Corporate planning, Product structuring, Asset-Liability Management, etc. He has served as Director in various IDBI Group Companies and also as a Nominee Director of IDBI on various corporates operating in diverse industrial sectors viz. cement/steel/ chemicals/ telecom/ IT, etc. Mr. Bundellu had wide exposure in resource raising viz. foreign currency and rupee borrowings and was instrumental in raising FC resources for the Bank from multilateral institutional sources, bilateral sources, and international capital market. In the domestic market, he was instrumental in raising resources by way of various rupee Bond issues viz. Flexi bonds/Omni bonds series. He was also instrumental in setting up IDBI's Dealing Room and Treasury Operations. He has handled the takeover and merger of United Western Bank with IDBI Bank ltd. During this period, he was instrumental in setting up new initiatives in IDBI Bank viz. IDBI Gilts, IDBI Fortis Life Insurance Co. & IDBI Mutual Fund. After retiring from IDBI Bank Ltd in January 2010, he has served as an Independent Director & Chairman of the Board of CARE Ratings. He is presently serving as an Independent Director on Principal Trustee Company Private Limited.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the re-appointment of Mr. Omprakash V. Bundellu as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members. Except Mr. Omprakash V. Bundellu and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

ITEM NO.6:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Manish Chokhani (DIN: 00204011) as Independent Director, for a second term of 5 years from the conclusion of this Annual General Meeting up to the conclusion of the 35th Annual General Meeting of the Company in the Financial Year 2024-25, not liable to retire by rotation. Mr. Manish Chokhani was appointed as Non-executive Independent Director at the 25th Annual General Meeting ("AGM") of the Company and holds office up to the conclusion of this AGM. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Manish Chokhani would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder. In the opinion of the Board, he fulfills the conditions specified in the Act for appointment as an Independent Director and is independent of the management of the Company. Mr. Manish

Chokhani does not hold any shares in the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Mr. Manish Chokhani is a Chartered Accountant and MBA from the London Business School and is one of India's most respected financial experts and investors. From 2006 to 2011, he was CEO of Enam Securities, India's leading investment bank. He led its $400 million merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until the end of 2013. Under his leadership, Enam/Axis mobilized ~ 25% of all equity funds raised in India and were the house banker to several leading Indian business groups. From 2014 to 2016, he served as Chairman of TPG Growth in India and from 2016 till date as Senior Advisor to TPG Group, one of the world's largest PE firms. He currently serves as independent director on boards that include Zee Entertainment, Westlife Development (McDonalds), Shoppers Stop among others. He also serves on the Governing Board of Flame University. He is a Board Member of Livinguard AG, a healthcare technology company based in Switzerland. Mr. Chokhani is a member of the Young Presidents' Organization. He has served as a member of SEBI's Alternative Investment Promotion Advisory Committee and also as Co-Chairman of the Capital Markets Committee at the IMC. He has been a visiting faculty member at IIM-K and has served on the International Alumni Board and scholarship panels of the London Business School.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the re-appointment of Mr. Manish Chokhani as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 6 of this Notice for approval of the Members. Except Mr. Manish Chokhani and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

******

LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC, Mahad, Dist Raigad - 402309

ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting of the Company to be held on THURSDAY, SEPTEMBER 5, 2019 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 : 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 30th Annual General Meeting of the Company, to be held on THURSDAY, SEPTEMBER 5, 2019 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 2018-19
2. Declaration of final dividend on Equity Shares
3. Appointment of Director in place of Mr. Rajeev Goenka
4. Ratification of remuneration to be paid to Cost Auditor for FY 2019-20
5. To re-appoint Mr. Omprakash V. Bundellu (DIN: 00032950) as an Independent Director
6. To re-appoint Mr. Manish Chokhani (DIN: 00204011) as an Independent Director

Signed this ………… day of ……………… 2019

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.

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, 2019.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

	Year Ended March 2019	Year Ended March 2018
Revenue from operation	142,880.4	129,044.4
Profit before depreciation, interest and tax	15,602.0	15,077.0
Finance Cost	1,400.9	853.7
Depreciation	4,092.6	2,881.4
Profit before tax (PBT)	**10,108.1**	**11,342.5**
Tax	2,818.2	3,669.8
Net profit	**7,279.9**	**7,703.9**

2. FINANCIAL PERFORMANCE REVIEW:

During the year under review, total revenue got increased by 10.7% to Rs. 142,880.4 Lakhs from Rs.129,044.4 Lacs in the previous year largely due to portfolio rationalization, volume maximization, and cost rationalization.

Due to high raw material cost the EBIDTA growth has not matched the revenue growth. The overall Operating EBIDTA has improved by 3.5% to Rs.15,602.0 Lakhs versus Rs.15,077.0 Lakhs in the previous year. The higher finance cost coupled with higher depreciation cost has inversely impacted the Profit before tax which reduced by 10.9% to Rs.10,108.1 Lakhs against Rs.11,342.5 Lakhs of the previous year and the Net Profit which reduced by 5.5% to Rs.7,297.9 Lakhs against Rs.7,703.9 Lakhs of the previous year.

3. TRANSFER TO GENERAL RESERVE:

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

4. DIVIDEND:

The Directors are pleased to recommend a Dividend of 3.5% on the ordinary shares of the Company which is Rs. 0.35 per share for the financial year ended March 31, 2019. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result into an outflow of Rs. 210.39 Lakhs (Rs. 35.23 Lakhs 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.

5. SHARE CAPITAL:

- In the 29th Annual General Meeting of the Company, the shareholders of the Company approved issue of bonus share in the proportion of 4 (four) new fully paid-up equity shares of Rs.10/- (Rupees Ten only) each for every 1(one) existing fully paid-up equity shares of Rs.10/- each held by them. The said bonus shares were allotted to the shareholders in the meeting of Board of Directors held on 30 January 2019.
- The authorized share capital of the Company was increased from 21,00,00,000/- (Rupees Twenty-One Crore) divided into 2,10,00,000 (Two Crore Ten Lakh) equity shares of Rs.10/- (Ten) each to Rs.51,00,00,000/- (Rupees Fifty-One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of Rs.10/- (Ten) each during the financial year under review
- The paid-up equity share capital as on 31 March 2019 was Rs.50,04,54,050 /- divided into 5,00,45,405 Shares of Rs.10/- each
- During the year under review, the Company has not issued any securities (neither shares with differential voting rights nor sweat equity shares), nor has it granted any stock options.
- The Company has not bought back any of its securities during the financial year under review.

6. OPERATIONAL REVIEW:

In order to further improve the sales in the territory of China, the Board of Directors of your Company are evaluating to incorporate a wholly owned subsidiary (WOS) in China.

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 9001:2015, ISO 14001:2015 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 31 March 2019 till the date of this report.

7. 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.

8. 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.

9. CREDIT RATING:

The Company's credit ratings has been the same by CRISIL at A-/Stable for long term and A2+ for short term. However, the Company has received a credit rating score of A+ by India Rating for the year under review.

10. INTERNAL FINANCIAL CONTROLS:

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.

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

12. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and rules framed thereunder. Internal Complaints Committee have also been set up to redress complaints received regarding sexual harassment.

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

13. PERSONNEL / HUMAN RESOURCES DEVELOPMENT:

Just like the previous year, even during the year under review, the Company had conducted a workshop in Mumbai to further enhance the goal setting exercise and to align business activities with the vision and strategy and significantly achieve the set goals for the financial year 2019-20. The Company is putting its best effort to align the goals of junior level employee with that of the vision which top level officials.

The Company is also revamping the performance evaluation process of the employee's by taking the digital route in order to expedite the entire performance evaluation process and make it more transparent.

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.

14. 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.

15. SUBSIDIARIES & JOINT VENTURE:

During the year under review, the Company sold its 49% of the total equity shares which it held in Suvas Holdings Limited to Mr. Ravi Goenka and Mr. Rajeev Goenka. Hence, Suvas Holdings Limited is no longer an associate / joint-venture of the Company.

The Company presently has following subsidiaries:

Sr. No.	Name & Country of Incorporation	Category
1	Laxmi Organic Industries (Europe) BV, Netherlands (LOBV)	Wholly Owned Subsidiary
2	Laxmi Petrochem Middle East FZE, Dubai (LPMEF)	Wholly Owned Subsidiary
3	Cellbion Lifesciences Private Limited, India (CLPL)	Wholly Owned Subsidiary
4	Laxmi Lifesciences Private Limited, India (LLPL)	Wholly Owned Subsidiary
5	Viva Lifesciences Private Limited, India (VLPL)	Wholly Owned Subsidiary
6	Saideep Traders, India (ST)	Step Down Subsidiary

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

The financial information of the Subsidiary Companies as per Section 129(3) of the Act is set out in Form No. AOC-1 and annexed as an ***Annexure "A"*** to this report.

16. SECRETARIAL STANDARDS:

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

17. DIRECTORS:

During the year under review, Mr. Radhesh Welling departed as Executive Director and CEO of the Company after completing 3 successful years. During his time with the Company, Radhesh lead to the Company's transition to a new performance level and higher standards of delivery for various functions. This has resulted in evidenced based, outcomes focused gains for the business as well as tangible benefits to our customers. As an interim arrangement Mr. Partha Roy Chowdhury is being designated as Interim CEO of the Company until the on boarding of a new CEO is appointed so as to ensure continuity.

Mr. Rajeev Goenka (DIN 00059346) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Further, tenure of Mr. Omprakash V. Bundellu and Mr. Manish Chokhani, Independent Directors of the Company is valid till conclusion of the 30th Annual General Meeting. Hence, they are eligible to be reappointed for the 2nd term of 5 years up to the conclusion of the 35th Annual General Meeting of the Company in the Financial Year 2024-25.

The Company has also received a declaration with respect to independence and their compliance with respect to Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 from all the Independent Directors of the Company.

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

16.1 <u>Board Evaluation:</u>

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.

16.2 <u>Meetings:</u>

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

16.3 <u>Committees of the Board:</u>

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

17. FIXED DEPOSITS

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

18. INSURANCE:

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

19. 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 for approval as also the Board for noting. 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.

20. AUDITORS AND AUDITORS REPORT:

M/s Natvarlal Vepari & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company for a term of 5 (Five) consecutive years. In accordance with the Companies Amendment Act, 2017, ratification of M/s Natvarlal Vepari & Co. is not required at the ensuing Annual General Meeting. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report 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 committee against the Company by its officers of employees, the details of which would need to be mentioned in the Board Report.

21. SECRETARIAL AUDITOR:

The Board has appointed M/s GMJ & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31 March 2019 is annexed herewith marked as ***Annexure* "C"** to this Report.

22. COST AUDITORS:

Pursuant to the Order dated 30 June 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 2019-20. The remuneration proposed to be paid to the Cost Auditor, subject to subject to ratification by the shareholders of the Company at the ensuing 30th Annual General Meeting would not exceed Rs. 148,000/- (excluding applicable taxes plus out of pocket expenses at actual, if any)

23. 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. For the financial year 2019-20 the Company through Laxmi Foundation is carrying need assessment to locate the areas wherein the proper utilisation of CSR funds can be made.

Some of the major CSR activities undertaken by the Company is as under:

- The Company has continued the collaboration 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 continued 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.

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

24. 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.

25. 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"**

26. 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 Companies Act, 2013, 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.

27. 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.

In order to further promote the practices of the Corporate Governance, the Company is in process of implementation of online Compliance Management System which shall monitor completion of all the compliances which are applicable to the Company in real time basis..

28. 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 31 March 2019, 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 31 March 2019 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.

29. 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 Companies Act, 2013.

2. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

3. 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.

30. 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**

Sd/- Sd/-

Date : July 2, 2019
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

ANNEXURE A : STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS OF SUBSIDIARIES/ASSOCIATE /JOINT VENTURE
Form No. AOC-1

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

Part A: Subsidiaries

(**in Rs. Lakhs**)

1. Name of the Subsidiary Company	**LOBV**	**CLPL**	**ST**	**VLPL**	**LLPL**	**LPMEF**
2. Financial Year ended on	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019	31 March 2019
3. Reporting Currency	EURO	INR	INR	INR	INR	AED
4. Exchange Rate (in Rs.)	77.70	1	1	1	1	18.83
5. Capital	1568.03	1.00	878.47	1.00	1.00	6.40
6. Reserves	185.29	393.08	261.12	(0.80)	(0.80)	78.60
7. Total Assets	7890.79	1092.51	2057.18	0.26	0.26	1662.19
8. Total Liabilities	6137.46	698.43	917.58	0.06	0.06	1577.19
9. Details of investment	-	-	-	-	-	-
10. Net Turnover	661.85	0.00	2949.55	0.00	0.00	11328.91
11. Profit before taxation	111.83	168.57	261.12	(0.13)	(0.13)	(337.16)
12. Provision for taxation	22.97	-	-	-	-	-
13. Profit after taxation	88.85	168.57	261.12	(0.13)	(0.13)	(337.16)
14. Proposed dividend	-	-	-	-	-	6.40
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 and LLPL are yet to commence the operations.

Part B: Associate & Joint Ventures

There are no associate or joint-venture companies of the Company at the financial year ended 31 March 2019. Hence, Part B of this annexure does not apply.

*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**

Sd/- Sd/-

Vasudeo Goenka **Ravi Goenka**
Chairman Managing Director

Date : July 2, 2019
Place : Mumbai

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 31 March 2019 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 31 March 2019 are as follows:

(in **Rs. Lakhs**)

	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	Laxmi Petrochem Middle East FZE	Sale & Purchase of Goods, Material & Services & Payment of Commission	01/04/18 till 31/03/19	2000.0	20/06/18	NIL	24/09/2018
2	Laxmi Organic Industries (Europe) B.V.			17000.0		NIL	
3	Saideep Traders			6000.0		NIL	
4	Harshvadhan Goenka	Approval for payment of Remuneration	01/04/18 till 31/03/19	208.3	06/05/2018	NIL	18/06/2018

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

Sd/- Sd/-

Date : July 2, 2019
Place : Mumbai

Vasudeo Goenka Chairman

Ravi Goenka Managing Director

ANNEXURE C : SECRETARIAL AUDIT REPORT
Form No.MR-3

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

To,
The Members,
LAXMI ORGANIC INDUSTRIES LIMITED
A-22/2/3, MIDC MAHAD
Raigarh, Mumbai – 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 **31 March 2019** 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 31 March 2019 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 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 June 18, 2018.
2. The Company has declared Final Dividend at the Annual General Meeting of the Company held on September 24, 2018 and paid dividend to the Indian Shareholders within 30 days from the date of declaration except in case of Non-Resident Shareholders where the Company had made an application to State Bank of India (the Bank) within the 30 days from the date of declaration of Dividend to issue Demand Drafts. However, due to delay in processing by the Bank Demand Drafts were issued on November 5, 2018 and were dispatched to the shareholders on November 13, 2018.

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 CHETTIAR]
PARTNER
ACS: 27582 COP: 10130
Place: Mumbai
Date: July 2, 2019

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

ANNEXURE A

To,
The Members,
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 CHETTIAR]
PARTNER
ACS: 27582 COP: 10130
Place: Mumbai
Date: July 2, 2019

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. Laxmi Foundation, Company's own CSR Trust 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 the same is placed on the Company's website and the web link 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
3.	**Average net profit of the Company for last three financial years**	Rs.8524.93 Lakhs
4.	**Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)**	Rs.170.50 Lakhs
5.	**Details of CSR spent during the financial year:**	
	Total amount to be spent for the financial year	Rs.326.57 Lakhs (Rs.170.50 Lakhs of FY 2018-19 + Unspent Rs.156.07 Lakhs of FY 2017-18)
	Amount unspent, if any	NIL
	Manner in which the amount spent during the financial year	Rs.326.57 Lakhs - Details given below

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FY 2018-19

Sr. No.	CSR project or Activity	Location	Amount Outlay (Budget) Project or Program Wise (Rs. in Lakhs)	Amount spent on the Projects or Programs (Rs. in Lakhs)	Cumulative Expenditure upto the reporting period i.e. FY 2018-2019 (Rs. in Lakhs)	Amount Spent Direct or through Agency
1	Providing Medical Aid	Maharashtra	2.76	2.76	2.76	Directly
2	Promotion of Education	Maharashtra	6.58	6.58	6.58	Directly
3	Community Development Services	Maharashtra	1.98	1.98	1.98	Directly
4	Laxmi Foundation (Corpus Fund)	Maharashtra	207.00	207.00	207.00	Directly
5	Laxmidevi Nathmal Goenka Charitable Trust (Corpus Fund)	Maharashtra	108.25	108.25	108.25	Directly

		Total	**326.57**	**326.57**	**326.57**	

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:	N.A.
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.

Sd/-

Ravi Goenka
Managing Director

Sd/-

Vasudeo Goenka
Chairman – CSR Committee

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 31 March 2019**.**

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.

2. Installation of Energy efficient Steam generator AFBC fluidized bed 33 TPH. Steam to fuel ratio improved from 5.8 to 6.4 kg/kg. Steam cost reduction per MT from Rs. 1500 to Rs.1150

3. Power consumption per MT of DK reduced from 2300 to 2150.

4. National energy conservation awareness programme conducted with various competitions for period 14th Dec-18 to 20th Dec-18.

5. Utility Systems up-gradation (like Brine and cooling water system) were undertaken during the year. Energy efficiency improvement was seen in each system.

6. Achieved an Energy efficiency improvement in cooling water systems to DK-II plant. Improvement in Tower effectiveness has increased from 47% to 55%.

7. Cogeneration power plant was utilized to achieve maximum output in the year. Specific power generation per MT of steam is improved from 132 to 136 units.

8. The Company is using Energy efficient technologies for new projects design & implementation.

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 8 % reduction in energy consumption during the next year.

c) Capital investment on energy conservation equipment: - Rs. 2900 Lakhs.

d) Power & Fuel Consumption:

For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended **March 2019**	Year ended **March 2018**
1. **Electricity**			
Unit	KWH	60,304,774	53,531,265
Total Amount	Rs. in Lakhs	4459.9	4230.6
Rate/Unit	Rs./Unit	7.40	7.90
2. **Coal**			
Quantity	MT	88,490	79,597
Total Amount	Rs. in Lakhs	5665.6	4751.5
Rate/Unit	Rs./Mt.	6403	5969
3. **C-9 Plus**			
Quantity	MT	474	418
Total Amount	Rs. in Lakhs	208.5	136.1
Rate/Unit	Rs./Mt.	43952	32541
4. **Bagasse**			
Quantity	MT	-	23
Total Amount	Rs. in Lakhs	-	0.8
Rate/Unit	Rs./Mt.	-	3596

I.

1. Power generated from Alternative Energy Sources: **Generated by Wind Mills in:**			
a. Karnataka*			
Total Units	KWH	1,985,373	1,881,623
Value	Rs.	7.17	6.38
b. Maharashtra*			
Total Units	KWH	1,870,541	1,987,556
Value	Rs.	9.90	10.24

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

II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products		Year ended **March 2019**	Year ended **March 2018**
I. Acetyls			
(a) Electricity	Kwh/Mt.	82	76
(b) Coal	Kg/Mt.	0	18
(c) Steam (From CPP)	Kg/Mt.	2405	2314
II. Speciality			
(a) Electricity	Kwh/Mt.	1531	1345
(b) Coal	Kg/Mt.	758	816
III. Special Denatured Spirit			
(a) Molasses	Kg/Ltr.	3814	4219

B. TECHNOLOGY ABSORPTION

(a) Research & Development:

Sr. 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.

(Rs. **in Lakhs)**

Particulars	**March 2019**	**March 2018**
a) Capital	80.3	584.5
b) Recurring	178.1	206.8
Total (a + b)	**258.4**	**791.3**
Total R&D Expenditure as % of Total Turnover		0.62%

(b) Technology Absorption, Adoption & Innovation: NIL

(c) Foreign Exchange Earning and Outgo:

(Rs. **in Lakhs)**

Particulars	**March 2019**	**March 2018**
Foreign Exchange Earnings (In flow)	39717.6	27303.4
Foreign Exchange (Out go)		
a. Chemicals	74908.4	67847.9
b. Capital Goods	210.6	161.2
c. Expenses	1125.8	3917.8

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Sd/- Sd/-

Date : July 2, 2019
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

ANNEXURE F : EXTRACT OF ANNUAL RETURN
As on the financial year ended 31 March 2019
[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 http://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 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083 Tel: 4918 6270 Fax: 4918 6060 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, plastic and synthetic rubber in primary forms	56.42
Acetic Anhydride		11.64

** 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 Schipholweg 87, 2316 ZL Leiden, 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.,	Partnership Firm	Subsidiary	95%	2(87)

	413/1, Gadmudshingi, Ghandhinagar Road, M. B. Lohia Industrial Estate, Kolhapur – 416119.				

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	462,535	13,000	475,535	4.75	24,40,175	-	24,40,175	4.88	+0.13
b. Central Govt.	-	-	-	-	-	-	-	-	
c. State Govt(s)	-	-	-	-	-	-	-	-	
d. Bodies Corp	188,000	-	188,000	1.88	940,000	-	940,000	1.88	-
e. Banks/FIs	-	-	-	-	-	-	-	-	-
f. Any Other (Trust)	8,037,224 -	-	8,037,224 -	80.30	4,01,86,120	-	4,01,86,120	80.30	-
Sub-total (A)(1)	**8,687,759**	**13,000**	**8,700,759**	86.93	**4,35,66,295**	**-**	**4,35,66,295**	87.05	+0.13
(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)	**8,687,759**	**13,000**	**8,700,759**	86.93	**4,35,66,295**	**-**	**4,35,66,295**	87.05	+0.13
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	50,29,010	-	50,29,010	10.05	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**-**	**1,005,802**	**1,005,802**	10.05	**50,29,010**	**-**	**50,29,010**	10.05	-
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	10,050	2,500	12,550	0.025	-0.235
ii. holding shares more than Rs.1 Lacs	-	276,010	276,010	2.76	11,50,040	287,510	14,37,550	2.87	+0.11
iii. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**10**	**302,510**	**302,520**	3.02	**11,60,090**	**290,010**	**14,50,100**	2.90	-0.12
Total Public Shareholding (B) = (B)(1)+(B)(2)	**10**	**1,308,312**	**1,308,322**	13.07	**61,89,100**	**290,010**	**64,79,110**	12.95	-0.12
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	-					
Total (A+B+C)	**8,362,269**	**1,646,812**	**10,009,081**	**100**	**4,97,55,395**	**290,010**	**5,00,45,405**	**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	5	0.00	-	25	0.00	-	
2	Ravi Goenka	5	0.00	-	31,275	0.06	-	+0.06
3	Rajeev Goenka	5	0.00	-	96,275	0.19	-	+0.19
4	Manisha Goenka	5	0.00	-	25	0.00	-	-
5	Harshvardhan Goenka	5	0.00	-	25	0.00	-	-
6	Ravi Goenka HUF	425000	4.25	-	21,25,000	4.25	-	-
7	Niharika Goenka	5	0.00	-	25	0.00	-	-
8	Aditi Goenka	5	0.00	-	25	0.00	-	-
9	Rajeev & Manisha Goenka	13000	0.13	-	-	-	-	-0.13

10	Aryavrat Goenka	37500	0.37	-	187,500	0.37	-	-
11	Brady Investments Pvt. Ltd.	188,000	1.88	-	940,000	1.88	-	-
12	Ravi Goenka as Trustee of Yellow Stone Trust	8,037,224	80.30		4,01,86,120	80.30	-	-
	Total	**8,700,759**	**86.93**	**-**	**4,35,66,295**	**87.05**		+0.12

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	87,00,759	86.93	87,00,759	86.93
2	30-01-2019 (Transmission of Shares)	12,500	-	87,13,259	87.05
3	30-01-2019 (Bonus issue)	3,48,53,036	-	4,35,66,295	87.05
4	At the end of year	4,35,66,295	87.05	4,35,66,295	87.05

iv)	**Shareholding Pattern of top ten shareholders (other than Directors/Promoters and holder of GDRs and ADRs)**				
Sr. No.	**Name of Shareholder**	**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	50,29,010	10.05
2.	Mrs. Hansa K. Agarwal & Mr. Kailash Agarwal (Bahrain)	192,000	1.92	960,000	1.92
3.	Mrs. Suman Mishra (US)	50,000	0.50	250,000	0.50
4.	Mr. Nilesh Ruparel (UK)	12,500	0.12	-	-
5.	Mr. Vishwas Kunte	11,500	0.11	57,500	0.11
6.	Mr. Vishwas Kunte & Mrs. Aparna V. Kunte	10,000	0.10	50,000	0.10
7.	Mr. Arun Keshav Dudhane	4,000	0.04	20,000	0.04
8.	Mr. Satwik Mishra	2,500	0.02	12,500	0.02
9.	Ms. Sukriti Mishra	2,500	0.02	12,500	0.02
10.	Mrs. Meenu Satyakam Mishra	2,500	0.02	12,500	0.02
11.	Mr. Satyakam Mishra	2,500	0.02	12,500	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		**5**	**0.00**	**5**	**0.00**
2	30/01/2019	Bonus issue	20	-	25	0.00
3	At the end of year		**25**	**0.00**	**25**	**0.00**
Mr. Ravi Goenka, Managing Director						
1	At the Beginning of the year		**5**	**0.00**	**5**	**0.00**
2	30/01/2019	Transmission	6,250	-	6,255	0.06
3	30/01/2019	Bonus	25,020	-	31,275	0.06
4	At the end of year		**31,275**	**0.06**	**31,275**	**0.06**
Mr. Rajeev Goenka, Managing Director						
1	At the Beginning of the year		**5**	**0.00**	**5**	**0.00**
2	20/06/2018	Transfer	13,000	-	13,005	0.13
3	30/01/2019	Transmission	6,250	-	19,255	0.19
4	30/01/2019	Bonus	77,020	-	96,275	0.19
5	At the end of year		**96,275**	**0.19**	**96,275**	**0.19**
Mr. Desh Verma, Director						
1	At the Beginning of the year		**10,010**	**0.10**	**10,010**	**0.10**
2	30/01/2019	Bonus	40,040	-	50,050	0.10
3	At the end of year		**50,050**	**0.10**	**50,050**	**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 General 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 (Rs. in Mn)**	**Unsecured Loan (Rs. in Mn)**	**Deposits (Rs. in Mn)**	**Total (Rs. in Mn)**
Indebtedness at the beginning 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**
Change in indebtedness during the FY					
A	Addition	454.46	100.00	-	**554.46**
B	Deletion	1077.52	11.24	-	**1088.77**

C	Exchange Difference	20.11	-	-	**20.11**
	Net Change	**(643.17)**	**88.76**	-	**554.41**
Indebtedness at the end of the FY					
I	Principal Amount	1259.31	128.55	-	1387.86
Ii	Interest due but not paid	13.05	0.063	-	13.11
Iii	Interest accrued but not due	-	-	-	-
	Total	**1272.36**	**128.61**	**-**	**1400.97**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Director **(Rs. in Lakhs)**

Sr. No	Particulars	Mr. Ravi Goenka, Managing Director	Mr. Radhesh Welling, Executive Director cum CEO*	Total
1	Gross Salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	363.10	198.01	**561.11**
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	54.85	-	**54.85**
	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)	500.00	-	**500.00**
	Total – (A)	**917.95**	**198.01**	**1115.96**
	Ceiling as per Act	Rs. 1073.39 Lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013). As required under proviso to section 197(1) of the Companies Act, 2013, the Company has obtained requisite approval of members by passing Special Resolution at the Extra Ordinary General Meeting held on 22/06/2019, for making excess payment of remuneration, in case if any, beyond the beyond the limit specified in Section II Part II of Schedule V.		

B. Remuneration to Other Directors

1. Independent Directors

Sr. No	Particulars	Mr. Omprakash V. Bundellu	Mr. Manish Chokhani	Ms. Sangeeta Singh	Total
1	Fees for attending Board/Committee Meetings	2.60	2.40	1.20	**6.20**
2	Commission	12.50	10.00	8.75	**31.25**
3	Others, Specify	-	-	**-**	**-**
	Total – (1)	**15.10**	**12.40**	**9.95**	**37.45**

2. Other Non-executive Directors

Sr. No	Particulars	Mr. Vasudeo Goenka	Mr. Rajeev Goenka	Mr. Desh Verma	Total
1	Fees for attending Board/Committee Meetings	1.60	0.80	1.00	**3.40**
2	Commission	-	-	5.25	**5.25**
3	Others, Specify	-	-	-	**-**
	Total – (1)	**1.60**	**0.80**	**6.25**	**8.65**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. in Lakhs)				
Sr. No	**Particulars**	**Mr. Partha Roy Chowdhury, CFO**	**Mr. Aniket Hirpara, Company Secretary & General Manager (Legal)**	**Total**
1	Gross Salary			
	d. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	102.58	34.71	**137.29**
	e. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	**-**
	f. 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)	**102.58**	**34.71**	**137.29**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of 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					

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Sd/- Sd/-

Vasudeo Goenka Ravi Goenka
Chairman **Managing Director**

Date : July 2, 2019
Place **:** Mumbai

NNEXURE 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) <u>Composition:</u>

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 Seven (7) Directors, which consists of One (1) Managing 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 of the Company, who is 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 31/03/2019	No. Of Outside Committee Positions	
			Member	Chairman
Mr. Vasudeo N. Goenka	Non-Executive Chairman	19	-	-
Mr. Ravi V. Goenka	Managing Director	19	-	-
Mr. Rajeev V. Goenka	Non-executive Director	20	-	-
Mr. Desh Verma	Non-Executive Director	6	-	-
Mr. Omprakash V. Bundellu	Independent Director	1	0	1
Mr. Manish Chokhani	Independent Director	8	11	0
Ms. Sangeeta Singh	Woman Director	8	-	-

Meetings:

The following table gives the details of Directors and their attendance in Board and General meetings held during the year ended March 31, 2019:

Directors	Attendance in Board Meetings during 2018-19					Previous AGM
	06/05/18	20/06/18	23/08/18	15/11/18	30/01/19	
Mr. Vasudeo N. Goenka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi V. Goenka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajeev V. Goenka	Yes	Yes	LOA	Yes	Yes	Yes
Mr. Radhesh Welling	Yes	Yes	Yes	Yes	N.A.*	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	Yes	Yes	Yes	Yes	Yes	No

*Resigned w.e.f. 15 November 2018

COMMITTEES OF BOARD OF DIRECTORS:

The following are the Committees of the Board:

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

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. Ravi Goenka.

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, 2019:

Members	**Audit Committee Meetings during 2017-18**				
	06/05/18	**20/06/18**	**23/08/18**	**15/11/18**	**30/01/19**

Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	N.A.*	N.A.*	N.A.*	N.A.*	Present
Mr. Radhesh Welling	Yes	Yes	Yes	Yes	No**

*Inducted as member of the Audit Committee from the meeting held on 30 January 2019
**Resigned w.e.f. 15 November 2018

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) <u>Composition</u>:

The NRC presently comprises of four (4) Directors viz. Mr. Manish Chokhani, being the Chairman of the Committee and Mr. Omprakash V. Bundellu, Ms. Sangeeta Singh & Mr. Vasudeo Goenka as members.

c) <u>Meetings:</u>

The NRC met twice during the year on 6 May 2018 and 5 November 2018 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 to be 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 as well as under point J (CSR Scope) of this Terms of Reference;

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 four (4) Directors viz. Mr. Vasudeo Goenka, being the Chairman of the Committee, Mr. Ravi Goenka, Mr. Rajeev Goenka, and Mr. Omprakash V. Bundellu as members.

c) **Meetings:**

The NRC met once during the year on 27/03/2019 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 and the Finance Committee monitors the hedge ratio of the FX exposure in EUR/USD from time to time and provide guidance. The Finance Committee also take note of the various economic factors and interest rate movement in the market and after deliberations gives guidance on the interest rate risk measures and the bank limits are accordingly monitored from time to time. The 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 Rs. 3.00crore 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 Rs. 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 Rs.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 Rs.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) <u>Composition</u>:

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. Partha Roy Chowdhury as members.

c) <u>Meetings:</u>

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, 2019:

Members	**Finance Committee Meetings during 2018-19**	
	Held	**Attended**
Mr. Omprakash V. Bundellu	4	4
Mr. Ravi Goenka	4	4
Mr. Radhesh Welling	4	3*

**Resigned as executive Director and CEO w.e.f. 15 November 2018*

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**
2017-18 (29th AGM)	Monday, September 24, 2018 At 12.00 Noon	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2016-17 (28th AGM)	Friday, September 29, 2017 At 12.00 Noon	
2015-16 (27th AGM)	Thursday, September 29, 2016 At 12.00 Noon	

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

Meeting	**Subject matter of Special Resolution**
2017-18 (29th AGM)	1. Authorize the Board of Directors of the Company to borrow in excess of limit specified u/s 180(1)(c) of the Companies Act, 2013 2. Authorize the 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) of the Companies Act, 2013 3. Approval for increase in authorized share capital of the Company and subsequent alteration to Memorandum of Association 4. Approval to alter Articles of Association of the Company 5. Approval to issue bonus shares 6. Approval for related Party Transactions to be undertaken by the Company during FY 2018-19
2016-17 (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
2015-16 (27th 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

EXTRAORDINARY GENERAL MEETING:

The Company has convened an Extraordinary General Meeting on 18 June 2018 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) and Central Depository Services (India) Limited (CDSL) 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 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083 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	:	Thursday, September 5, 2019 at 12.00 NOON
Venue	:	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
Financial Year	:	April 1, 2018 to March 31, 2019
Record Date	:	Thursday, September 5, 2019
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

Sd/- Sd/-

Date : July 2, 2019
Place **:** Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Laxmi Organic Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects arising out of matters in our Basis of Opinion paragraph, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for preparation of the Other Information. The Other Information obtained at the date of this Auditor's Report is the Directors Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

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

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Nuzhat Khan
Partner
M. No. – 124960
UDIN- 19124960AAAAHA7966
Mumbai, Dated: July 15, 2019

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

ANNEXURE A

To the Independent Auditors' Report on the Financial Statements of Laxmi Organic Industries Limited

(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 year 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 , confirmations was obtained from the bankers about the title deeds being in the name of the Company.

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

(iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 and hence the sub clauses (a) and (b) of clause 3(iii) of the Companies (Auditor's Report) Order, 2016 is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect 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

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

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

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(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

Nuzhat

Nuzhat Khan
Partner
M. No. – 124960
UDIN- 19124960AAAAHA7966
Mumbai, Dated: July 15, 2019

Mumbai

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls with reference to Financial Statements of Laxmi Organic Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

Because of the inherent limitations of Financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019,

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Balance Sheet as at March 31, 2019
(All figures are Rupees in Lacs unless otherwise stated)

Particulars	Note No.	March 31, 2019	March 31, 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	1	32,646.04	27,262.45
(b) Capital work-in-progress		3,147.86	2,995.42
(c) Other intangible assets	1	94.56	11.52
(d) Financial assets			
(i) Investments	2.1	425.13	425.13
(ii) Trade Receivable	2.2	-	-
(iii) Bank Balances	2.4	1,954.15	576.59
(iv) Loans	2.3	1,095.71	910.53
(v) Others	2.5	18.18	12.19
(e) Other non-current assets	3	821.92	1,620.02
(f) Assets held-for-sale	4	-	-
		40,203.55	33,813.85
(2) Current Assets			
(a) Inventories	5	12,814.74	12,282.99
(b) Financial assets			
(i) Investments	2.1	1,554.05	1,612.44
(ii) Trade receivables	2.2	30,396.34	28,891.33
(iii) Cash and cash equivalents	2.4	494.98	135.47
(iv) Other Bank Balance	2.4	2,000.00	-
(v) Loans	2.3	65.20	27.05
(iv) Others	2.5	117.77	176.55
(c) Other current assets	3	8,119.20	6,247.00
(d) Assets held-for-sale	4	-	729.66
		55,562.36	50,103.29
Total Assets		95,765.91	83,917.14
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	6	5,004.54	1,000.91
(b) Other Equity	7	40,546.15	36,961.96
		45,550.69	37,962.87
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities	8		
(i) Borrowings	8.1	7,460.63	5,310.15
(ii) Other financial liabilities	8.2	-	-
(b) Provisions	9	219.94	184.65
(c) Deferred tax liabilities (net)	10	1,709.93	1,587.76
(d) Other non-current liabilities	11	-	53.33
		9,390.50	7,135.88
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	3,399.86	11,799.55
(ii) Trade payables	13		
- total outstanding dues of Micro and Small Enterprise		71.51	52.50
- total outstanding dues of other than Micro and Small Enterprise		29,945.50	19,878.22
(iii) Other financial liabilities	8.2	5,984.07	5,108.26
(b) Provisions	9	188.33	104.94
(c) Current Tax Liabilities (net)	14	926.30	1,305.11
(d) Other current liabilities	11	309.15	569.80
		40,824.72	38,818.39
Total Equity and Liabilities		95,765.91	83,917.14

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

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

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

Nuzhat Khan
Partner
M.No. 124960
UDIN : 19124960AAAABHA7566

Ravi Goenka
Managing Director
DIN-00059267

Vasudeo Goenka
Chairman
DIN-00059215

Aniket Hirpara
Company Secretary

Partha Roy Chowdhury
Chief Financial Officer

Place : Mumbai
Date : July 15 2019

Place : Mumbai
Date : July 2, 2019

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Statement of Profit & Loss for year ended March 31, 2019
(All figures are Rupees in Lacs unless otherwise stated)

Particulars	Note No.	2018-19	2017-18
I) INCOME:			
Revenue from operations (gross)	15	1,42,880.45	1,29,044.39
Other income	16	617.63	382.81
Total Income (I)		1,43,498.08	1,29,427.20
II) EXPENSES:			
Cost of raw materials consumed	17	92,159.05	65,909.05
Purchase of traded goods	18	8,017.30	22,221.07
Changes in inventories of Finished Goods, Work in progress and Stock in Trade		(2,533.23)	(101.78)
Excise Duty		-	1,755.11
Employee benefits expense	20	5,828.79	4,826.98
Finance cost	21	1,380.10	853.16
Depreciation & amortisation	22	4,092.10	2,881.42
Other expenses	23	24,266.13	19,739.67
Total expenses (II)		**1,33,210.24**	**1,18,084.67**
Profit before tax (I-II)		**10,287.84**	**11,342.53**
Tax expense	26	2,509.05	3,669.75
1. Current tax		2,391.50	2,983.90
2. Deferred tax liability / (asset)		122.17	685.85
3. Income Tax (Excess)/Short Provision of previous year		(4.62)	-
Profit for the period from continuing operations		7,778.79	7,672.78
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (net of tax)		(9.97)	31.11
Total other comprehensive income (net of tax)		(9.97)	31.11
Total comprehensive income for the year		7,768.82	7,703.88
Earnings per equity share (nominal value of share Rs.10/- each)			
Basic & Diluted (Rs)		15.54	15.33

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

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M.No. 124960

UDIN : 19124960AAAAHA9366

Place : Mumbai
Date : July 15, 2019

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

Ravi Goenka
Managing Director
DIN-00059267

Vasudeo Goenka
Chairman
DIN-00059215

Aniket Hirpara
Company Secretary

Partha Roy Chowdhury
Chief Financial Officer

Place : Mumbai
Date : July 2, 2019

KRN

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Cash Flow Statement for the year ended 31 March, 2019
(All figures are Rupees in Lacs unless otherwise stated)

Particulars	2018-19		2017-18	
A. Cash flow from operating activities				
Profit / (Loss) before extraordinary items and tax		10,287.84		11,342.53
Adjustments for:				
Depreciation and amortisation expense	4,092.10		2,881.42	
(Profit) / loss on sale / write off of assets	(4.49)		(1.35)	
Finance costs	1,380.10		853.16	
Interest income	(238.69)		(186.75)	
Guarantee Commission	(5.13)		(5.82)	
Amortisation of upfront fees	4.86		6.80	
Sales Tax Receivable w/off	39.66		52.02	
Loss on sale of investments	23.13		-	
Provision for doubtful debts/Write off - ECL	(2.38)		3.61	
Sundry balances written back	(133.87)		(82.94)	
Net unrealised exchange (gain) / loss	310.85	5,466.14	(227.49)	3,290.66
Operating profit / (loss) before working capital changes		15,753.98		14,633.19
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(531.75)		(5,914.31)	
Trade receivables	(1,502.63)		(7,441.61)	
Financial Assets	(218.58)		(141.41)	
Other Assets	(1,119.45)		(3,987.04)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade Payable	10,220.16		4,172.16	
Financial Liabilities	(308.85)		(480.05)	
Non Financial Liabilities	(228.49)		1,076.66	
Provisions	108.71	6,419.12	59.97	(12,655.63)
Cash generated from operations		22,173.10		1,977.56
Net income tax (paid) / refunds		(2,759.28)		(2,000.58)
Net cash flow from / (used in) operating activities (A)		19,413.82		(23.02)
B. Cash flow from investing activities				
Capital expenditure on Property Pant and Equipment	(9,721.79)		(8,837.79)	
Proceeds from sale of Property Pant and Equipment	15.11		9.05	
Movement in Other Bank Balances	(3,377.56)		508.85	
(Purchase)/ Sale of Investments	706.53		(261.25)	
Interest received	281.87		181.37	
Net cash flow from / (used in) investing activities (B)		(12,095.84)		(8,399.27)
C. Cash flow from financing activities				
Proceeds from Long term borrowings	5,638.21		4,000.00	
Repayment of Long term borrowings	(2,646.44)		(2,894.62)	
Net Proceeds from Short term borrowings	(8,399.69)		8,081.14	
Finance costs	(1,369.55)		(853.16)	
Dividends paid	(150.14)		(120.11)	
Tax on dividend	(30.86)		(24.45)	
Net cash flow from / (used in) financing activities (C)		(6,958.47)		8,188.80
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		359.51		(233.42)
Cash and cash equivalents at the beginning of the year		135.47		368.88
Cash and cash equivalents at the end of the year		494.98		135.47
		359.51		(233.41)
Components of Cash and Cash Equivalents				
Cash on Hand		23.32		24.91
Balances with Bank		471.66		110.56
Total Balance		494.98		135.47

Notes:
(i) Figure in brackets denote outflows

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

In terms of our report attached.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M.No. 124960
UDIN : 19124960AAAAHA7966

Place : Mumbai
Date : July 15 2019

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

Ravi Goenka
Managing Director
DIN-00059267

Vasudeo Goenka
Chairman
DIN-00059215

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Place : Mumbai
Date : July 2, 2019

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Statement of Changes in Equity for the period ended March 31, 2019
(All figures are Rupees in Lacs unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2019 Number of Shares	March 31, 2019 Rs	March 31, 2018 Number of Shares	March 31, 2018 Rs
Subscribed and Fully Paid up Capital				
Equity shares of Rs. 10 each				
Opening Balance	1,00,09,081	1,000.91	1,00,09,081	1,000.91
Add: Bonus Shares issued during the year	4,00,36,324	4,003.63	-	-
Closing Balance	5,00,45,405	5,004.54	1,00,09,081	1,000.91

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Total
INDAS balance as at April 1, 2017	20,656.10	55.00	5,011.04	3,680.50	29,402.64
Profit for the year	7,672.78				7,672.78
Dividend Paid	(120.11)				(120.11)
Dividend Distribution Tax	(24.45)				(24.45)
Remeasurement of net defined benefit plans	31.11				31.11
Balance as at 31 March 2018	28,215.42	55.00	5,011.04	3,680.50	36,961.96
Profit for the year	7,778.79				7,778.79
Dividend Paid	(150.14)				(150.14)
Dividend Distribution Tax	(30.86)				(30.86)
Remeasurement of net defined benefit plans	(9.97)				(9.97)
Bonus issued during the year	(4,003.63)				(4,003.63)
Balance as at 31 March 2019	31,799.61	55.00	5,011.04	3,680.50	40,546.15

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M.No. 124960
UDIN : 19124960AAAAHA7966

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

Ravi Goenka
Managing Director
DIN-00059267

Vasudeo Goenka
Chairman
DIN-00059215

Aniket Hirpara
Company Secretary

Partha Roy Chowdhury
Chief Financial Officer

Place : Mumbai
Date : July 15, 2019

Place : Mumbai
Date : July 2, 2019

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Statement of Significant Accounting policies and Other Related Notes

A 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 of specialty chemicals. The Company primarily manufactures Ethyl Acetate, Acetic Acid and Diketene Derivative Products (DDP). DDP is a specialty chemical group, the technology and business of which has been acquired by LOIL from Clariant Chemicals India Limited. LOIL is currently the only manufacturer of DDP in India.

The financial statements were authorised for issue in accordance vide resolution of the Board of Directors on July 2, 2019

B New standards and interpretations not yet adopted

1 Ind AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liablities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.
The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

2 Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

(*) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

(*) Amendment to Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

KJN

LAXMI ORGANIC INDUSTRIES LTD
Mumbai

3 Amendment to Ind AS 19 Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

4 Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

5 Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

6 Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

7 Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held Interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

C Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values, which are disclosed in the Financial Statements.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lacs, except otherwise indicated.

D 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.

KJP

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

E Summary of significant accounting policies

a) Current and non-current classification

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

An asset is treated as current when:

It is expected to be realised or intended to be sold or consumed in normal operating cycle;

It is held primarily for the purpose of trading

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.

KJP

Mumbai

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 useful life 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

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 & semi finished goods:

Finished Goods & semi finished goods are valued at lower of cost and net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition. Excise duty is considered as cost for finished goods, wherever applicable.

Iv Stores and Spares:

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

v Traded Goods:

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

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.

KJD

Mumbai

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.

Mumbai

KJP

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.

KJN

Mumbai

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.

iv 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

A Revenue from Operations :

The company earns revenue primarily from sale of Chemicals. Laxmi Organic Industries is a speciality chemical manufacturer, focused on two key areas Acetyl Intermediates and Speciality Intermediates

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18. The company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18. The adoption of Ind AS 115 does not have significant effect on the financial results.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of]services to the Customer which is the point in time when the customer receives the goods and services .

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

KJP

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentives given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and Customer Category.

Use of significant judgements in revenue recognition

• The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

• Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

• The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

• The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

B Other Operating Income / Other Income

(i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. Since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

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

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

(iii) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Dividend income is recognised when the right to receive the same is established.

(v) Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

(vi) 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.

(vii) 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.

Mumbai

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.

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

KSM

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.

KSN

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

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

Property, Plant and Equipment

PARTICULARS	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Windmill	Tangible Total	Intangibles - Softwares
Cost											
As at 1st April 2017	293.67	2,418.23	2,045.41	16,677.18	140.26	25.24	58.19	275.29	223.13	22,156.61	37.45
Additions	-	1,000.27	231.21	8,795.43	231.78	80.68	25.50	290.38	-	10,655.25	1.77
Disposals/Adjustments	-	-	-	-	-	-	-	31.39	-	31.39	-
As at 31st March 2018	293.67	3,418.50	2,276.62	25,472.61	372.04	105.92	83.69	534.28	223.13	32,780.47	39.22
Additions		1,868.69	129.70	7,168.48	141.30	55.77	34.87	63.25		9,462.06	107.29
Disposals/Adjustments								66.91		66.91	
As at 31st March 2019	293.67	5,287.19	2,406.32	32,641.09	513.34	161.69	118.56	530.62	223.13	42,175.62	146.51
Depreciation											
Depreciation 1st April 2017	7.74	243.32	99.43	2,218.44	37.10	-3.74	24.63	18.27	24.46	2,672.65	15.35
Charge for the Year	7.61	245.76	120.58	2,256.82	58.73	27.23	23.46	107.12	21.78	2,869.07	12.35
Disposals/Adjustments	-	-	-	-	-	-	-	23.70	-	23.70	
As at 31st March 2018	15.34	489.07	220.01	4,475.26	95.83	25.48	48.09	101.70	46.25	5,518.02	27.70
Charge for the Year	4.13	380.79	184.02	3,197.02	71.69	40.11	21.47	146.10	22.52	4,067.85	24.25
Disposals/Adjustments	-	-	-	-	-	-	-	56.29	-	56.29	
As at 31st March 2019	19.47	869.86	404.03	7,672.28	167.52	65.59	69.56	191.51	68.77	9,529.58	51.95
NET BLOCK											
As at 31st March 2018	278.32	2,929.43	2,056.61	20,997.35	276.21	79.44	35.61	432.59	176.89	27,262.45	11.52
As at 31st March 2019	274.19	4,417.33	2,002.29	24,968.81	345.82	95.10	49.01	339.12	154.37	32,646.04	94.56

Notes

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.

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

Particulars	2018-19	2017-18
Factory Building	138.30	138.30
Plant & Machinery	1,162.20	1,162.20
Furniture & Fixture	1.60	1.60
Office Equipment	0.20	0.20
Computers	0.70	0.70
Total	1,303.00	1,303.00

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

Particulars	2018-19	2017-18
Non Factory Building	-	231.20
Plant and Machinery	103.95	283.90
Computers	2.06	8.30
Office Equipment	-	15.60
Furniture and Fixtures	-	43.90
Intangibles	0.03	1.50
Total	106.04	584.40

125

LAXMI ORGANIC INDUSTRIES LTD. Mumbai *

LAXMI ORGANIC INDUSTRIES LIMITED
CIN :U24200MH1989PLC051736
Notes to Standalone financial statements as at and for the period ended March 31, 2019
(All figures are Rupees in Lacs unless otherwise stated)

			As at		As at	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
2	**Financial Assets**		Non- Current		Current	
2.1	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, 2018: 180 shares))	12.63	12.63	-	-
		Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2018: 34 shares))	11.03	11.03	-	-
		Cellbion Lifesicence Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2018: 10,000 shares))	399.47	399.47	-	-
		Laxmi Lifescience Pvt. Ltd of Rs 10 each (10,000 shares (March 31, 2018: 10,000 shares))	1.00	1.00	-	-
		Viva Lifescience Pvt. Ltd. of Rs 10 each (10,000 shares (March 31, 2018: 10,000 shares))	1.00	1.00	-	-
	ii)	4% Cumulative Redeemable Preference Shares				
		Laxmi Organic Industries BV of Euro 20,00,000 each (1 share (March 31, 2018: 1 share))			1,554.05	1,612.44
		Total	425.13	425.13	1,554.05	1,612.44

(a) Laxmi Organic Industries (Europe) BV has issued One Cumulative Preference Share to Laxmi Organic Industries Limited @ 20,00,000 Euro Redeemable on August 28, 2018 The term of the said Preference shares are further extended for two years vide agreement dated August 28, 2018 till August 28, 2020. The above preference Shares carry dividend coupon rate of 4%

(b) Details Of loans given, investments made and guarantee given covered under section 186 (4) Of The Companies Act, 2013:

The following is the details as of March 31, 2019 of the Loans, Investments and Guarantees given by the Company to the Subsidiary Companies and Joint Venture (JV) Company:

Sr. No.	Name of Party	Nature	2018-19	2017-18
1	Suvas Holdings Limited - JV	Investment	5.11	24.56
2	Suvas Holdings Limited JV	Corporate Guarantee	-	20.02
3	Laxmi Organic Industries (Europe) B.V.- WOS	Corporate Guarantee	358.51	-
4	Laxmi Petrochem Middle Ease FZE- WOS	Loan	38.15	-

			As at		As at	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
			Non- Current		Current	
2.2	**Trade Receivables**					
	(Unsecured, at amortised cost)					
	i)	Considered good		-	30,396.34	28,891.33
	ii)	Considered doubtful		-	29.33	40.21
		Less:- Allowance for Credit Loss		-	(29.33)	(40.21)
		Total	-	-	30,396.34	28,891.33

Expected Credit Loss:

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. Based on the past experience of receivables the Company has not provided for expected credit loss. However, the life time credit loss is provided on case to case basis.

The Company estimates impairment under the simplified approach. Accordingly, it does not track the changes in credit risk of trade receivables. The impairment amount represents lifetime expected credit loss. In view thereof, the additional disclosures for changes in credit risk and credit impaired are not disclosed.

(a)	Movement in Allowance for Credit Loss	As at	
	Particulars	March 31, 2019	March 31, 2018
	Balance at the beginning of the period	40.21	112.77
	Addition during the year	-	-
	Reversal during the year	(10.88)	(72.56)
	Provision at the end of the period	29.33	40.21

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

NW

JLSD

2.3 Loans and Advances (at amortised cost)
(Unsecured, Considered good)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Non- Current		Current	
i) Security Deposit	397.63	291.02	-	-
ii) Loans to Related Party	698.08	619.51	-	-
iii) Other receivable from related party	-	-	65.20	27.05
	1,095.71	910.53	65.20	27.05
Details of Related Party:				
Cellbion LifeSciences Private Limited	698.08	619.51	-	-
Laxmi Petrochem Middle East (FZE)	-	-	65.20	27.05
	698.08	619.51	65.20	27.05

2.4 Cash and Bank Balances

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Non- Current		Current	
A Cash and cash equivalents				
i) Balances with banks	-	-	471.66	110.56
ii) Cash on hand	-	-	23.32	24.91
Total	-	-	494.98	135.47
B Other bank balances				
i) Fixed Deposit	-	-	2,000.00	-
ii) Fixed Deposit against BG/Margin money	1,954.15	576.59	-	
Total	1,954.15	576.59	2,000.00	-
Grand Total	1,954.15	576.59	2,494.98	135.47

2.5 Other Financial Assets
(Unsecured considered good unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Non- Current		Current	
i) Advance to Staff	18.18	12.19	21.79	67.46
ii) Interest accrued receivable				
From related parties	-	-	26.53	92.38
From banks	-	-	34.86	2.39
From others	-	-	-	9.80
iii) Insurance Claim Receivable	-	-	0.23	4.52
iv) Unbilled revenue	-	-	34.36	-
	18.18	12.19	117.77	176.55

3 Other Assets

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	Non- Current		Current	
i) Capital Advance	180.53	876.93	-	-
ii) Prepaid expenses	2.33	2.50	143.50	146.80
iii) Prepaid Upfront fees	3.16	8.03	-	-
iv) Prepaid Rent	43.16	52.61	-	-
v) Prepaid taxes (net of provisions)	73.54	79.95	-	-
vi) Balance with Government Authorities	519.20	575.68	4,023.83	2,254.89
vii) Advances to Supplier				
- Considered good	-	-	3,444.83	3,433.43
- Considered doubtful	-	-	277.21	277.21
	-	-	3,722.04	3,710.64
Less : Impairment of doubtful advances	-	-	277.21	277.21
	-	-	3,444.83	3,433.43
viii) Export Incentive receivable	-	-	287.24	132.09
ix) Export Licenses on hand	-	-	219.75	279.91
x) Other Receivables	-	-	0.13	0.68
xi) Contribution to Gratuity Fund	-	24.32	-	-
Total	821.92	1,620.02	8,119.28	6,247.80

LAXMI ORGANIC INDUSTRIES LTD
Mumbai

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
4 Assets held-for-sale	Non-Current		Current	
i) Equity instruments of Joint Venture				
Suvas Holding of Rs 10 each (Nil shares (March 31, 2018: 65,21,932 shares))	-	-	-	729.66
Total	-	-	-	729.66

(a) During the year, the Company has sold Shares of Suvas Holdings Limited to Ravi Goenka and Rajeev Goenka (18,58,329 and 55,74,988 shares respectively) @ Rs 10 per equity share

	As at	
	March 31, 2019	March 31, 2018
5 Inventories	Current	
(at lower of cost and net realisable value)		
a) Raw material	7,267.43	9,636.82
b) Work-in-progress	880.35	428.20
c) Finished goods	3,335.68	1,218.91
d) Consumable Stores and spares	1,108.97	718.28
e) Fuels and consumables	170.92	184.56
f) Packing Material	51.39	60.53
g) Trading	-	35.69
	12,814.74	12,282.99

	As at	
	March 31, 2019	March 31, 2018
6 Equity Share capital		
i) Authorised shares :		
5,10,00,000 (March 31, 2018 : 2,10,00,000) Equity Shares of Rs. 10/- each	5,100.00	2,100.00
Total	5,100.00	2,100.00
ii) Issued and subscribed and paid-up shares :		
5,00,45,405 (March 31, 2018 : 1,00,09,081) Equity Shares of Rs. 10/- each	5,004.54	1,000.91
Total paid-up share capital	5,004.54	1,000.91

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

	As at			
	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	Number	Amount	Number	Amount
Balance, beginning of the period	1,00,09,081	1,000.91	1,00,09,081	1,000.91
Add: Bonus shares issued during the year	4,00,36,324	4,003.63	-	-
Balance, end of the period	5,00,45,405	5,004.54	1,00,09,081	1,000.91

b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of Rs. 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 shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	4,01,86,120	80%	80,37,224	80%
International Finance Corporation (Washington D.C.)	50,29,010	10%	10,05,802	10%

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) In January , 2019 the company has issued Bonus shares - (4,00,36,324 shares) to all its existing share holders in the ratio of 1:4 shares at face value of Rs 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

However the above bonus allotment is not reflected in the DMAT account of the Company due to some technical problem

	As at	
	March 31, 2019	March 31, 2018
7 Other Equity		
i) Retained Earnings	31,799.61	28,215.42
ii) General Reserve	3,680.50	3,680.50
iii) Security Premium Reserve	5,011.04	5,011.04
iv) Capital Reserve	55.00	55.00
	40,546.15	36,961.96

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

148

		As at		As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
8	Financial Liabilities (at amortised cost)	Non-Current		Current	
8.1	Long term Borrowings				
(a)	Term loans :				
	Rupee Term Loan from Bank	4,222.22	3,111.11	1,555.56	888.89
	Foreign Currency Loan from Bank	2,397.94	-	368.91	-
	Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	691.71	1,951.32	1,383.43	1,300.88
(b)	Vehicle loans :				
	Vehicle Loans - Other than Bank	19.16	27.21	8.04	10.92
(c)	Government Grant	129.60	220.51	90.91	112.41
				3,406.85	2,313.10
	Less: Disclosed in Other Current Financial Liabilities			(3,406.85)	(2,313.10)
		7,460.63	5,310.15	-	-
	The break-up of above:				
	Secured	7,331.03	5,089.64	3,315.94	2,200.69
	Unsecured	129.60	220.51	90.91	112.41
		7,460.63	5,310.15	3,406.85	2,313.10

Notes:

A) Term Loan includes :

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

Tenure of Loan : Max 60 Months

Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement

Interest : Linked with HDFC Bank 1 Year MCLR + 35 bps for Rs. 50 Crs sanctioned TL and 1 Year MCLR + 80 bps for Rs. 20 Crs sanctioned TL

ii) **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.

iii) **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.

B) **Security of Term Loans :**

a) First pari passu charge on all present and future movable and immovable Property Plant and Equipment of the Company situated at A/22/2/3, A/22/2/3(P), A A-22/2/2 MIDC, B-3/1/2 Mahad Industrial Area , Dist Raigad Maharashtra.

b) First Charge on all present and future movable and immovable Property Plant and Equipment of the Company situated at B/2/2, B-3/1/1 MIDC B-3/1/2 Mahad Industrial Area , District. Raigad

c) First Pari Passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (Note: This is not applicable to loan taken from I.F.C.)

d)Second pari passu charge on entire current assets of the Company

C) **Vehicle Loan:**

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

D) **Government Grant**

There are multiple interest free sales tax loans which are repayable in five installments from their due date . The Company has outstanding of Rs.220.51 lacs as at March 31, 2019 (Previous Year 332.91 lacs). The first installment date was May 2009 and last terminal date is May 2023.

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

Particulars	March 31, 2019	March 31, 2018
Instalment payable within one year	3,406.85	2,313.10
Instalment payable between 1 to 2 years	3,026.26	2,288.73
Instalment payable between 2 to 5 years	4,434.36	2,989.02
Instalment payable beyond 5 years	-	32.40
Total	10,867.48	7,623.25

F) **As per the Amendment to INDAS 7 " Statement of Cash Flow "**

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Particulars	Non-current borrowings	Current borrowings	Current maturities of long term borrowings	Total
Opening balance	5,310.16	11,799.55	2,313.10	19,422.80
Changes from financing cash flows	5,304.87	(8,788.39)	(2,313.10)	(5,796.62)
The effect of changes in foreign exchange rates	252.46	-	-	252.46
Bill Discounting	-	388.71	-	388.71
Other changes (transfer within categories)	(3,406.85)	-	3,406.85	-
Closing balance	7,460.63	3,399.86	3,406.85	14,267.34

Mumbai

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
8.2 Other Financial Liabilities (at amortised cost)				
i) Current maturity of long term borrowings	-	-	3,406.85	2,313.10
ii) Advance received sale of Investments(*)			-	566.00
iii) Payable for Capital Goods		-	1,081.75	692.30
iv) Interest accrued (**)			130.56	120.01
v) Deposit received		-	96.00	102.00
vii) Staff Salary and other Payable			1,143.59	1,314.12
viii) Amount payable on hedging transactions			125.32	0.73
Total	-	-	5,984.07	5,108.26

(*) Refer Note 4(a) for Advance received for sale of investment.

(**) Interest accrued includes interest accrued and due as at March 31, 2109 which is debited by bank in first week of April.

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
9 Provisions				
i) Provision for employee benefits :				
Leave Encashment	219.94	184.65	103.07	42.60
Gratuity	-	-	28.68	-
ii) Provision for Sales Return	-	-	56.58	62.34
Total	219.94	184.65	188.33	104.94

(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, 2019	62.34	1,168.30	1,174.06	56.58
March 31, 2018	48.10	171.74	157.50	62.34

(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 Rs 20 lacs (previous year Rs 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 under:

Particulars	March 31, 2019	March 31, 2018
(a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	261.74	234.44
Current Service Cost	47.94	35.56
Interest Cost	19.62	15.93
Actuarial (Gain) /Loss-Other Comprehensive Income	9.97	(31.11)
Past Service Cost	0.00	18.99
Benefits paid	0.00	(12.07)
Defined Benefit Obligation at the year end	**339.28**	**261.74**
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	286.06	230.25
Investment Income	21.46	15.65
Employer Contribution	3.10	52.23
Benefits Paid	-	(12.07)
Fair Value of Plan Assets at the year end	**310.60**	**286.06**
(c) Reconciliation of fair value of assets and obligations		
Present value of Defined Benefit Obligation	339.28	261.74
Fair Value of Plan Assets	310.60	286.06
Net Asset / (Liability)	**(28.68)**	**24.32**
(d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)		
In Income Statement	46.12	54.83
In Other Comprehensive Income	9.97	(31.11)
Total Expenses Recognized during the period	**56.10**	**23.72**
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	**9.97**	**(31.11)**
(f) Net liabilities recognised in the balance sheet		
Long-term provisions	-	(24.32)
Short-term provisions	28.68	-
	28.68	(24.32)

Mumbai

KJP

ii) Actuarial Assumptions

Particulars	March 31, 2019	March 31, 2018
Discount rate (per annum)	7.40%	6.80%
Salary growth rate (per annum)	5%	5%
Attrition 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	Attrition Rate	Mortality Rate
Changes in Assumption				
March 31, 2019 (%)	1%	1%	1%	1%
March 31, 2018 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2019	319.58	360.68	344.48	339.40
March 31, 2018	245.64	278.70	266.34	261.84
Decrease in assumption				
March 31, 2019	361.36	319.76	344.48	339.16
March 31, 2018	279.78	245.67	254.19	261.64

(c) Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(i) Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(ii) Liquidity Risk:

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

(iii) Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iv) Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(v) Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

(vi) Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.

(vii) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

	As at March 31, 2019	As at March 31, 2018
10 Deferred Tax Liability		
a) Deferred Tax Liability on account of :		
i) Property Plant & Equipment	2,175.87	2,024.11
	2,175.87	2,024.11
b) Deferred Tax Asset on account of :		
i) Minimum Alternate Tax	245.95	245.95
ii) Provision for doubtful advances and debts	107.12	111.00
iii) Tax disallowances	112.87	79.41
	465.94	436.35
Deferred Tax Liability, net	1,709.93	1,587.76

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

KJN

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Non- Current		Current	
11 Other Liabilities				
i) Duties and Taxes payable		-	204.46	248.47
ii) Advance from customers		-	104.69	315.19
iii) Guarantee Liability	-	53.33	-	6.14
Total	-	53.33	309.15	569.80

	As at	
	March 31, 2019	March 31, 2018
12 Short Term Borrowings (at amortised cost)		
From Banks		
Cash Credit	1,946.15	8,664.11
Short term Loans	1,000.00	-
Buyers Credit	-	3,070.44
Bill Discounting	388.71	-
From Others		
From Directors	65.00	65.00
Total	3,399.86	11,799.55
Secured	1,946.15	11,734.55
Unsecured	1,453.71	65.00

	As at	
	March 31, 2019	March 31, 2018
13 Trade Payables (at amortised cost)		
i) Micro and Small Enterprise	71.51	52.50
ii) Other than Micro and Small Enterprise	29,945.50	19,878.22
Total	30,017.01	19,930.72

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	As at 31 March 2019	As at 31 March 2018
Principal amount due	71.51	52.50
Interest due on above	3.28	0.04
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
- Principal amount paid beyond appointed day	219.84	234.01
- Interest paid thereon	-	-
Amount of interest due and payable for the period of delay	3.28	2.70
Amount of interest accrued and remaining unpaid as at year end	16.27	12.99
Amount of further interest remaining due and payable in the succeeding year	-	-

	As at	
	March 31, 2019	March 31, 2018
14 Current Tax Liabilities (net)		
Current Tax Liabilities (net of taxes paid)	926.30	1,305.11
Total	926.30	1,305.11

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

KJR

		2018-19	2017-18
15	**Revenue from Operations**		
i)	Sales/ Rendering :		
	- Products	1,41,304 83	1,27,957 68
	- Services	662.66	268.16
		1,41,967.49	1,28,225.84
ii)	Other Operating Revenue:		
	Sale of Scrap	78.65	59 78
	Export Incentives	799.60	546.79
	Income from DEPB purchase at discount	21.97	161.40
	Insurance claim received	12.74	50.58
		912.96	818.55
	Total	1,42,880.45	1,29,044.39

Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

1 Revenue disaggregation based on :

(a) Category of good and services	2018-19	2017-18
Chemicals	1,35,445.32	1,12,473.06
Coal	5,688.79	15,318.37
Others	170.72	166 25
Jobwork and Other Services	662.66	268.16
	1,41,967.49	1,28,225.84

(b) Geographical region	2018-19	2017-18
India	1,02,249.88	99,593.62
International	39,717.61	28,632.22
	1,41,967.49	1,28,225.84

(c) Market or type of customer	2018-19	2017-18
PSU	7,583.34	1,335.32
Non - PSU	1,34,384.15	1,26,890.52
	1,41,967.49	1,28,225.84

2 Movement in Contract Balances

(i) Advance from Customers:	2018-19	2017-18
Opening Balance	315.19	336.03
Less : Invoices raised/ Adjusted during the year	(312.44)	(277.03)
Add : Advances received during the year	101.94	256.18
Closing Balance	104.69	315.19

(ii) Unbilled Revenue:	2018-19	2017-18
Opening Balance	-	-
Less : Invoices raised during the year	-	-
Add : Accrued during the year	34.36	-
Closing Balance	34.36	-

		2018-19	2017-18
16	**Other Income**		
i)	Interest Income on Financial Asset	238.69	188.75
ii)	Income from Brokerage	-	0.01
iii)	Guarantee Commission	5.13	5.82
iv)	Interest on Income Tax Refund	-	6.73
v)	Sundry balances written back	133.87	82 94
vi)	Profit on Sale of Property Plant & Equipment	4.49	1.35
vii)	Miscellaneous Income	233.07	97.21
viii)	Reversal of Expected Credit Loss	2.38	-
	Total	617.63	382.81

Mumbai

1519

17 Cost of Materials Consumed

	2018-19	2017-18
Opening Stock of Raw Material	9,636.82	3,818.52
Add : Purchases	89,789.66	71,727.34
	99,426.48	75,545.86
Less : Closing Stock of Raw Material	(7,267.43)	(9,636.87)
Cost of Material Consumed	92,159.05	65,909.05

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

	Particulars	2018-19	2017-18
(i)	Amount of inventories recognised as an expense during the period.	99,507.80	90,019.31
(ii)	Amount of write - down of inventories recognised as an expense during the period.	-	-
		99,507.80	90,019.31

18 Purchase of Stock in trade

		2018-19	2017-18
i)	Chemicals and Other Purchases	2,328.51	11,240.66
ii)	Coal	5,688.79	10,980.41
	Total	8,017.30	22,221.07

19 Changes in inventories of Finished Goods, Work in progress and Stock in Trade

	2018-19	2017-18
WIP Inventory at the beginning of the year	428.20	303.07
WIP Inventory at the end of the year	880.35	428.20
	(452.15)	(125.13)
FG Inventory at the beginning of the year	1,218.91	1,433.01
FG Inventory at the end of the year	3,335.68	1,218.91
	(2,116.77)	214.10
FG Inventory of Traded Goods at the beginning of the year	35.69	28.04
FG Inventory of Traded Goods at the end of the year	-	35.69
	35.69	(7.65)
(Increase) / Decrease in Excise Duty on Finished Goods		
Stock at the end of the year		-
Stock at the beginning of the year	-	183.10
	-	(183.10)
	(2,533.23)	(101.78)

20 Employee benefit expenses

		2018-19	2017-18
i)	Salaries, wages and bonus	4,208.15	3,344.87
ii)	Contribution to Employees gratuity , leave encashment and Other Funds	427.97	217.40
iii)	Director's Remuneration	1,061.11	1,158.54
iv)	Staff Welfare Expenses	131.56	106.17
	Total	5,828.79	4,826.98

21 Finance Costs:

		2018-19	2017-18
i)	Interest on Financial Liabilities at amortised cost	1,283.88	739.32
ii)	Interest on Direct Taxes	9.15	76.36
iii)	Interest on Indirect Taxes	0.65	2.27
iv)	Other borrowing costs	81.56	28.41
v)	Amortisation of Upfront Fees	4.86	6.80
	Total	1,380.10	853.16

22 Depreciation & amortization

		2018-19	2017-18
i)	Depreciation	4,067.85	2,869.07
ii)	Amortisation	24.25	12.35
	Total	4,092.10	2,881.42

TATA ORGANIC INDUSTRIES LTD. Mumbai *

KJP

23 Other expenses	2018-19	2017-18
Power & Fuels	9,637.92	8,173.21
Consumption of Consumables Stores and Spares	790.09	1,144.54
Consumption of Packing Materials	1,074.59	846.43
Water Charges	311.48	320.23
Labour Charges	590.41	403.27
Inward Freight Charges	242.54	342.07
Outward Export Freight Charges	2,570.26	2,218.87
Clearing and Forwarding Expenses	148.76	92.09
Repairs and Maintenance		
Buildings	133.55	123.88
Machineries	782.91	454.08
Others	375.63	287.70
Transportation Charges	2,455.65	1,864.52
Commission on sales	320.11	420.08
Advertisement	5.82	5.05
Director's Sitting Fees	9.61	8.20
Books and Periodicals	6.40	1.82
Business Promotion Expenses	57.22	110.98
Commission to Non-Executive Director	36.50	36.50
Computer Maintenance	90.04	65.72
Conveyance Expenses	23.29	16.76
Donation	35.89	28.76
CSR Expenditure	323.58	58.83
General Expenses	86.17	55.29
Inspection charges	31.44	4.55
Insurance Charges	274.32	191.22
Membership & Subscription	51.15	272.24
Postage & Telegram	19.43	21.50
Professional and Legal Expenses	1,319.00	804.93
Printing & Stationery	40.64	32.21
Rent	246.66	152.60
Rates and Taxes	100.44	81.83
Security Service Charges	104.71	97.70
Travelling Expenses	449.55	260.49
Telephone Expenses	49.07	51.34
Vehicle Expenses	222.09	155.18
Auditors' remuneration	21.96	17.07
Bank Charges	196.24	191.76
Expected credit loss	-	3.61
Exchange Loss	826.24	204.55
Other Expenses	141.98	70.99
Sales Tax Receivable w/off	39.66	52.02
Loss on sale of investments	23.13	-
Total	**24,266.13**	**19,739.67**

Particulars	2018-19	2017-18
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors		
For audit including consolidation	15.50	11.36
For limited review	2.25	2.83
For certification and other services	4.21	2.88
	21.96	17.07

Mumbai

26 Tax Expense

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

	2018-19	2017-18
Current Tax	2,391.50	2,983.90
Deferred tax	122.17	685.85
Income Tax (Excess)/Short Provision of previous year	(4.62)	-
Income tax recognised in statement of profit or loss	2,509.05	3,669.75

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

	Particulars		2018-19	2017-18
A	Current Tax			
	Profit Before tax		10,287.84	11,342.53
	Enacted tax rates in India (%)		34.94%	34.61%
	Computed expected tax expenses		3,594.98	3,925.42
	Effect of non- deductible expenses		1,620.60	1,133.89
	Effects of deductible Expenses		(1,522.21)	(1,379.52)
	Non Taxable effects		(1,301.87)	(695.88)
	Income tax expenses - Net	A	2,391.50	2,983.91
	Tax liability as per Minimum Alternate Tax on book profits			
	Minimum Alternate Tax rate		21.55%	21.34%
	Computed tax liability on book profits		2,217.03	2,420.68
	Tax effect on adjustments:			
	1/5 portion of Opening IND AS Reserve as on March 31, 2017		(8.95)	(8.19)
	Effect of non deductible expense		6.29	157.78
	Minimum Alternate Tax on Book Profit	B	2,214.36	2,570.27
	Higher of A or B		2,391.50	2,983.91

B Deferred Tax

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

Particulars	Opening	Recognised in profit and loss	Closing
Property Plant & Equipment	(1,355.22)	668.89	(2,024.11)
Minimum Alternate Tax	245.95	-	245.95
Provision for doubtful advances and debts	135.00	24.00	111.00
Tax disallowances	72.14	(7.27)	79.41
Preliminary expenses	0.22	0.22	-
As at March, 31, 2018	(901.91)	685.85	(1,587.76)
Property Plant & Equipment	(2,024.11)	151.75	(2,175.87)
Minimum Alternate Tax	245.95	-	245.95
Provision for doubtful advances and debts	111.00	3.88	107.12
Tax disallowances	79.41	(33.46)	112.87
As at March, 31, 2019	(1,587.76)	122.17	(1,709.93)

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

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

Particulars	2018-19	2017-18
Net Profit / (Loss) as per Statement of Profit and Loss	7,778.79	7,672.78
Outstanding equity shares at period end	5,00,45,405	1,00,09,081
Weighted average Number of Shares outstanding during the period – Basic	5,00,45,405	1,00,09,081
Weighted average Number of Shares outstanding during the period - Diluted	5,00,45,405	1,00,09,081
Weighted average number of shares as per para 26 of Ind AS 33" Earning per Share"	5,00,45,405	5,00,45,405
Earnings per Share - Basic (Rs.)	15.54	15.33
Earnings per Share - Diluted (Rs.)	15.54	15.33

Reconciliation of weighted number of outstanding during the period:

Particulars	2018-19	2017-18
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	1,00,09,081	1,00,09,081
Add : Issue of Equity Shares	4,00,36,324	-
Total number of equity shares outstanding at the end of the period	5,00,45,405	1,00,09,081
For Basic EPS :		
Weighted average number of equity shares at the end of the period	5,00,45,405	1,00,09,081
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	5,00,45,405	1,00,09,081

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

K510

28 Details of research and development expenditure recognised as an expense

Particulars	2018-19	2017-18
Employee benefits expense	140.53	160.80
Legal & Professional fees	44.83	40.80
Other expenses	4.56	5.20
Depreciation and amortisation expense	16.06	51.76
Capital expenditure (Refer Note 3(iii))	106.04	584.40
Total	312.01	842.96

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

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	**Contingent liabilities**		
	(a) Liabilities Disputed - Appeals filed with respect to :		
	(i) Income Tax on account of Disallowances / Additions and default of TDS	174.34	54.42
	(ii) VAT credits disallowed by the authorities against which the company has preferred appeals	23.27	23.27
	(b) Guarantees:		-
	(i) Given on behalf of WOS to their Vendors	1,165.54	1,066.41
	(ii) Furnished by banks on behalf of the Company	756.05	980.01
	(c) Other money for which the Company is contingently liable		-
	(i) Standby letter of credit given on behalf of WOS	3,008.95	2,829.42
(ii)	**Commitments**		
	(a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	355.24	2,180.27
	(b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	11,135.82	7,709.62
(iii)	**Letters of Credit**	5,048.79	6,576.51

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, 2019 and March 31, 2018, 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 separately disclosed.

Sale to one of the Subsidiary contribute 11% of the total Sales in the current year 2018-19 , which was less than 10% in the previous year 2017-18.

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 / Hedge / Swap Foreign Currency Exposure**

Details on unhedged foreign currency exposures

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	16,97,480	1,136.93	38,82,900	2,525.60
Trade Receivable (EURO)	2,65,799	167.12	-	-
Interest receivable (USD)	42,027	29.07	1,42,027	92.38
Advances to suppliers - USD	16,67,935	1,154.27	-	-
Loans and Advances Given (EURO)	-	-	39,800	32.16
Loans and Advances Given (AED)	3,32,803	62.66	-	-
Advance from Customers (USD)	2,31,259	160.83	-	-
Advance from customer (EURO)	59,550	46.36	-	-
Interest payable (USD)	97,576	67.49	85,541	55.64
Trade payable (USD)	7,62,044	377.80	89,33,351	5,810.62
Trade payable (CHF)	7,880	5.42	-	-
Borrowings (USD)	60,00,000	4,131.24	97,20,588	6,322.67

Details on hedged foreign currency exposures

	As at March 31, 2019		As at March 31, 2018	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	46,38,435	3,245.71	42,554	27.81
Forwards - EURO - Sales	40,12,581	3,157.28	10,00,000	834.58
Forwards - USD Purchase	2,77,07,500	19,314.95	78,19,855	5,109.01
Options - USD - Buy	10,00,000	710.75	-	-

	As at March 31, 2019		As at March 31, 2018	
Details on Interest rate swap on Borrowings	Foreign Currency	INR	Foreign Currency	INR
Interest Rate Swap - USD	9,44,444	681.15	-	-

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

34 Value of imports calculated on CIF basis

Particulars	2018-19	2017-18
Traded goods	2,549.29	10,059.07
Raw material	73,486.80	56,917.11
Capital goods	194.45	153.41
Spare parts	16.17	12.68

35 Significant accounting judgements, estimates and assumptions

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

Judgements

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

a Taxes

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

b Defined benefit plans (gratuity benefits)

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

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

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

36 Financial instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a) Financial Assets				
Amortised Cost				
Loans	1,160.91	937.58	1,160.91	937.58
Investments	1,554.05	1,612.44	1,554.05	1,612.44
Others	135.95	188.74	135.95	188.74
Trade receivables	30,396.34	28,891.33	30,396.34	28,891.33
Cash and cash equivalents	494.98	135.47	494.98	135.47
Other Bank Balanaces	3,954.15	576.59	3,954.15	576.59
Total Financial Assets	37,696.38	32,342.15	37,696.38	32,342.15
b) Financial Liabilities				
Amortised Cost				
Borrowings	10,860.49	17,109.70	10,860.49	17,109.70
Trade payables	30,017.01	19,930.72	30,017.01	19,930.72
Others	5,984.07	5,108.26	5,984.07	5,108.26
Total Financial Liabilities	46,861.57	42,148.66	46,861.57	42,148.68

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.

KJD

NW

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

37 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, 2019 and March 31, 2018.

Particulars	Date of Valuation	Fair Value measurement using		
		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-19		125.32	
Forward Contracts	31-Mar-18		0.73	

Mumbai
LAXMI ORGANIC INDUSTRIES LTD.

Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and financial activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk), credit risk and liquidity risk. The Company's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management, which includes foreign currency risk, interest rate risk, credit and liquidity risk are very closely monitored by the senior management, the Finance Committee and the Board of Directors. The Company has a Forex Risk Management policy under which all the forex hedging operations are done. The Company's policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function. The objective of financial risk management is to manage and control financial risk exposures within acceptable parameters, while optimising the return.

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 foreign currency are as follows:

	Assets		Liabilities	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
USD	34,07,441.97	40,24,927	70,90,879.52	1,87,39,480
EUR	2,65,799.39	39,800.00	59,550.37	-
AED	3,32,803.44	-		
CHF	-		7,880.00	-

Foreign Currency Sensitivity analysis:

The company is mainly exposed to USD and EURO fluctuations

Impact on profit/(loss) for the year	As at March 31, 2019		As at March 31, 2018	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	25.23	(25.23)	144.30	(144.30)
EUR	(1.59)	1.59	(2.99)	2.99
AED	(0.62)	(0.62)	-	-
CHF	0.05	(0.05)	-	-

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging the 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 projected sales, purchases and capital expenditures. When a derivative contract is entered for the purpose of hedging, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of projected transactions, the derivatives cover the period of exposure from the point the cash flows of the said transactions are projected 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.

B) Interest Rate Risk Management

Interest rate risk arises from the movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having an agreed portfolio of fixed and variable rate borrowings. Out of the total borrowings, the amount of fixed interest loan is Rs. 247.71 lac and floating interest loan is Rs 10,619.77 lac (March 31, 2018: Fixed interest loan Rs 371.00 lac and Floating interest loan Rs. 7252.20 lac). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonably change in interest rates on the borrowings:

	2018-19		2017-18	
	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)	57.78	7.26	40.00	4.88

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

KJP

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

	As At March 31, 2019	As At March 31, 2018
Trade receivables *(Refer Note 4 2)*	30,396 34	28,891.33
Allowances for Credit Loss *(Refer Note 4.2 (o))*	(29.33)	(40.21)

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

D) Liquidity Risk Management

Liquidity risk is the risk 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, 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 based on their contractual maturities:

	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2019				
Borrowings*	6,806.72	3,026.26	4,434.36	-
Trade Payables	30,017.01			
Other financial Liabilities	2,577.22			
	39,400.95	3,026.26	4,434.36	-
As at March 31, 2018				
Borrowings*	14,112.65	2,288.73	2,989.02	32.40
Trade Payables	19,930.72			
Other financial Liabilities	2,795.16			
	36,838.53	2,286.73	2,989.02	32.40

* including Current Maturity of non current borrowing

39 **Capital management**

The Company continues its policy of a conservative capital structure which has ensured that it retains the highest credit rating even amidst an adverse economic environment. Low gearing levels also equip the Company with the ability to navigate business stresses on one hand and raise growth capital on the other. This policy also provides flexibility of fund raising options for future, which is especially important in times of global economic volatility.

Particulars	March 31, 2019	March 31, 2018
Gross Debt	14,267.34	19,422.80
Less:		
Cash and Cash Equivalent	494.98	135.47
Other Bank Balance	2,000.00	-
Net debt (A)	11,772.36	19,287.33
Total Equity (B)	45,550.69	37,962.87
Gearing ratio (A/B)	0.26	0.51

40 The Board of Directors at their meeting held on July 2, 2019 has recommended dividend of Rs. 0.35 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 Rs. 211.16 lac (previous year Rs. 181 lac) including dividend distribution tax thereon.

41 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, 2019.

As per our report of even date
For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No. 106971W

Nuzhat Khan
Partner
M.No. 124960

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

Ravi Goenka
Managing Director
DIN-00059267

Vasudeo Goenka
Chairman
DIN-00059215

[illegible]
Company Secretary

Partha Roy Chowdhury
Chief Financial Officer

Place : Mumbai
Date : July 5, 2019

Place : Mumbai
Date : July 2, 2019

KJD

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. Till February 15, 2019

C **Key Management Personnel**
1 Vasudeo Goenka
2 Ravi Goenka
4 Radhesh Welling Till November 15, 2018

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 Trustee of Yellow Stone Trust

LJP

LAXMI ORGANIC INDUSTRIES LTD. Mumbai

8 The following are the transactions with related parties
Related party transactions

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	-	-	-	-	-	-
	(16.20)	-	-	-	-	(16.20)
Laxmi Organic Industries (Europe) BV	-	-	-	-	-	-
	(16.20)	-	-	-	-	(16.20)
Interest Received	86.70	-	-	-	-	86.70
	(77.53)	-	-	-	-	(77.53)
Laxmi Organic Industries (Europe) BV	8.13	-	-	-	-	8.13
	(7.80)	-	-	-	-	(7.80)
Cellbion Lifesciences Pvt. Ltd.	78.57	-	-	-	-	78.57
	(69.73)	-	-	-	-	(69.73)
						-
Rent, Commission and Other Expenses	-	-	-	-	6.26	6.26
	-	-	-	-	(5.90)	(5.90)
Merton Finance & Trading Pvt. Ltd	-	-	-	-	1.08	1.08
	-	-	-	-	(1.08)	(1.08)
Sherry Exports Pvt. Ltd.	-	-	-	-	5.18	5.18
	-	-	-	-	(4.80)	(4.80)
Donation	-	-	-	-	314.00	314.00
	-	-	-	-	(16.00)	(16.00)
Laxmidevi Nathmal Goenka Charitable Trust	-	-	-	-	108.25	108.25
	-	-	-	-	(1.00)	(1.00)
Laxmi Foundation	-	-	-	-	205.75	205.75
	-	-	-	-	(15.00)	(15.00)
Expenses Incurred on behalf of	34.93	-	-	-	9.11	44.05
	(27.10)	-	-	-	(10.69)	(37.79)
Brady Investments Pvt. Ltd.	-	-	-	-	9.11	9.11
	-	-	-	-	(10.69)	(10.69)
Laxmi Petrochem Middle East FZC	34.93	-	-	-	-	34.93
	(27.10)	-	-	-	-	(27.10)
Expenses Recovered	-	-	-	-	1.11	1.11
	-	-	-	-	(8.32)	(8.32)
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	1.11	1.11
	-	-	-	-	(8.32)	(8.32)
Sales	16,800.92	-	-	-	36.77	16,837.70
	(12,821.03)	-	-	-	(285.36)	(13,106.39)
Laxmi Organic Industries (Europe) BV	16,684.73	-	-	-	-	16,684.73
	(12,071.96)	-	-	-	-	(12,071.96)
Laxmi Petrochem Middle East FZC	21.24	-	-	-	-	21.24
	-	-	-	-	-	-
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	36.77	36.77
	-	-	-	-	(285.36)	(285.36)
Purchases	5,040.85	-	-	-	7.23	5,048.08
	(1,220.77)	-	-	-	(50.65)	(1,271.42)
Laxmi Petrochem Middle East FZC	2,287.04	-	-	-	-	2,287.04
	(451.08)	-	-	-	-	(451.08)
Saideep Traders	2,753.82	-	-	-	-	2,753.82
	(769.69)	-	-	-	-	(769.69)
Sitting Fees	-	-	1.60	0.80	-	2.40
	-	-	(1.40)	(0.80)	-	(2.20)
Vasudeo Goenka	-	-	1.60	-	-	1.60
	-	-	(1.40)	-	-	(1.40)
Rajeev Goenka	-	-	-	0.80	-	0.80
	-	-	-	(0.80)	-	(0.80)
Salary	-	-	-	192.35	-	192.35
	-	-	-	(39.10)	-	(39.10)
Harshvardhan Goenka	-	-	-	192.35	-	192.35
	-	-	-	(39.10)	-	(39.10)

Mumbai

Directors Remuneration	-	-	1,061.11	-		1,061.11
	-	-	(1,158.59)	-	-	(1,158.59)
Ravi Goenka	-	-	863.10	-	-	863.10
	-	-	(804.88)	-	-	(804.88)
Radhesh Welling	-	-	198.01	-	-	198.01
	-	-	(353.71)	-	-	(353.71)
Sales Investment (Suvas Holding Limited)	-	-	60.83	116.50	-	177.33
	-	-	(191.00)	(375.00)	-	(566.00)
Ravi Goenka	-	-	60.83	-	-	60.83
	-	-	(191.00)	-	-	(191.00)
Rajeev Goenka	-	-	-	116.50	-	116.50
	-	-	-	(375.00)	-	(375.00)
Equity Investment In JV	-	91.63	-	-	-	91.63
	(227.49)	(245.60)	-	-	-	(473.09)
Suvas Holding Ltd.	-	91.63	-	-	-	91.63
	-	(245.60)	-	-	-	(245.60)
Dividend Paid	-	-	0.00	0.76	129.75	130.51
	-	-	(57.64)	(39.42)	(7.36)	(104.41)
Vasudeo Goenka	-	-	0.00	-	-	0.00
	-	-	(11.95)	-	-	(11.95)
Ravi Goenka	-	-	0.00	-	-	0.00
	-	-	(45.69)	-	-	(45.69)
Rajeev Goenka	-	-	-	0.20	-	0.20
	-	-	-	(11.74)	-	(11.74)
Yellow Stone Trust	-	-	-	-	120.56	120.56
	-	-	-	-	-	-
Balance Payable As On 31.03.2019	-	-	73.32	118.20	2.15	193.67
	(451.08)	-	-	-	(6.70)	(457.78)
Laxmi Petrochem Middle East FZC	-	-	-	-	-	-
	(451.08)	-	-	-	-	(451.08)
Balance Receivable As On 31.03.2019	4,418.91		-	-	23.16	4,442.07
	(2,207.20)	-	-		(27.44)	(2,234.65)
Laxmi Organic Industries (Europe) BV	3,151.89	-	-	-	-	3,151.89
	(244.30)	-	-	-	-	(244.30)
Cellbion Lifesciences Pvt. Ltd.	698.08	-	-	-	-	698.08
	(619.51)	-	-	-	-	(619.51)
Saideep Traders	557.32	-	-	-	-	557.32
	(762.87)	-	-	-	-	(762.87)
Laxmi Petrochem Middle East (FZE)	-	-	-	-	-	-
	(119.40)	-	-	-	-	(119.40)
Corporate Gurantee As On 31.03.2019	1,165.54	-	-	-	-	1,165.54
	(806.22)	-	-	-	-	(806.22)
Laxmi Organic Industries (Europe) BV	1,165.54	-	-	-	-	1,165.54
	(806.22)	-	-	-	-	(806.22)

Note: 1 Figures in brackets are pertaining to previous year.

Note: 2 In January, 2019 the company has issued Bonus shares - (4,00,36,324 shares) to all its existing share holders in the ratio of 1:4 shares at face value of Rs 10/-. The same transactions has not been disclosed in aforsaid table.

Mumbai

LAXMI ORGANIC INDUSTRIES LTD