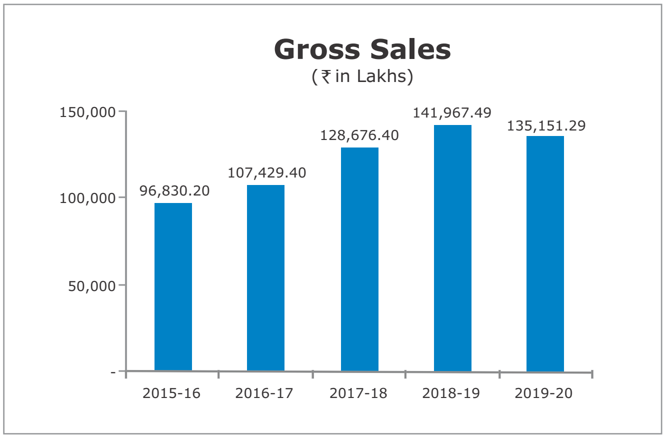
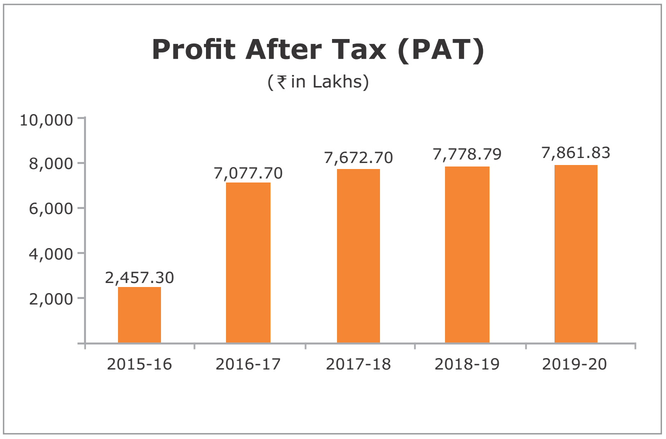
LAXMI ORGANIC INDUSTRIES LTD

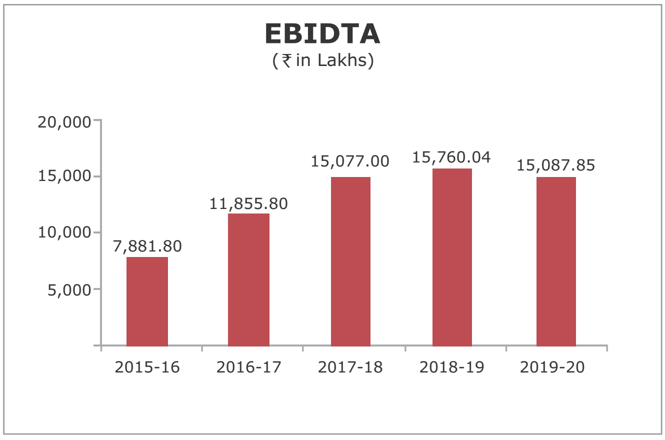
31ST ANNUAL REPORT 2019-2020

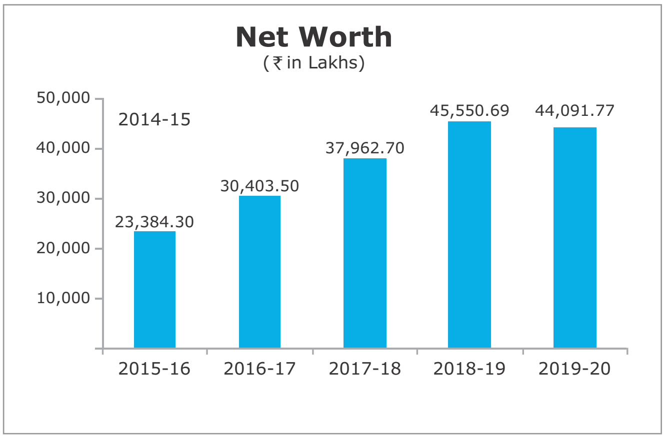
OUR MISSION

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









CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. Vasudeo Goenka	Chairman
	Mr. Ravi Goenka	Managing Director
	Mr. Rajeev Goenka	Director
	Mr. Desh Verma	Director
	Mr. Manish Chokhani	Independent Director
	Mr. O. V. Bundellu	Independent Director
	Ms. Sangeeta Singh	Independent Director

CHIEF FINANCIAL OFFICER: Mr. Partha Roy Chowdhury

COMPANY SECRETARY: Mr. Aniket Hirpara

REGISTERED OFFICE & FACTORY:

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

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

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

DISTILLERY UNITS:

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

PANCHGANGA
Ganganagar,
Taluka Hatkanangale,
District Kolhapur
Maharashtra

AUDITORS:
M/S NATVARLAL VEPARI & CO
CHARTERED ACCOUNTANTS
903 / 904, Raheja Chambers, Free Press Journal Marg,
Nariman Point, Mumbai – 400 021.

BANKERS:
State Bank of India
Yes Bank Limited
RBL Bank Limited
HDFC Bank Limited
Citi Bank N.A.
IDBI Bank Limited
Axis Finance Limited

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Company is scheduled to be held on Tuesday, November 24, 2020 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, 2020, 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, 2020, 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, 2020 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, 2020 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 17.5% be and is hereby declared on face of the equity shares 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, 2020, to whose name appears on the Register of Equity Shareholders of the Company as on date of 31st Annual General Meeting and in respect of shares held inelectronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on the date of 31st Annual General Meeting or to their mandates."

3. To appoint a Director in place of Mr. Vasudeo Goenka (DIN: 00059215) 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. Vasudeo Goenka (DIN: 00059215), 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 ₹ 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, 2021, be and is hereby ratified."

5. To consider and approve the revision in the remuneration of Mr. Harshvardhan Goenka, Vice President (Business Development) for the period from April 1, 2020 till October 31, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 178 and 188 and other applicable provisions, if any, of the Companies Act, 2013 or any amendments or substitution thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made there under the members of the Company do hereby approve as under:

a. The remuneration to be paid to Mr. Harshvardhan Goenka for period during April 1, 2020 till October 31, 2020 shall be revised and increased from present ₹ 1.00 Crore (CTC) to ₹ 1.06 Crore (CTC).

RESOLVED FURTHER THAT all the other terms of appointment of Mr. Harshvardhan Goenka, except the remuneration as revised above shall remain unchanged.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To confirm appointment of Mr. Harshvardhan Goenka (DIN 08239696) as a Director of the Company 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** Mr. Harshvardhan Goenka (DIN 08239696), who has been appointed as an Additional Director of the Company by Board of Directors with effect from November 1, 2020 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company."

7. To approve the appointment of Mr. Harshvardhan Goenka (DIN 08239696) as Whole-time Director of the Company designated as "Director – Business Development & Strategy" and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such other approvals, permissions and sanctions, if any, as may be required, and subject to the such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Harshvardhan Goenka (DIN: 08239696) as Whole-time Director, designated as "Director – Business Development & Strategy" of the Company for a period of 5 (five) years with effect from November 1, 2020, on the terms and conditions including remuneration as set out hereunder, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Harshvardhan Goenka, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

1.	**Designation**	**Director – Business Development & Strategy**	
2.	**Tenure**	November 1, 2020 till October 31, 2025	
3.	**Remuneration (Annual CTC)**		
		Basic	₹ 58,33,333
		HRA	₹ 29,16,667
		Canteen Allowance	₹ 28,800
		Education Allowance	₹ 2,400
		Fuel Reimbursement	₹ 7,80,000
		LTA	₹4,86,111
		Bonus	₹ 36,000
		Other Allowances	₹ 56,02,772
		Gratuity	₹ 2,80,583
		Provident Fund	₹ 7,00,000
		Total Fixed Pay	₹ 1,66,66,667
		Performance Linked Incentive (PLI)	₹ 33,33,333
		Total CTC (Total Fixed Pay + PLI)	₹ 2,00,00,000

4.	**Other Terms of Appointment**	a. The Director – Business Development & Strategy will perform his respective duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Executive Director and CEO as well as by Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Director – Business Development & Strategy will be under the overall authority of the Executive Director and CEO. b. The Director – Business Development & Strategy shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of Directors. c. The Director – Business Development & Strategy shall adhere to the Company's Code of Conduct & Ethics for Directors and Senior Management Personnel, if any.

RESOLVED FURTHER THAT pursuant to proviso to Section 197 (1) and proviso to section II (A) of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in financial year 2020-21, the remuneration set out here-above shall be paid to Mr. Harshvardhan Goenka (DIN: 08239696), as minimum remuneration, beyond the limit specified in Section II Part II of Schedule V.

RESOLVED FURTHER THAT the Board of Directors of the Company / Nomination and Remuneration Committee of the Company be and is hereby authorized to decide the annual increments payable to him on yearly basis not exceeding 20% of the aforementioned remuneration and also authorised as and when it may determine and deem fit and proper to revise the aforesaid remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and approve the revision in the remuneration of Mr. Ravi Goenka, Managing Director for the FY 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in modification to the earlier resolution passed by the Members in this regard at the Extra Ordinary General Meeting held on June 22, 2019 and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the members of the Company do hereby approve as under:

a. The Annual Remuneration to be paid to Mr. Ravi Goenka (DIN: 000592767) during FY 2020-21 with effect from April 1, 2020 shall be revised and increased from present ₹ 4.16 Crore (CTC) to ₹ 4.60 Crore (CTC).
b. In addition to the annual remuneration as specified in (a) above Mr. Ravi Goenka shall be eligible to receive commission not exceeding 1% of the net profit (computed under Section 198 of the Companies Act, 2013) of FY 2020-21.

RESOLVED FURTHER THAT pursuant to proviso to Section 197 (1) and proviso to section II (A) of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), in case of inadequacy or absence of profit in FY 2020-21, the remuneration set out here-above shall be paid to Mr. Ravi Goenka (DIN: 000592767), as minimum remuneration, beyond the limit specified in Section II Part II of Schedule V.

RESOLVED FURTHER THAT the Board of Directors of the Company / Nomination and Remuneration Committee of the Company be and is hereby authorized to decide the annual increments payable to him on yearly basis not exceeding 20% of the aforementioned remunerationand commission and also authorised as and when it may determine and deem fit and proper to revise the aforesaid remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To sub-divide equity shares of the Company from ₹ 10 per share to ₹ 2 per share and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 61(1)(d) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, consent and approval of the members be and is hereby accorded for sub-dividing the existing Authorised Share capital of the Company as follows:

Class of share capital	From			To		
	No. of shares	Face value (In ₹)	Total Share Capital (In ₹)	No. of shares	Face value (In ₹)	Total Share Capital (In ₹)
Authorised Share Capital	5,10,00,000	10	51,00,00,000	25,50,00,000	2	51,00,00,000

RESOLVED FURTHER THAT pursuant to the sub-division of Face Value of Equity Shares of the Company, the existing fully paid-up 4,50,16,395 Equity Shares of the Company of the Face Value of ₹ 10 /- each (Rupees Ten Only) as existing on the date of the 31st Annual General Meeting (AGM) (Record Date), shall stand sub-divided into fully paid-up 22,50,81,975 (After Split) Equity Shares of Face Value of ₹ 2/- each (Rupees Five Only) w.e.f. Record Date.

RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect and the Company may without requiring the surrender of the existing Share Certificate(s) directly issued and credit the sub-divided shares of the Company in dematerialised form or issue a new share certificate as the case may be, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares already held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT Mr. Ravi Goenka, Managing Director and Mr. Satej Nabar, Executive Director and CEO, be and are hereby severally authorized to take all the steps for giving effect to the aforesaid resolution, including making of necessary applications and / or filing necessary forms with the Registrar of Companies, Maharashtra or to any other statutory authority necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company."

10. To consider and approve the increase in the authorised share capital of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 13, Section 61 and Section 64 of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the applicable the provisions of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from ₹ 51,00,00,000/- (Rupees Fifty-One Crore) divided into 25,50,00,000 (Twenty-Five Crore Fifty Lakh) (sub-divided) equity shares of ₹ 2/- (Two) each to ₹ 61,00,00,000/- (Rupees Sixty-One Crore) divided into 30,50,00,000 (Thirty-Crore Fifty Lakh Shares) equity shares of ₹ 2/- (Two) each.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby severally authorised to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be necessary to give effect to the foregoing resolution."

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

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

The authorised share capital of the Company is ₹ 61,00,00,000/- (Rupees Sixty-One Crore) divided into 30,50,00,000 (Thirty Crore Fifty Lakh) equity shares of ₹ 2/- (Two) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase, modify and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorised to file requisite form(s) along with such other document as may be required with the Registrar of Companies, Mumbai and do all such acts, deeds and things as may be necessary to give effect to the foregoing resolution.

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

    RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), the consent of Members be and is hereby accorded for alteration of the Articles of Association of the Company by replacing the existing set of Articles of Association of the Company with a new set of Articles of Association under Companies Act, 2013.

    RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorised to file requisite form(s) along with such other document as may be required with the Registrar of Companies, Mumbai and do all such acts, deeds and things as may be necessary to give effect to the foregoing resolution."

13. To consider and approve the Employee Stock Option (ESOP-2020) Scheme and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

    "**RESOLVED THAT** pursuant to Section 62 (1) (b) of the Companies Act 2013, read with Rule 12 of the Companies (**Share Capital and Debenture**) Rules, 2014, the Securities and Exchange Board of India (**Share Based Employee Benefits**) Regulations, 2014 (**"SEBI SBEB Regulations"**), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**), the circulars / guidelines issued by the Securities and Exchange Board of India (**"SEBI"**), the Memorandum of Association and Articles of Association of the Company, pursuant to the approval of the Nomination and Remuneration Committee (**"Committee"**), the consent and approval of the members be and is hereby accorded the 'Laxmi -Employee Stock Option Plan 2020' (**"ESOP 2020"**).

    RESOLVED FURTHER THAT pursuant to Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the SEBI SBEB Regulations, the Listing Regulations, the circulars / guidelines issued by SEBI, the Memorandum of Association and Articles of Association of the Company, pursuant to the approval of the Committee and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as **"the Board"** which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to create, offer and grant, issue and allot up to 67,50,000 (Sixty-Seven Lakh Fifty Thousand only) employee stock options or restricted stock units or thank you grants to the eligible employees of the Company, as determined in terms of ESOP 2020, in one or more tranches, from time to time, exercisable in aggregate into not more than 67,50,000 (Sixty-Seven Lakh Fifty Thousand only) equity shares of face value of ₹ 2/- each fully paid up, to be issued to the options granted by the Company on payment of the requisite exercise price, where one employee stock option or restricted stock unit or thank you grants would convert in to one equity share upon grant, vesting and exercise and on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2020.

    RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank paripassu with the then existing equity shares of the Company.

    RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2020 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantee.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded authorising the Board to take necessary steps for listing of the equity shares allotted under the ESOP 2020 on the Stock Exchanges, where the equity shares of the Company are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2020.

RESOLVED FURTHER THAT the consent and approval of the members be and is hereby accorded, authorising the Nomination and Remuneration Committee, in addition to its present terms of reference, to administer and superintend, the ESOP 2020. Further, the Nomination and Remuneration Committee is hereby authorised to formulate the detailed terms and conditions of the scheme including the provisions as specified by Board in this regard.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company authorised representatives of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limiting to including the agenda regarding approval of ESOP 2020."

14. To approve Initial Public Offering and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT**, pursuant to the provisions of section 23, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations made thereunder (**"Companies Act, 2013"** or **"Companies Act"**), the Securities Contracts Regulation Act, 1956, as amended (**"SCRA"**) and the rules framed thereunder, and in accordance with the Memorandum of Association and Articles of Association of the Company (**"Charter Documents"**) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"SEBI ICDR Regulations"**) and other applicable regulations rules, guidelines, clarifications, circulars and notifications issued by the Securities and Exchange Board of India (**"SEBI"**), and listing agreements to be entered into with the recognized stock exchanges where the equity shares of the Company are proposed to be listed (the **"Stock Exchanges"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**"SEBI Listing Regulations"**) and any other applicable laws, rules, regulations, circulars and notifications issued by SEBI, the Reserve Bank of India (**"RBI"**), and any other regulatory authority or agency in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (**"Applicable Laws"**) and subject to such approvals, consents, sanctions, permissions as may be necessary and required from SEBI, Stock Exchanges, the Registrar of Companies, Maharashtra at Mumbai (**"RoC"**), RBI and concerned ministries or departments of the Government of India (**"GoI"**) and/or any other competent authority as may be required and clarifications, if any, issued thereon from time to time, and subject to all other necessary approvals, permissions, consents and/or sanctions of concerned statutory and other relevant authorities and subject to satisfaction of such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall include any committee thereof constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution to the extent permitted by law), consent, authority and approval of the members be and is hereby accorded to create, offer, issue, and allot such number of equity shares of the Company (**"Equity Shares"**) by way of an initial public offering, comprising of a fresh issue of up to ₹ 600 Crore by the Company (**"Fresh Issue"**) and an offer for sale by existing shareholders of the Company (the **"Offer for Sale"** and together with the Fresh Issue, the **"Offer"**), (with an option to the Company to retain an over-subscription to the extent of 1% of the net offer, for the purpose of rounding off to the nearest integer to make allotment while finalizing the basis of allotment in consultation with the designated stock exchange), at a price to be determined, by the in consultation with the book running lead manager(s), so appointed (**"BRLM(s)"**), through the book building process in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Company in consultation with the BRLM(s) and Selling Shareholders in accordance with the SEBI ICDR Regulations, out of the authorized share capital of the Company to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Company as the Board may, decide, including anchor investors, if any, one or more of the shareholders of the Company, eligible employees of the Company (through a reservation or otherwise), Hindu Undivided Families, qualified institutional buyers as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations (**"QIBs"**), foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), 'foreign portfolio investors' as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2019, Indian and/or multilateral and bilateral financial institutions, retail investors, mutual funds, venture capital funds, alternative investment funds, non-resident Indians, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, Ministry of Mines, development financial institutions, and/or any other categories of investors, whether within or outside India, in one or more combinations thereof, (including with provisions for reservation on firm and/ or competitive basis, of such part of the Offer and for such categories of persons including employees, as may be permitted under applicable law), (collectively referred to as the **"Investors"**) at such time or times, at such price or prices, at a discount on the Offer price, if any, to any reserved category of Investors, as may be permitted, in such manner and on such terms and conditions, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Equity Shares shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment of Equity Shares considering the prevailing market conditions and other relevant factors wherever necessary or such terms and conditions as may be decided by the Board, in its absolute discretion in consultation with the BRLM(s), and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer, at the time of issue of Equity Shares in one or more offerings/ tranches and that the Board in consultation with the BRLM(s) may finalise all matters incidental thereto as it may in its absolute discretion deem fit."

RESOLVED FURTHER THAT for the purpose of giving effect to the Offer, the Board is hereby authorised to allot Equity Shares and finalise other matters in connection with or incidental to the Offer, including determining any anchor investor (**"Anchor Investor"**) portion and allocate such number of Equity Shares to the Anchor Investor in accordance with the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board is hereby authorized on behalf of the Company to make available for allocation, a portion of the Offer to any category(ies) of persons permitted under applicable law, including without limitation, eligible employees of the Company (the **"Reservation"**) and/or to provide a discount to the Offer price to any category(ies) of persons permitted under applicable law, including without limitation, retail individual bidders and/or eligible employees (the **"Discount"**); and to take any and all actions in connection with any Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.

RESOLVED FURTHER THAT in accordance with the provisions of Section 42, Section 62(1)(c) and any other applicable provisions, if any, of the Companies Act, the SEBI ICDR Regulations and other Applicable Laws and subject to such further corporate and other approvals as may be required, the Board be and is hereby authorized to enable the Company to include a Pre-IPO Placement (defined hereinafter) component which shall be through an issuance of equity shares, including by way of a preferential offer or any other method as may be permitted under the applicable laws to any persons, aggregating up to ₹ 200 million, on such terms as may be decided by the Board in consultation with the BRLM(s) and/or other advisor(s), determine in light of the then prevailing market conditions, (the **"Pre-IPO Placement"**). If the Pre-IPO Placement is through a preferential offer, then such preferential offer including the terms thereof shall be subject to a further approval of the shareholders in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Pre-IPO Placement if considered, would be completed post the filing of the Draft Red Herring Prospectus and prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the Offer and the utilization of the proceeds raised through the Fresh Issue, as it may deem fit, and to give such directions and/or instructions as it may, from time to time, decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, including the premium to be charged on the Equity Shares, to vary the size of the Offer, appoint the BRLM(s), bankers to the Offer and other intermediaries or agencies concerned or as the Board may suo moto decide in its absolute discretion in the best interests of the Company to do all such acts, deeds, matters to do things whatsoever, including settle any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorized herein.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted pursuant to the Offer shall be subject to the Charter Documents and shall in all respects rank *pari passu* with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine the terms of the Offer including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, offer price, premium amount on offer, listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the offering, issue, allotment and utilization of the Offer proceeds, if applicable and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the shareholders.

RESOLVED FURTHER THAT in relation to the Offer, the Board either by itself or a committee constituted by the Board be and is hereby authorized to do all such acts, deeds and things as the Board or such committee in its absolute discretion deems necessary or desirable in connection with the Offer.

RESOLVED FURTHER THAT the Equity Shares issued through the Offer be listed on the Stock Exchanges.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred to a committee of the Board or any other officer or officers of the Company to do such acts, deeds and things as may be necessary to give effect to the aforesaid resolutions and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to the Offer.

RESOLVED FURTHER THAT for the purpose of giving effect to any of the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay any fees and commission and incur expenses in relation thereto."

15. To approve the Related Party Transaction to be undertaken by the Company during financial year 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (the 'Act') and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to the Board of Directors of the Company for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under Item No.15 of the Explanatory Statement annexed to this notice.

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

By Order of the Board of Directors

FOR LAXMI ORGANIC INDUSTRIES LIMITED

sd/-

Mr. Aniket Hirpara

Company Secretary and Vice-President –

Legal & Secretarial

Date : October 30, 2020

Place : Mumbai

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, 2020, if declared, will be paid in respect of share held in physical form, to those members whose names appear in the Company's Register of Members as on the date of Annual General Meeting and, in respect of shares held inelectronic form, to those "beneficial members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) 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. 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. Vasudeo Goenka**
Date of Birth	January 14, 1940
Date of First Appointment	May 15, 1989
Qualification	B.Com.
Terms & Conditions of Re-Appointment	In terms of Section 152(6) of the Act, Mr. Vasudeo Goenka who was re-appointed as a Director at the 28th Annual General Meeting held on September 29, 2017 is liable to retire by rotation at the Meeting.
Remuneration last drawn (including sitting Fees, if any)	₹ 210,000 (Sitting fees being paid for 7 (Seven) board meetings, 2 (Two) Nomination and Remuneration Committee meetings and 1 (One) Corporate Social Responsibility Committee Meeting)

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. Vasudeo Goenka is father of Mr. Ravi Goenka, Managing Director and Mr. Rajeev Goenka, Director of the Company.
No of Meetings of the Board Attended during FY 2019-20	7 (Seven)
Other Directorships held as on March 31, 2020	1. Maharashtra Aldehydes & Chemicals Limited 2. Laxmi Bioenergie Limited 3. Laxmi Capital Services Private Limited 4. Unity Paper Private Limited 5. Pedestal Finance & Trading Private Limited 6. Brady Investments Private Limited 7. Samsung Investments & Finance Private Limited 8. Venkatesh Holding & Marketing Company Private Ltd. 9. Anugrah Investments Limited 10. R. R. Investments & Estates Private Limited 11. Upadrasta& Sons Private Limited 12. International Knowledge Park Private Limited 13. Amrutsagar Construction Private Limited 14. Krishna Meadows Private Limited 15. Sherry Exports Private Limited 16. Starsilver Mercantile Company Private Limited. 17. Ojas Dye-Chem (India) Private Limited 18. Crescent Oils Private Limited 19. Unity Portfolio Private Limited
Membership/ Chairmanship of Committees of Other Company Boards as on March 31, 2020	N.A.
No of shares held	25

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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, 2021 on the remuneration ₹ 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 members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

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

ITEM NO.5:

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors have at their meeting held on October30, 2020, approved the revised remuneration to be paid to Mr. Harshvardhan Goenka, Sr. Vice-President Business Development during the period April 1, 2020 till October 31, 2020 as mentioned in the Resolution. The other terms of appointment of Mr. Harshvardhan Goenka during this period shall remain unchanged.

In terms of the provisions of Section 188 of the Companies Act, 2013, the proposed Special Resolution seeks approval of the Members of the Company for the revised remuneration to be paid to Mr. Harshvardhan Goenka, Sr. Vice-President Business Development during the period April 1, 2020 till October 31, 2020, as he is a related party to Mr. Ravi Goenka, Managing Director of the Company.

Accordingly, the Board of Directors of your Company recommends the passing of resolutions as set out at Item No.5 as the Special Resolution. Mr. Vasudeo Goenka, Mr. Ravi Goenka, Mr. Rajeev Goenka and other relatives to the extent of their shareholdings interest in the Company, are interested in the resolution.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 6 and 7:

Based on the recommendation of Nomination and Remuneration Committee, The Board of Directors at their meeting held on October 30, 2020 appointed Mr. Harshvardhan Goenka (DIN: 08239696) as an additional Director and also a Whole-Time Director designated as "Director – Business Development & Strategy"w.e.f. November 1, 2020.

Mr. Harshvardhan Goenka is not disqualified from being appointed as a Director and has given his consent to act a Director and Whole-Time Director.

The brief Profile of Mr. Harshvardhan Goenka is as under:

Harshvardhan Goenka holds the Strategy and Business Development responsibility for the Company. He has completed his education in Boston, USA and holds a Bachelor's of Science degree in Entrepreneurship, Economics and International Business from Babson College. For the last 8 years Harsh has been driving the growth agenda with the Company and is always looking to establish new ventures.

He is an active member of the Entrepreneurs Organisation, Mumbai and the Babson Alumni Club. Harsh is passionate about upgrading India through education and focuses his social work towards the same cause.

In terms of the provisions of Section 197 of the Companies Act, 2013, the proposed special resolution seek approval of the Members of the Company for the following:

1. For the appointment of Mr. Harshvardhan Goenka as a Director per the provisions of section 152 of the Companies Act, 2013

2. For appointment of Mr. Harshvardhan Goenka as Whole-time Director, designated as "Director – Business Development & Strategy" as per the terms and condition including the remuneration as mentioned in the resolution.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Harshvardhan Goenka under Section 190 of the Act.

Accordingly, the Board of Directors of your Company recommends the passing of resolutions as set out at Item No. 6 and 7 as an Ordinary Resolution.

Mr. Harshvardhan Goenka, Mr. Ravi Goenka, Mr. Vasudeo Goenka and Mr. Rajeev Goenka are interested in the resolutions set out respectively at Item No. 6 and 7 of the Notice, which pertain to his appointment and remuneration payable to him.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

ITEM NO.8

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Director have at their meeting held on October 30, 2020, approved as under:

a. Annual Remuneration to be paid to Mr. Ravi Goenka during FY 2020-21 with effect from April 1, 2020 shall be revised and increased from present ₹ 4.16 Crore (CTC) to ₹ 4.60 Crore (CTC); and

b. In addition to the annual remuneration as specified in (a) above Mr. Ravi Goenka shall also be eligible to receive commission not exceeding 1% of the net profit (computed under Section 198 of the Companies Act, 2013) of FY 2020-21.

The other terms of appointment of Mr. Ravi Goenka shall remain unchanged.

Mr. Ravi Goenka is interested in the said resolution, which pertains to the remuneration payable to him. Mr. Vasudeo Goenka, Mr. Rajeev Goenka and the other relatives of Mr. Ravi Goenka may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Accordingly, the Board of Directors of your Company recommends the passing of resolution as set out at Item No. 8 as a Special Resolution.

ITEM NO. 9

The Current Authorized Capital of the Company is ₹ 51,00,00,000 (Rupees Fifty-One Crore only) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10 each and the paid up share capital of the Company is ₹ 45,01,63,950 (Rupees Forty-Five Crore One Lakh Sixty-Three Thousand Nine Hundred and Fifty only). In order to improve the liquidity of the Company's shares, the Board of Directors of the Company ('the Board') at their meeting held on October 30, 2020 considered it desirable to sub–divide its 1 Equity Shares of ₹ 10/- each into 5 Equity Shares of ₹ 2/- each, subject to approval of the members and such other authorities as may be necessary. The provisions of the Companies Act, 2013, and the rules made thereunder, as amended (the "Companies Act, 2013") require the Company to seek the approval of the shareholders for sub-division of shares.

The Board recommends passing of the resolution as set out in the accompanying notice for the approval of the shareholders of the Company.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 10 and 11

The Board of Directors at their meeting held on October 30, 2020, subject to consent of the members of the Company, approved increase in authorised share capital of the Company ₹ 51,00,00,000/- (Rupees Fifty-One Crore) divided into 25,50,00,000 (Twenty-Five Crore Fifty Lakh) (sub-divided) equity shares of ₹ 2/- (Two) each to ₹ 61,00,00,000/- (Rupees Sixty-One Crore) divided into 30,50,00,000 (Thirty-Crore Fifty Lakh) equity shares of ₹ 2/- (Two) each.

The increase in the Authorised Share Capital and sub-division of the equity shares as aforesaid would require consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions except to the extent of their shareholding in the Company.

The Board recommends the Special Resolutions set out at Item Nos. 10 and 11 of this Notice for approval by the members.

ITEM NO.12

In order to undertake the proposed Offer, the Company will be required to ensure that the articles of association of the Company (the **"Articles of Association"**) conform to the requirements and directions of relevant stock exchanges prior to filing of the draft red herring prospectus with the Securities and Exchange Board of India and the relevant stock exchanges. The Company therefore proposes to adopt a new set of Articles of Association that shall conform to the requirements and directions provided by the stock exchanges and contain such other articles as required by a public limited company under applicable laws (including the Companies Act, 2013).

Copy of existing Articles of Association and revised Articles of Association will be made available for inspection at the registered office of the Company during the working hours of the Company on any working day up to the date of the 31st Annual General Meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, as applicable, any amendment in Articles of Association requires approval of the shareholders of the company.

The Board recommends the resolution for approval of the members of the Company.

None of the Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

ITEM NO. 13

The Company appreciates the critical role people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize critical talents, the Company is intending to issue employee stock options under an employee stock option plan namely 'Laxmi - Employee Stock Option Plan 2020 (**"ESOP 2020"**) to the employees and Directors of the Company as determined from time to time.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company at their respective meetings held on October 30, 2020 had approved the introduction of ESOP 2020, subject to your approval.

As per prevailing rules, approval of the members is required for implementation of the ESOP 2020.

Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), are given below:

a) Brief description of the ESOP 2020:

ESOP 2020 contemplates grant of employee stock options to the eligible employees and Directors of the Company, as may be determined in due compliance of extant law and provisions of ESOP 2020. After vesting of Options, the option grantee earns a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall administer the ESOP 2020. All questions of interpretation of the ESOP 2020 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2020.

b) Total number of options to be granted:

A total of 67,50,000 (Sixty-Seven Lakh Fifty Thousand only) options would be available for being granted to eligible employees of the Company under ESOP 2020. Each option when exercised would be converted into one equity share of ₹ 2/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date.

The Board is authorized to re-grant such lapsed / cancelled options as per ESOP 2020.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares stated above shall be deemed to increase to the extent of such additional equity shares issued.

c) Identification of classes of employees entitled to participate in the ESOP 2020:

All permanent employees and Directors (hereinafter referred to as "employees") of the Company shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

i. a permanent employee of the Company who has been working in India or outside India;

ii. a director of the Company, whether a whole time director or not but excluding an independent director,

iii. Employees as enumerated in sub clauses (i) and (ii) above, of subsidiary(ies) of the Company, whether working in India or outside India

but does not include—

(a) an employee who is a promoter or a person belonging to the promoter group; or

(b) a Director who either by himself /herself or through his/her relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; and an Independent Director of the Company or Subsidiaries of the Company within the meaning of the Companies Act.

d) Appraisal Process for determining the eligibility of the employees to employee stock options:

The options shall be granted to the employees as per performance appraisal system of the Company. The process for determining the eligibility of the employees will be specified by the Committee and will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

e) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Company, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of options granted shall vest in not earlier than 1(One) year and not more than 3 (Three) years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

f) The maximum period within which the options shall be vested:

The options granted shall vest not later than 3 (Three) years from the date of grant of such options.

g) Exercise price or pricing formula:

The Exercise Price shall be determined by the Committee as on date of Grant, which shall not be higher than the market price (i.e. latest available closing price on a recognized stock exchange having highest trading volume on which the Shares of the Company are listed) of the Shares at the time of grant and not be less than face values of the Shares. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI ESOP Regulations.

h) Exercise Period and the process of exercise:

In case of continuation of employment, the exercise period in respect of a vested option shall be subject to a maximum period of 8 (Eight) years commencing after the date of vesting of such option.

In case of cessation of employment due any reason, shorter exercise periods have been respectively prescribed in the ESOP 2020.

The vested options will be exercisable by the employees by a written application to the Company as may be prescribed to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

i) Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions particularly after listing of shares of the Company as may be prescribed under applicable laws including that under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and code of conduct framed, if any, by the Company after listing under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended.

j) Maximum number of options to be issued per employee and in aggregate:

Number of options that may be granted to an employee under the ESOP 2020 shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed 20,00,000 (Twenty Lakh only) Options per eligible Employee under ESOP 2020 or any such ceiling number of options as may be determined by the Committee within such limit with respect to an individual employee.

k) Method of option valuation:

The Company shall adopt fair value method for valuation of options as prescribed under IND AS 102 or under any relevant accounting standard notified by appropriate authorities from time to time. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee's compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report.

l) Accounting and Disclosure Policies:

The Company shall follow the relevant Indian Accounting Standards (Ind-AS) / Guidance Note on Accounting for Employee Share-based Payments and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority, from time to time, including the disclosure requirements prescribed therein

m) The conditions under which option vested in employees may lapse:

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

n) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

In case of termination of employment as specified above, all the vested options shall lapse and cannot be exercised. In case of resignation / termination (other than due to misconduct), the vested options can be exercised by the employee by the last working day of the concerned employee.

o) Route of administration of ESOP 2020:

The ESOP 2020 shall be implemented and administered directly by the Company.

p) Source of acquisition of shares under the ESOP 2020:

The ESOP 2020 contemplates issue of fresh/ primary shares by the Company.

q) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present ESOP 2020.

r) Maximum percentage of secondary acquisition:

This is not relevant under the present ESOP 2020.

s) Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing Accounting guidelines and upon listing of securities of the Company, the Company shall comply with the accounting policies and disclosure requirements as prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

For more information regarding lock in period, method which the company shall use to value its options, conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct, specified time period within which the employees shall exercise the vested options in the event of a proposed termination of employment or resignation of employee, statement to the effect that the company shall comply with the applicable accounting standards, please refer to the ESOP 2020.

As the ESOP 2020 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI ESOP Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the circulars / guidelines issued by the Securities and Exchange Board of India ("SEBI"), by way of a special resolution.

The Nomination and Remuneration Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP 2020. In terms of the provisions of the SEBI ESOP Regulations, ESOP 2020 is required to be approved by the members by passing of special resolution.

A draft copy of the ESOP 2020 is available for inspection at the Company's Registered Office during official hours on all working days till the date of the 31st Annual General Meeting.

None of the Directors, or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in these resolutions, except to the extent of the securities that may be offered to them under the ESOP 2020.

Accordingly, your Board recommends passing of the resolution as set out in the accompanying notice.

ITEM NO. 14

The Company proposes to create, offer, issue, and allot such number of equity shares of the Company (**"Equity Shares"**) by way of an initial public offering, comprising of a fresh issue of up to ₹ 600 Crore by the Company (**"Fresh Issue"**) and an offer for sale by existing shareholders of the Company (the **"Offer for Sale"** and together with the Fresh Issue, the **"Offer"**), on such terms, in such manner, at such time and at such price or prices and as may be discovered in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, registered foreign portfolio investors and/ or eligible employees, as permitted under the SEBI ICDR Regulations and other applicable laws (the **"Offer"**). Further, the Board may also invite the existing shareholders of the Company to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, as the Board may determine. The Equity Shares allotted shall rank in all respects paripassu with the existing Equity Shares of the Company.

Material information pertaining to the Offer is as follows:

Sr. No.	Particulars	Details
1.	Objects of the Offer	The proceeds of the Fresh Issue are to be utilized for the purposes that shall be disclosed in the Draft Red Herring Prospectus to be filed with the SEBI in connection with the Offer. The Board has the authority to modify the above objects on the basis of the requirements of the Company, subject to applicable law. The Company will not receive any proceeds from any Offer for Sale, which will accrue to the relevant Selling Shareholders.
2.	Offer price	The Offer shall be made through a book building process. The price at which the equity shares will be allotted through the Offer, as well as the price band within which bidders in the Offer will be able to put in bids for Equity Shares offered in the Offer shall be determined and finalized by the Company (and the selling shareholders, if relevant) in consultation with the book running lead manager(s) to the Offer in accordance with the SEBI ICDR Regulations, on the basis of the book building process.
3.	Intention of Promoters / Directors / Key managerial personnel to subscribe to the Offer	The Company has not made and will not make an offer of the equity shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are also promoter or a part of the promoter group) or the key managerial personnel may apply for the equity shares in the various categories under an Offer in accordance with the SEBI ICDR Regulations.
4.	The change in control, if any, in the company that would occur consequent to the preferential offer	No change in control of the Company or its management is intended or expected pursuant to the Offer.
5.	Allotment	The allotment of Equity Shares pursuant to the Offer shall be completed within six working days from the date of closing of the Offer or within such time period as may be prescribed under applicable law.
6.	Pre- Offer and post-Offer shareholding pattern	The pre-Offer and post-Offer shareholding pattern (to the extent applicable) shall be as disclosed in the offer documents filed in connection with the Offer.

The Board recommends the resolution for your approval. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, 2013, the SEBI ICDR Regulations, any other law or if recommended by various advisors to the Company in connection with the Offer, the Board will make necessary amendments.

None of the Directors and key managerial personnel or their relatives are concerned or interested in the proposed resolution except to the extent of their shareholding in the Company and their proposed participated in the offer for sale in the Offer.

ITEM NO.15

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

The Audit Committee and subsequently the Board of Directors had at their meeting held on October 30, 2020 approved the following party transaction that may be undertaken by the Company during FY 2020-21 with the related party subject to the approval of the Members:

(₹ In Lakh)

Name of Related Party	Name of Director, KMP who is related	Nature, Material Terms, Monitory Value and particulars of Contract	Maximum Permissible Amount Annually
Laxmi Organic Industries (Europe) B.V.	NONE	1. Purchase/Sale of Finished and Semi-Finished goods, Raw Materials/Packing Materials, equipments, machineries or movable assets etc. 2. Availing and providing any kind of consultancy, technical, R & D, logistical or any other kind of services. 3. Payment of Commission for sale/ purchase 4. Reimbursement/recovery of expenses 5. Purchase of Electricity	17000
Saideep Traders			5000
Laxmi Specialty Chemical (Shanghai) Co. Ltd.			10000
Yellowstone Fine Chemicals Pvt. Ltd.			10000
Yellowstone Chemicals Pvt. Ltd.	1. Vasudeo Goenka 2. Ravi Goenka 3. Rajeev Goenka		10000
Cleanwin Energy One LLP			1500

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DIRECTORS' REPORT

The Members,
Laxmi Organic Industries Limited

Your Directors are pleased to present their report on the business and operations of your Company along with the audited accounts of your Company for the year ended March 31, 2020.

1. FINANCIAL RESULTS:

(₹ in Lacs)

	Year Ended March 2020	Year Ended March 2019
Revenue from operation	135,869.16	142,880.45
Profit before depreciation, interest and tax	15,087.85	15,760.05
Finance Cost	1,286.99	1,380.10
Depreciation	4,762.97	4,092.10
Profit before tax (PBT)	9037.89	10,287.85
Tax	1176.06	2,509.05
Net profit	**7,861.83**	**7,778.80**

2. FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW:

The financial year 2019-20 has been one of the most challenging years for the global economy and your Company in the recent times. The country's economy experienced a severe demand side weakness across sectors. Global commodities went through a price correction during the first quarter of the current financial year. The INR declined sharply against the USD and the foreign currency markets remained highly volatile through the year. The financial markets in India experienced credit defaults and accompanying uncertainties and finally in the fourth quarter of the financial year COVID 19, the global pandemic, nearly stopped global commerce. Even today the world is reeling under its severe negative impact.

During the year under review, revenue from operations decline by 5% to ₹ 135,869 Lacs against ₹ 142,880 Lacs of the previous year. Profit before tax decline by 12% to ₹ 9,038 Lakh from ₹ 10,288 Lakh of the previous year. The Company received an approval under the Packaged Scheme of Incentives 2007 and 2013 of the Government of Maharashtra during the year. Consequently ₹ 2,566 Lacs (net) was accounted for as an exceptional item in the current year's Profit & Loss Statement. Profit before exceptional items and tax registered a decline of 37% from ₹ 10,288 Lacs in the previous year to ₹ 6,472 Lacs in the current year.

Acetic acid, a global commodity, is one of the major raw materials of your Company which is primarily imported. Though there is no immediate and direct correlation, in the value chain acetic acid is a petrochemical downstream. Triggered by a correction in the crude oil price, acetic acid price also corrected sharply between July 2018 to March 2020. From a high of ~USD 780 per ton in July 2018 it came down to USD 450 in April 2019 and USD 350 in March 2020. On an annualized basis, the correction in acetic acid price is more than 30%. In tandem, ethyl acetate prices also corrected sharply and immediately. Though your Company's cash flows remained healthy, it had to wither the brunt of this cycle mismatch which impacted the current period profitability severely. Only towards the end of the financial year the price-cost mismatch normalized. Acetic anhydride margins, another high-volume acetic acid derivative of your Company also suffered similarly, albeit to a lesser extent.

The Specialty Intermediates returned healthy volumes and margins compared against the previous year. In August 2019 there was an unprecedented flood at the Specialty Intermediates manufacturing site of your Company in Mahad, Maharashtra which compelled a nearly 1 (one) month shut down of the plants. As a result, the Company's growth plans for the year in terms of topline and bottom line could not be achieved despite having assets on the ground. However, going forward these gains will manifest in healthier profitability of your Company.

Despite the adversities, your Company continued to execute its medium to long term business plans and accordingly, maintained course for its investment commitments and project execution. It continued to strengthen its business development, R&D and projects initiatives by deploying necessary resources both in terms of people and assets. During the year under review, your Company incurred a capital expenditure of ~ ₹ 4,000 Lacs on various manufacturing assets and consequently the depreciation charge has gone up from ₹ 4,092 Lacs in the previous financial year to ₹ 4,763 Lacs in the year under review. Similarly, the investments in resourcing has manifested in higher employment and other fixed costs.

During the year under review, there has been a reduction in the overall debt of your Company which improved the debt/equity ratio as well. The loan liabilities decreased from ₹ 14,267 Lacs (net debt to equity ratio 0.22) as on March 31,2019 to ₹ 13,336 Lacs (net debt to equity ratio 0.17) as on March 31, 2020. The finance cost also came down by 7% over the previous year to ₹ 1,287 Lacs. Weighted average cost of capital during the remained at ~9%.

Tax expenses for the period has come down to 13% from a high of 14% of the profit before tax as a result of utilization of MAT credit.

Your Company runs a large foreign currency portfolio under the guidance and supervision of its Finance Committee of the Board. It has a foreign currency management policy approved and reviewed by the Board from time to time. Imports during year clocked ₹ 73,772 Lacs against ₹ 76,247 Lacs of the previous year. Exports of the Company during the year was at ₹ 32,929 Lacs (24% of the Company's revenue from operations). Previous year exports were at ₹ 39,718 Lacs (28% of the Company's revenue from operations).

Versus the USD, during the fiscal under review, Indian Rupee depreciated by 9% from ₹ 68.29 on April 1,2019 to ₹ 76.23 on March 31,2020. The relative volatility also remained high at 6%.

International Finance Corporation (IFC) who held 10% of the equity shares of the Company exercised their option under the shareholders' agreement to exit as on March 31, 2019 (exit period end date) and requested the promoters and/or the Company accordingly. The Company on request from the promoters executed the buy-back at the pre-agreed formula based valuation. The consideration paid by the Company was ₹ 8,201.31 Lacs for 50,29,010 equity shares thus bought back. Subsequently, the shares were cancelled and the issued and subscribed share capital of the Company was reduced from ₹ 5004.54 Lacs consisting of 5,00,45,405 equity shares of ₹ 10/- each to ₹ 4,501.64 Lacs consisting of 4,50,16,395 equity shares of ₹ 10/- each. The buy-back was financed through internal accruals.

During the year under review, your Company diversified into fluorochemicals, a highly value added stream of specialty chemicals. It has embarked on a project with an estimated investment of approximately ₹ 22000 Lacs through its wholly owned subsidiary Viva Lifesciences Private Limited. Through its wholly owned subsidiary, it purchased the plant and machinery along with the related design and operating paperwork, intellectual properties and proprietary information, patents, REACH registrations, etc. of Miteni, Spa a specialized fluorchemistry technology rich company in Italy. Your Company is in the process of importing and relocating the facility at LoteParsuram, Maharashtra. Currently, due to COVID 19 related disruption the project work has considerably slowed down. However, the project is expected to come on stream in financial year 2023. The financial closure of the project is already done.

The Company received ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and BS OHSAS 18001:2007 Certifications with respect to both the plants.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year as at March 31, 2020 till the date of this report.

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 17.50% on the pre sub-division face value of ₹ 10/- per share of the Company for the financial year ended March 31, 2020. The Dividend, if approved by the Members at the ensuing Annual General Meeting, will result into an outflow of ₹ 787.79 Lakh.

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:

- During the year under review the Company bought back 50,29,010 equity shares from International Finance Corporation (IFC) at a price of ₹163.08 per share which resulted in cash outflow of ₹ 8,201.31 Lakh, pursuant to which the paid-up share capital of the Company was reduced to ₹ 45,01,63,950 (Rupees Forty-Five Crore One Lakh Sixty-Three Thousand Nine Hundred and Fifty) divided into 4,50,16,395 (Four Crore Fifty Lakh Sixteen Thousand Three Hundred and Ninety-Five) equity shares of ₹ 10/- (Ten) each.
- The authorized share capital of the Company as on March 31, 2020 remain unchanged at ₹ 51,00,00,000/- (Rupees Fifty-One Crore) divided into 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each during the financial year under review.

- At the ensuing 31st Annual General Meeting the following matters are proposed for the approval of the members:
  - o To sub-divide the present authorised share capital consisting of 5,10,00,000 (Five Crore Ten Lakh) equity shares of ₹ 10/- (Ten) each to 22,50,00,000 (Twenty-Two Crore Fifty Lakh) equity shares of ₹ 2/- (Two) each. Consequentially, the fully paid-up capital consisting of 4,50,16,395 Equity Shares of the Company of the Face Value of ₹ 10 /- (Ten) each shall be sub-divided into 22,50,81,975 (After Split) Equity Shares of Face Value of ₹ 2/- (Two) each.
  - o Post sub-division to increase the authorised share capital ₹ 51,00,00,000/- (Rupees Fifty-One Crore) divided into 25,50,00,000 (Twenty-Five Crore Fifty Lakh) (sub-divided) equity shares of ₹ 2/- (Two) each to ₹ 61,00,00,000/- (Rupees Sixty-One Crore) divided into 30,50,00,000 (Thirty-Crore Fifty Lakh Shares) equity shares of ₹ 2/- (Two) each.
  - o For ESOP scheme to issue upto 67,50,000 (Sixty-Seven Lakh Fifty Thousand only) employee stock options or restricted stock units or thank you grants to the eligible employees of the Company, as determined in terms of ESOP 2020, in one or more tranches, from time to time, exercisable in aggregate into not more than 67,50,000 (Sixty-Seven Lakh Fifty Thousand only) equity shares of face value of ₹ 2/- each fully paid up.
  - o To create, offer, issue, and allot such number of equity shares of the Company by way of an initial public offering, comprising of a fresh issue of up to ₹ 600 Crore by the Company and an offer for sale by existing shareholders of the Company.
- 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.

6. 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 principalsof the term lenders.

7. 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.

8. CREDIT RATING:

India Ratings and Research has affirmed the rating of long term facilities at 'IND A+' and short term facilities at ÍND A1' with a stable outlook for your Company.

9. 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.

10. 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.

11. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

12. PERSONNEL / HUMAN RESOURCES DEVELOPMENT:

Just like the previous year, even during the year under review, the Company had conducted a large workshop 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 2020-21. The Company has put its best effort to align the goals of junior level employee with that of the vision which top level officials.

The Company has successfully implemented Darwinbox which is HR service technology platform. Darwinbox has facilitated various employee related online services like leave, compensation, e-learning platform, repository for policies and documents, performance evaluation etc. which helped the Company to communicate with the employees in more transparent and efficient manner.

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.

13. 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.

14. SUBSIDIARIES & JOINT VENTURE:

In order to have presence and to improve the sales in the territory of China, the Company incorporated its wholly owned subsidiary (WOS) in name and style of Laxmi Speciality Chemicals (Shanghai) Co. Limited in China on September 5, 2019. The Company has also incorporated 2 (Two) new WOS in India in the namely Yellowstone Fine Chemicals Private Limited and Yellowstone Speciality Chemicals Private Limited.

The Company has following subsidiariesas on March 31, 2020:

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.	Laxmi Speciality Chemicals (Shanghai) Co. Limited (LSCSCL)	Wholly Owned Subsidiary
7.	Yellowstone Fine Chemicals Private Limited (YFCPL)	Wholly Owned Subsidiary
8.	Saideep Traders, India (ST)	Step Down Subsidiary

The annual accounts of Subsidiary Companies (except for Laxmi Speciality Chemicals (Shanghai) Co. Limited and Yellowstone Fine Chemicals Private Limited) 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.

15. 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.

16. DIRECTORS:

After closure of the year under review, Mr. Satej Nabar has been appointed as an Executive Director and Chief Executive Officer (CEO) for the period of 5 (five) years w.e.f. April 1, 2020 till March 31, 2025 and he took over the responsibility from Mr. Partha Roy Chowdhury who was performing role of Interim CEO of the Company.

At the ensuing 31st Annual General Meeting, it is proposed to regularise the appointment of Mr. Harshvardhan Goenka (DIN: 08239696) as a Director and also to appoint him as a Whole-time Director, designated as "Director – Business Development & Strategy" of the Company w.e.f. November 1, 2020.

Mr. Vasudeo Goenka (DIN 00059215) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

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 Board Evaluation:

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

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

16.2 Meetings:

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

16.3 Committees of the Board:

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 toin the Auditors' Report are self-explanatory and do not call forany further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

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

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 March 31, 2020 is annexed herewith marked as ***Annexure"C"*** to this Report.

22. COST AUDITORS:

Pursuant to the Order dated June 30, 2014 issued by the Ministry of Corporate Affairs (MCA), the Board, cost accounting records maintained by the Company is subject to audit by qualified Cost Auditors. Your Company has appointed M/s. B.J.D. Nanabhoy & Company, a firm of Cost Auditors for conducting the audit of such records and for preparing Compliance Report for the Financial Year 2020-21.The remuneration proposed to be paid to the Cost Auditor, subject to subject to ratification by the shareholders of the Company at the ensuing 31st Annual General Meeting would not exceed ₹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** to undertake CSR Activities.

After the closure of the financial year under review, the Company has directly as well as through Laxmi Foundation undertook the following CSR activities specifically in Mahad to ease out the impact of the COVID-19 pandemic:

- Upgraded rural health infrastructure by providing ventilators to Mahad Gramin Hospital (Trauma Centre) Raigad district.
- Partnered with Mahad Manufacturing Association for distribution of more than 45,000 sanitizers and spread awareness and importance of hygiene.
- The Sanitizers got distributed in more than 120 villages of Mahad and nearby talukas.
- More than 8,000 masks have been distributed to community to protect themselves from COVID 19.
- Dry ration has been distributed to more than 500 daily wage earner families of mahad and Chiplun taluka which has benefited around 2000 family members.
- Fumigation has been done in more than 9 villages which are close to industrial area of Mahad. More than 2,72,35,000 Sq. M area has been fumigated.

As a way forward, the Company has undertaken need assessment study in consultation Dentsu Aegis, whereby, it has identified that there is a need to provide primary healthcare support to the underprivileged communities in Mahad Taluka at their door step. Accordingly, the Company is planning to deploy a dedicated fully equipped Mobile Health Unit (MHU) which will reach out to the remote areas of neighboring villages of Mahad to offer primary healthcare services like diagnosis, consultation, medicines and referral in case critical cases at free of cost.

At the initial stage the Company plans to deploy 1 (one) MHU which will cater to 3 (three) villages in a week with approx. 35 to 40 KM distance per day. Depending on the efficiency and the response, we aim to increase the number of MHUs in the village providing more days of service to each village. The target will be to cover 39 villages as we progress.

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 has implemented an online Compliance Management System which monitors 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 March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 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

Date : October 30, 2020	Vasudeo Goenka	Ravi Goenka
Place : Mumbai	Chairman	Managing Director

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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 ₹ Lacs)

1.	Name of the Subsidiary Company*	LOBV	CLPL	ST	VLPL	LLPL	LPMEF	LSCSCL
2.	Financial Year ended on	Mar-20	Mar-20	Mar-20	Mar-20	Mar-20	Mar-20	Mar-20
3.	Reporting Currency	EUR	INR	INR	INR	INR	AED	RMB
4.	Exchange Rate (in ₹)	83.05	1	1	1	1	20.6	
5.	Capital	1,675.95	1.00	908.84	1.00	1.00	6.98	-
6.	Reserves	(338.02)	157.61	(182.65)	(3.92)	(1.04)	-328.06	-
7.	Total Assets	3,985.34	750.07	1,422.46	5,974.63	0.37	1,885.69	-
8.	Total Liabilities	2,647.41	591.46	696.27	5,977.55	0.40	2,206.77	-
9.	Details of investment	-	-	-	-	-	-	-
10.	Net Turnover	19,437.66	-	1,641.22	-	-	6,056.70	-
11.	Profit before taxation	(628.42)	(235.46)	(137.53)	(3.12)	(0.24)	(389.13)	-
12.	Provision for taxation	(119.80)	-	-	-	-	-	-
13.	Profit after taxation	(508.63)	(235.46)	(137.53)	(3.12)	(0.24)	(389.13)	-
14.	Proposed dividend	-	-	-	-	-	-	-
15.	% of Share Holding	100%	100%	95%	100%	100%	100%	100%
16.	Country of Incorporation	Netherland	India	India	India	India	Dubai	Shanghai

From the above, CLPL, VLPL, LLPL, LSCSCL and YFCPL 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 2020. 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; LSCSCL: Laxmi Speciality Chemicals (Shanghai) Co. Limited; YFCPL: Yellowstone Fine Chemicals Private Limited;

By Order of the Board

FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : October 30, 2020
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

ANNEXURE - B

PARTICULARS OF RELATED PARTY TRANSACTIONS

Form No. AOC-2

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020 which are not at arm's length basis.

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

   The details of the material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

(in ₹ Lacs)

<table>
<tr><th>Sr. No.</th><th>Name(s) of the Related Party and Nature of relation</th><th>Nature of contracts Arrangements/ transactions</th><th>Duration of contracts/ arrangements transactions</th><th>Salient terms of the contracts or arrangements or transactions including the value, if any</th><th>Date(s) of approval by the Board</th><th>Amount paid as advances, if any</th><th>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</th></tr>
<tr><td>1</td><td>Laxmi Petrochem Middle East FZE</td><td rowspan="3">Sale & Purchase of Goods, Material & Services & Payment of Commission</td><td rowspan="3">01/04/19 till 31/03/20</td><td>2000.0</td><td rowspan="3">28/05/19</td><td>NIL</td><td rowspan="3">22/06/2019</td></tr>
<tr><td>2</td><td>Laxmi Organic Industries (Europe) B.V.</td><td>17000.0</td><td>NIL</td></tr>
<tr><td>3</td><td>Saideep Traders</td><td>6000.0</td><td>NIL</td></tr>
<tr><td>4</td><td>Harshvadhan Goenka</td><td>Approval for payment of Remuneration</td><td>01/04/19 till 31/03/20</td><td>256.82</td><td>28/05/19</td><td>NIL</td><td>22/06/2019</td></tr>
</table>

By Order of the Board

FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : October 30, 2020
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

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ANNEXURE- C

SECRETARIAL AUDIT REPORT

FORM No.MR-3

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

Based on our verification of the Company's books, papers, Minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minutes, forms and returns filed and other records maintained by **LAXMI ORGANIC INDUSTRIES LIMITED** for the financial year ended on March 31, 2020, according to the provisions of:

i. The Companies Act, 2013 ("the Act") including the Companies (Amendment) Act, 2019 and the rules made thereunder;

ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iii. Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent applicable.

iv. Secretarial Standards 1 and 2 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, indirect tax and GST laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We report that during the conduct of the audit, in our opinion, adequate system exists in the Company to monitor and ensure compliance with applicable laws general laws.

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. There were no changes in the composition of the Board of Directors during the period under review.
- There are adequate systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- Adequate notice is given to all directors to schedule the Board Meetings and wherever necessary consent for shorter notice was given by Directors, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that :

1. The Company has declared Final Dividend at the Annual General Meeting of the Company held on September 5, 2019 and paid dividend to all the Indian Shareholders except 3 (three) shareholders

where RTGS were returned due to wrong account details and in case of Non-Resident Shareholders, the Bank has delayed the processing of Swift Transfer which has exceeded the period of 30 days.

2. The Company has completed the Buy Back of 50,29,010 Equity Shares having face value of ₹ 10/- each in accordance with the provisions of the Companies Act, 2013. The Buy Back was done pursuant to Shareholders Agreement dated 20th March, 2012, according to which the Company was required to give an exit option to International Finance Corporation ("IFC") and promoters on or before 31st December, 2019.

3. The rights available to International Finance Corporation ("IFC") vide Shareholders Agreement dated 20th March, 2012 extinguished through buy back of equity shares, therefore the Company has adopted new set of Articles of Association by seeking members approval at the Extra-Ordinary General Meeting held on March 2, 2020, and has complied with the provisions of Companies Act, 2013.

As informed, the Company has not received any notices from the statutory / regulatory authorities during the year.

For **GMJ & ASSOCIATES**
Company Secretaries

SONIA CHETTIAR
PARTNER
ACS: 27582 COP: 10130

Place: Mumbai
Date: October 30, 2020

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 – 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.
7. Due to the outbreak of COVID -19 pandemic and the current lockdown in the entire country, physical examination of documents under Companies Act, 2013 and other laws is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For **GMJ & ASSOCIATES**
Company Secretaries

SONIA CHETTIAR
PARTNER
ACS: 27582 COP: 10130

Place: Mumbai
Date: October 30, 2020

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 (LNGCT) 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**	₹ 11,023.5 Lakh
4.	**Prescribed CSR expenditure (two % of the amount mentioned in item 2 above)**	₹ 220.47 Lakh
5.	**Details of CSR spent during the financial year:**	
	Total amount to be spent for the financial year	₹ 220.5 Lakh (₹ 220.47 Lakh of FY 2019-20 + Unspent ₹ 0.06 Lakh of FY 2018-19)
	Amount unspent, if any	₹ 216.69 Lakh
	Manner in which the amount spent during the financial year	₹ 18.81 Lacs (₹ 3.81 Lakh + ₹ 15 Lakh**) - 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 (₹ in Lakh)	Amount spent on the Projects or Programs (₹ in Lakh)	Cumulative Expenditure upto the reporting period i.e. FY 2018-2019 (₹ in Lakh)	Amount Spent Direct or through Agency
1	Providing Medical Aid (Note B-1)	Maharashtra	15.00	15.00	15.00	Through LNGCT
2	Promotion of Education	Maharashtra	0.11	0.11	0.11	Directly
3	Community Development Services	Maharashtra	3.70	3.70	3.70	Directly
4	CSR Corpus Fund transferred to Laxmi Foundation	Maharashtra	--	--	--	--
		Total	**18.81**	**18.81**	**18.81**	

CSR CORPUS DETAILS:

A. Laxmi Foundation:

Sr. No.	Particulars	Amount (₹ in Lakh)
1	Corpus Fund Opening Balance	207.00
2	Addition during FY 2019-20	--
3	Spent during FY 2019-20 (Note A-1)	13.93
4	Corpus Fund Closing Balance a. Investment in Mutual Fund : ₹ 150 Lakh b. Balance in Central Bank of India : ₹ 43.07 Lakh	193.07

A-1: CSR Spent by Laxmi Foundation:

Particulars	Amount (₹ in Lakh)
Promotion of Education	9.86
Providing medical aid	0.94
CSR promotional expenses	2.84
Taxes	0.29
Total	**13.93**

B. Laxmidevi Nathmal Goenka Charitable Trust (LNGCT):

Sr. No.	Particulars	Amount (₹ in Lakh)
1	Corpus Fund Opening Balance	107.00
2	Addition during FY 2019-20	-
3	Spent during FY 2019-20 (Note B-1)	15.00
4	Corpus Fund Closing Balance (Kept in Fixed Deposit with DCB Bank and Axis Bank Limited)	92.00

B-1: CSR Spent by LNGCT:

Particulars	Amount (₹ in Lakh)
Providing medical aid	15.00
Total	**15.00**

6.	**In case the Company has failed to spend the 2% of Average Net Profit of the last 3 financial years or any part thereof, the Company shall provide the reason for not spending the amount in Board's Report:**	The Pandemic COVID-19 has made a huge impact on the cash flow of the Company and also the directives / advisories issued by the Government of India to reduce the workforce has further worsened the situation which led the Company's operations coming to standstill. Considering the present scenario and its uncertainty, the Members of the CSR Committee took a conservative approach and decided to preserve cash for for overcoming the contingency that may arise in near future. Accordingly, it was decided to make the suitable expense provision with respect to unspent CSR amount of ₹ 216.69 Lakh and to hold and postpone the transfer of the unspent corpus fund into "Laxmi Foundation" until review is taken by second quarter of FY 2020-21.
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.

Ravi Goenka
Managing Director

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 March 31, 2020.

A. CONSERVATION OF ENERGY:

a) Efforts made for conservation of energy :-

1. Cogeneration power plant was utilized to maximize the output in the year. Specific power generation per MT of steam improved from 136 to 142 unit. Improved power plant output efficiency.
2. With efficiency improvement in Cogeneration power plant Specific energy consumption per MT of steam reduced from 20 kw/MT to 18.9 kw/MT.
3. Energy saving – Reduction in Specific electrical energy consumption per MT of Etac 79 to 68 / MT of production. Also reduced specific steam consumption MT per MT of product from 2.42 to 2.38. Improved productivity & plant operation efficiency.
4. At Unit-1 Thermal and electrical energy audit carried out from third party. Total 25 nos energy saving identified and under implementation.
5. At Unit-2 total 08 no energy saving projects implemented. Saving in Electrical and Thermal energy. Total electrical energy conserved - 1877932 kwh and Total thermal energy conserved -3770 MT coal equivalent.
6. At Unit-2 Increase in Utilization of renewable energy sources i.e. Hydro power. Increased % share of total consumption from 8.83 to 10.98.
7. Company has continued focus on Utilization of process waste as Fuel for furnace heating and steam generation. Conserve energy consumption in terms of fossil fuel as Coal MT equivalent.
8. Improvement in Boiler operational efficiency. Steam to fuel ratio improved from 6.46 to 6.71 kg/kg. Steam cost reduction per MT from ₹ 1150 to ₹ 980.
9. National energy conservation awareness programme conducted with various competitions for period December 14, 2019 to December 20, 2019.
10. Achieved an Energy efficiency improvement in cooling water systems to DK-II plant. Improvement in Tower effectiveness has increased from 47% to 55%.
11. The Company is using Energy efficient technologies for new projects design & implementation.
12. Projects were also identified for further energy conservation in thermal and electrical energy.
13. Awareness training In-house and from external experts 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 10% reduction in energy consumption during the next year.

c) Capital investment on energy conservation equipment:- ₹ 131 Lacs.

d) Power & Fuel Consumption:

For Production of Ethyl Acetate & Diketene Derivative Products:

Particulars		Year ended March 2020	Year ended March 2019
1. **Electricity**			
Unit	KWH	68,245,062	60,304,774
Total Amount	₹ in Lacs	5001.8	4459.9
Rate/Unit	₹/Unit	7.33	7.40
2. **Coal**			
Quantity	MT	102794	88,490
Total Amount	₹ in Lacs	5878.1	5665.6
Rate/Unit	₹/Mt.	5718	6403

3.	**C-9 Plus**			
	Quantity	MT	464	474
	Total Amount	₹ in Lacs	190	208.5
	Rate/Unit	₹/Mt.	41032	43952
4.	**Baggase**			
	Quantity	MT	-	-
	Total Amount	₹ in Lacs	-	-
	Rate/Unit	₹/Mt.	-	-

I. OTHER INTERNAL GENERATION:

Particulars			March 2020	March 2019
1.	Power generated from Alternative Energy Sources:			
	Generated by Wind Mills in:			
	a. Karnataka*			
	Total Units	KWH.	1,617,932	1,985,373
	Rate/Unit	In ₹	5.37	7.17
	b. Maharashtra*			
	Total Units	KWH.	2,163,642	1,870,541
	Rate/Unit	In ₹	5.45	9.90

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

II. CONSUMPTION PER UNIT OF PRODUCTION:

Major Products			Year ended March 2020	Year ended March 2019
I.	**Acetyls**			
	(a) Electricity	Kwh/Mt.	74	82
	(b) Coal	Kg/Mt.	0	0
	(c) Steam (From CPP)	Kg/Mt.	2386	2405
II.	**Speciality**			
	(a) Electricity	Kwh/Mt.	1651	1531
	(b) Coal	Kg/Mt.	862	758
III.	**Special Denatured Spirit**			
	(a) Molasses	Kg/Ltr.	3851	3814

B. TECHNOLOGY ABSORPTION:

(a) Research & Development:-

No.	Particulars	Details
1.	**Major efforts made towards technology absorption**	Company continues to invest in researching into new technologies that break the traditional ways of synthesising products. This year we have scaled up and established two novel technology platforms that we plan to commercialise in the next few years.
2.	**Benefits derived as a result of the above R&D**	The technologies developed will help increase Company's revenues and profitability in speciality chemicals business unit. The success gives confidence to our customers in Agrochemicals and Pharmaceuticals and paves the way for newer projects.
3.	**Information regarding imported technology (Imported during last three years)**	- N.A. -

The Company has incurred following expenditure on Research & Development.

(₹ in Lacs)

Particulars	Year Ended March 2020	Year Ended March 2019
a) Capital	112.8	80.3
b) Recurring	134.8	178.1
Total (a + b)	**247.6**	**258.4**
Total R&D Expenditure as % of Total Turnover		

(b) Technology Absorption, Adoption & Innovation: NIL

(c) Foreign Exchange Earning And Outgo:

(₹ in Lacs)

Particulars	March 2020	March 2019
Foreign Exchange Earnings (In flow)	32,929.1	39717.6
Foreign Exchange (Out go)		
a. Chemicals	73637.4	74908.4
b. Capital Goods	37.1	210.6
c. Expenses	607.3	1125.8

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : October 30, 2020
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

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ANNEXURE F

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2020

[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 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, plasticand synthetic rubber in primary forms	56.09
Acetic Anhydride		10.59

** 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 Burgemeester Feithplein 11, 2273 BZ, Voorburg, The Netherlands.	Foreign Company	Subsidiary	100	2(87)
2	Laxmi Petrochem Middle East FZE E-58G-12, Hamriyah Free Zone, Sharjah, UAE.	Foreign Company	Subsidiary	100	2(87)
3	Cellbion Lifesciences Pvt. Ltd. Chandermukhi Basement, Nariman Point, Mumbai–400021	U24233MH2007PTC170041	Subsidiary	100	2(87)
4	Laxmi Lifesciences Pvt. Ltd. 3rd Floor, Chandermukhi Bldg., Nariman Point, Mumbai–400021	U24233MH2013PTC245224	Subsidiary	100	2(87)
5	Viva Lifesciences Pvt. Ltd. 3rd Floor, Chandermukhi Bldg., Nariman Point, Mumbai–400021	U24100MH2013PTC245226	Subsidiary	100	2(87)
6	Saideep Traders C/o The Quality Iron & Steel Works Pvt. Ltd., 413/1, Gadmudshingi, Ghandhinagar Road, M. B. Lohia Industrial Estate, Kolhapur – 416119.	Partnership Firm	Subsidiary	95	2(87)

7	Laxmi Speciality Chemicals (Shanghai) Co. Limited, RM 227 2nd Floor/ Building 2, Jiantao Commercial Plaza, 269 Tongxie Road, Changning District, 200335, Shanghai.	Foreign Company	Subsidiary	100	2(87)
8	Yellowstone Fine Chemicals Private Limited, 3rd Floor, Chandermukhi Building, Nariman Point, Mumbai – 400 021.	U24299MH2020PTC338508	Subsidiary	100	2(87)

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	24,40,175	-	24,40,175	4.88	24,40,175	-	24,40,175	5.42	+0.54
b. Central Govt.	-	-	-	-	-	-	-	-	
c. State Govt(s)	-	-	-	-	-	-	-	-	
d. Bodies Corp	940,000	-	940,000	1.88	940,000	-	940,000	2.08	+0.208
e. Banks/FIs	-	-	-	-	-	-	-	-	-
f. Any Other (Trust)	4,01,86,120	-	4,01,86,120	80.30	4,01,86,120	-	4,01,86,120	89.27	-
Sub-total (A)(1)	**4,35,66,295**	**-**	**4,35,66,295**	**87.05**	**4,35,66,295**	**-**	**4,35,66,295**	**96.78**	+9.71
(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)	**4,35,66,295**	**-**	**4,35,66,295**	**87.05**	**4,35,66,295**	**-**	**4,35,66,295**	**96.78**	+9.71
B. Public Shareholding									
1. Institutional									
a. Mutual Fund	-	-	-	-	-	-	-	-	-
b. Banks/FIs	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	50,29,010	-	50,29,010	10.05	-	-	-	-	(10.05)
i. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**50,29,010**	**-**	**50,29,010**	**10.05**	**-**	**-**	**-**	**-**	(10.05)
2.Non-institutions									
a. Bodies Corp									
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. holding shares upto Rs.1 Lacs	10,050	26,500	26,510	0.26	10,050	2,500	12,550	0.025	-0.235
ii. holding shares more than Rs.1 Lacs		2,500	12,550	0.025	12550	287,510	14,37,550	2.87	+0.11
iii. Others		-	12,550	0.028	+0.0028	-	-	-	-
Sub-total (B)(2)	**11,60,090**	**290,010**	**14,50,100**	**2.90**	**11,60,090**	**290,010**	**14,50,100**	**3.22**	**+0.32**

Total Public Shareholding (B) = (B)(1)+(B)(2)	**61,89,100**	**290,010**	**64,79,110**		**60,000**	**290,010**	**64,79,110**	**12.95**	**-0.12**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-					-
Total (A+B+C)	**4,97,55,395**	**290,010**	**5,00,45,405**	**100**	**4,49,56,395**	**60,000**	**4,50,16,395**	**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	25	0.00	-	25	0.00	-	-
2	Ravi Goenka	31,275	0.06	-	31,275	0.06	-	-
3	Rajeev Goenka	96,275	0.19	-	96,275	0.21	-	+0.02
4	Manisha Goenka							
5	Harshvardhan Goenka	25	0.00	-	25	0.00	-	-
6	Ravi Goenka HUF	25	0.00	-	25	0.00	-	-
7	Niharika Goenka	21,25,000	4.25	-	21,25,000	4.72	-	+0.47
8	Aditi Goenka	25	0.00	-	25	0.00	-	-
9	Rajeev & Manisha Goenka	25	0.00	-	25	0.00	-	-
10	Aryavrat Goenka	187,500	0.37	-	187,500	0.42	-	+0.05
11	Brady Investments Pvt. Ltd.	940,000	1.88	-	940,000	2.08	-	+0.2`
12	Ravi Goenka as a Trustee of Yellow Stone Trust	4,01,86,120	80.30		4,01,86,120	89.27	-	+8.97
	Total	**4,35,66,295**	**87.05**	**-**	**4,35,66,295**	**96.77**		**+ 9.73**

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	No Change			
4	At the end of year				

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1	International Finance Corporation (Washington DC)	50,29,010	10.05	-	-
2	Mrs. Hansa K. Agarwal & Mr. Kailash Agarwal (Bahrain)	960,000	1.92	960,000	2.13
3	Mrs. Suman Mishra (US)	250,000	0.50	250,000	0.55
4	Mr. Vishwas Kunte	57,500	0.11	57,500	0.12
5	Mr. Vishwas Kunte & Mrs. Aparna V. Kunte	50,000	0.10	50,000	0.11
6	Mr. Arun Keshav Dudhane	20,000	0.04	20,000	0.04
7	Mr. Satwik Mishra	12,500	0.02	12,500	0.02
8	Ms. Sukriti Mishra	12,500	0.02	12,500	0.02
9	Mrs. Meenu Satyakam Mishra	12,500	0.02	12,500	0.02
10	Mr. Satyakam Mishra	12,500	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	25	0.00	25	0.00
2	At the end of year	25	0.00	25	0.00
Mr. Ravi Goenka, Managing Director					
1	At the Beginning of the year	31,275	0.06	31,275	0.06
2	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	96,275	0.19	96,275	0.19
2	At the end of year	96,275	0.21	96,275	0.21
Mr. Desh Verma, Director					
1	At the Beginning of the year	50,050	0.10	50,050	0.10
2	At the end of year	50,050	0.11	50,050	0.11
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	-	-	-	-
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 Vice President (Legal & Secretarial)					
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

(₹ in Lacs)

Particulars		Secured Loan	Unsecured Loan	Deposits	Total
Indebtedness at the beginning of the FY					
I	Principal Amount	12,593.12	1,285.51	-	**13,878.63**
Ii	Interest due but not paid	130.56	0.63	-	**131.19**
Iii	Interest accrued but not due	-	-	-	**-**
	Total	**12,723.68**	**1,286.14**	**-**	**14,009.82**

Change in Indebtedness during the FY					
A	Addition	3,444.44	-	-	**3,444.44**
B	Deletion	3,594.24	1,123.31	-	**4,717.55**
C	Exchange Difference	-	-	-	-
	Net Change	**(149.80)**	**(1,123.31)**	**-**	**-**
Indebtedness at the end of the FY					
I	Principal Amount	12,443.32	162.20	-	**12,605.52**
II	Interest accrued	130.68	-	-	**130.68**
III	Interest accrued but not due	-	-	-	-
	Total	**12,574.00**	**162.20**	**-**	**12,736.20**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Director (₹ in Lacs)

	Particulars	**Mr. Ravi Goenka, Managing Director**	**Total**
1.	**Gross Salary**		
a.	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	413.48	**413.48**
b.	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	152.76	**152.76**
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)	-	-
	Total – (A)	**566.24**	**566.24**
	Ceiling as per Act	₹ 476.14 Lacs (being 5% 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: (₹ in Lacs)

Sr. No	**Particulars**	**Mr. Omprakash V. Bundellu**	**Mr. Manish Chokhani**	**Ms. Sangeeta Singh**	**Total**
1	Fees for attending Board/ Committee Meetings	3.36	3.15	1.68	**8.19**
2	Commission	15.00	15.00	15.00	**45.00**
3	Others, Specify	-	-	-	-
	Total – (1)	**18.36**	**18.15**	**16.68**	**53.19**

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	2.10	1.47	1.47	**5.04**
2	Commission	-	-	6.00	**6.00**
3	Others, Specify	-	-	-	-
	Total – (2)	**2.10**	**1.47**	**7.47**	**11.04**

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

Sr. No	Particulars	Mr. Partha Roy Chowdhury, CFO	Mr. Aniket Hirpara, Company Secretary & Vice President (Legal & Secretarial)	Total
1	Gross Salary			
	a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	148.06	44.35	**192.41**
	b. Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	c. Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	As % of Profits	-	-	-
	Others, Specify	-	-	-
5	Others, Specify	-	-	-
	Total – (A)	**148.06**	**44.35**	**192.41**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Penalties/ Punishment / Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give Details)
A. Company:					
Penalty	None				
Punishment					
Compounding					
B. Director:					
Penalty	None				
Punishment					
Compounding					
C. Other Officers in Default:					
Penalty	None				
Punishment					
Compounding					

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : October 30, 2020
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

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ANNEXURE G

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY:

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

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

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

BOARD OF DIRECTORS:

a) Composition:

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

The total strength of your Board comprises of 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 Directorof 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.

The Company has appointed Mr. Satej Nabar (DIN 06931190) as an Executive Director and Chief Executive Officer (CEO) of the Company w.e.f. April 1, 2020. Mr. Satej Nabar with over 30 years of work experience in trans-national companies has worked in and handled many functions ranging from Sales & Marketing to Corporate Strategy to Innovation to Manufacturing, across multiple geographies. Experience which Mr. Satej Nabar brought with him will definitely help the Company to grow beyond the expectations.

Directors	Category	No. Of Outside Directorship as on 31/03/2020	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	19	-	-
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, 2020:

Directors	Attendance in Board Meetings during 2019-20							Previous AGM Attendance
	11/ 04/ 2019	28/ 05/ 2019	02/ 07/ 2019	05/ 08/ 2019	11/ 11/ 2019	19/ 12/ 2019	05/ 02/ 2020	
Mr. Vasudeo N. Goenka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi V. Goenka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajeev V. Goenka	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Mr. Desh Verma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Ms. Sangeeta Singh	Yes	Yes	Yes	Yes	Yes	No	Yes	No

COMMITTEES OF BOARD OF DIRECTORS:

The following are the Committees of the Board:

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

a) Constitution and Responsibility:

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

Authority:

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

Roles & Responsibility:

1. To recommend for the appointment, remuneration and terms of appointment and scope of work of auditors of the Company viz. Statutory Auditors, Internal Auditors, Cost Auditors, Tax Auditors, Secretarial Auditor.
2. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. To examine the financial statement (Annual, Half Yearly/Quarterly) and the auditors' report thereon, with particular reference to:
   a. Matters that is required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134(5) of the Act.
   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. Satej Nabar and Ms. Sangeeta Singh have been inducted as Permanent Invitee of the Audit Committee from the meeting held on May 13, 2020

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

c) Meetings:

The Audit Committee met six (6) times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2020:

Members	Audit Committee Meetings during 2019-20					
	11/04/2019	28/05/2019	02/07/2019	05/08/2019	11/11/2019	05/02/2020
Mr. Omprakash V. Bundellu	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Manish Chokhani	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Goenka	Yes	Yes	Yes	Yes	Yes	Yes

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

a) Constitution and Responsibility:

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

Authority:

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

Roles & Responsibility:

I. Nomination:

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

II. Remuneration:

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

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

b) Composition:

The NRC presently comprises of 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) Meetings:

The NRC met twice during the year on May 28, 2019 and November 11, 2019 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 Act read with Code for Independent Directors, the Company has convened a separate meeting consisting only of Independent Directors on September 9, 2019 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 Actand 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 Act.

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 CSR 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 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 as on March 31, 2020.

In the Board Meeting dated May 13, 2020, the Board of Directors inducted Mr. Satej Nabar as a member of CSR Committee.

c) **Meetings:**

The NRC met once during the year on March 24, 2020 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 Act. However, in order to manage the risk on financial matter and to monitor and mitigate Forex and Interest Risks, the Board has constituted this Finance Committee. The Finance Committee,as a risk mitigating, measures on FX risks and the Finance Committee monitors the hedge ratio of the FX exposure in EUR/USD from time to time and provide guidance. The Finance Committee also take note of the various economic factors and interest rate movement in the market and after deliberations gives guidance on the interest rate risk measures and the bank limits are accordingly monitored from time to time. 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 ₹ 15.00 crore and to borrow money, if required from banks/financial institutions in this regard.
4. To approve and undertake expenditure of capital nature up to a maximum limit of ₹ 15.00 crore and to borrow money, if required from banks/financial institutions in this regard.
5. To approve any additional bank facility for working capital purpose and to accept, acknowledge and sign on behalf of the Board the sanction/facility letters of any amount, issued by Bankers/ Financial Institutions in this regard.
6. To invest the funds of the company up to a maximum limit of ₹ 10.00 crore.
7. To grant loans or give guarantee or provide security in respect of loans obtained by the company, subsidiary company, associate company, joint venture up to a maximum limit of ₹75.00 crore.
8. To authorise any officer of the Company for the following matters:
   a. To acquire any movable and immovable assets (property) on Leave & License, Lease or Hire Purchase basis.
   b. To deal with and execute various papers, deeds, agreements and documents with various Departments, Statutory or Local Bodies of the Central or State Government.
9. To authorise the employees/officers to handle and deal in legal matters, if any on behalf of the Company.

b) **Composition:**

The Finance Committee comprises of three (3) members viz. Mr. Omprakash V. Bundellu, as the Chairman of the Committee and Mr. Ravi Goenka and Mr. Partha Roy Chowdhuryas members as on March 31, 2020.

In the Board Meeting dated May 13, 2020, the Board of Directors inducted Mr. Satej Nabar as a member of Finance Committee.

c) Meetings:

The Finance Committee met five(5) 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, 2020:

Members	Finance Committee Meetings during 2019-20	
	Held	Attended
Mr. Omprakash V. Bundellu	5	5
Mr. Ravi Goenka	5	5
Mr. Partha Roy Chowdhury	5	5

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
2018-19 (30th AGM)	Thursday, September 5, 2019 At 12.00 Noon	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309
2017-18 (29th AGM)	Monday, September 24, 2018 At 12.00 Noon	
2016-17 (28th AGM)	Friday, September 29, 2017 At 12.00 Noon	

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

Meeting	Subject matter of Special Resolution
2018–2019 (30th AGM)	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
2017–2018 (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
2016-2017 (28th AGM)	1. Approval of remuneration to be paid to Cost Auditor
	2. Appointment of Ms. Sangeeta Singh as Independent Director
	3. Approval for revision in remuneration of Mr. Harshvardhan Goenka
	4. Approval for revision in remuneration of Mr. Ravi Goenka
	5. Approval for revision in remuneration of Mr. Radhesh Welling
	6. Approval for related Party Transactions to be undertaken by the Company during FY 2017-18

EXTRA-ORDINARY GENERAL MEETING:

During the year under review, the Company has convened following Extraordinary General Meetings:

Date of the meeting	Subject matter of the resolution
June 22, 2019	1. Approval of the terms of re-appointment of Mr. Ravi Goenka as Managing Director for the term of five years and to approve the revision in the remuneration
	2. Approval of the revision in payment of Remuneration of Mr. Harshvardhan Goenka, Vice President Business Development for FY 2019-20
	3. To approve related party transaction to be undertaken by the Company during financial year 2019-20
December 19, 2019	1. Approval of the Buyback of equity shares of the Company
March 2, 2020	1. Approval to adopt new set of Articles of Association of the Company

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	:	Tuesday,November 24, 2020 at 12.00 NOON
Venue	:	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309.
Financial Year	:	April 1, 2019 to March 31, 2020
Record Date	:	Tuesday, November 24, 2020
Registered Office	:	A-22/2/3, MIDC, Mahad Industrial Area, Dist. Raigad – 402309.
Compliance Officer	:	Aniket Hirpara, Company Secretary
E-mail Address	:	aniket.hirpara@laxmi.com
Website Address	:	www.laxmi.com

By Order of the Board
FOR LAXMI ORGANIC INDUSTRIES LIMITED

Date : October 30, 2020
Place : Mumbai

Vasudeo Goenka
Chairman

Ravi Goenka
Managing Director

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STANDALONE

FINANCIAL RESULTS

2019-2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Laxmi Organic Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Laxmi Organic Industries Limited("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's report including the Directors Report, Management Discussions and Analysis, Summarized Financial Information, Corporate Governance and Shareholder's Information but does not include the Financial Statements and our Independent Auditors' 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 ismaterially 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.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance and take necessary actions, asapplicable under the applicable laws and regulations.

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.

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.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

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

Nuzhat Khan
Partner
M. No. – 124960
Mumbai, Dated: October 30, 2020
UDIN-

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. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the Company are physically lying with IDBI Trusteeship Services Limited, Security Trustee to the lenders towards security for charge created under the Loan Agreements. We have obtained the confirmation from IDBI trusteeship about the title deeds which are in the name of the Company are lying in their possession.

(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 maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.

(vii) a. The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods & Services Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

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

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Additions during assessments	22.91	AY 2013-14	CIT-Appeal

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). However, term loans taken during the year is utilised for the purpose for which it was raised.

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

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

(xii) The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable 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 Khan
Partner
M. No. – 124960
UDIN- 20124960AAAAJL2354
Mumbai, October 30, 2020

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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, 2020 in conjunction with our audit of the Financial Statementof 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nuzhat Khan
Partner
M. No. – 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated: October 30, 2020

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BALANCE SHEET AS AT MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		Note No.	As At March 31, 2020	As At March 31, 2019
	ASSETS			
1	**Non-current assets**			
	(a) Property, plant and equipment	1.1	32,075.23	32,646.04
	(b) Capital work-in-progress		2,292.63	3,147.86
	(c) Other intangible assets	1.1	68.64	94.56
	(d) Right of use assets	1.2	540.80	-
	(e) Financial assets			
	(i) Investments	2.1	464.90	425.13
	(ii) Loans	2.3	994.81	1,095.71
	(iii) Others	2.5	106.86	63.18
	(f) Other non-current assets	3	788.92	821.92
			37,332.79	**38,294.40**
2	**Current assets**			
	(a) Inventories	4	14,435.61	12,814.75
	(b) Financial assets			
	(i) Investments	2.1	1,661.00	1,554.05
	(ii) Trade receivables	2.2	31,665.35	30,396.34
	(iii) Cash and cash equivalents	2.4	2,162.83	494.98
	(iv) Other Bank Balance	2.4	1,221.58	3,909.15
	(v) Loans	2.3	4,946.67	65.20
	(vi) Others	2.5	4,243.52	117.75
	(c) Other current assets	3	4,755.52	8,119.28
			65,092.08	**57,471.50**
	Total Assets		**102,424.87**	**95,765.90**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity Share capital	5	4,501.64	5,004.54
	(b) Other Equity	6	39,590.13	40,546.16
			44,091.77	**45,550.70**
	Liabilities			
1	**Non-current liabilities**			
	(a) Financial liabilities	7		
	(i) Borrowings	7.1	9,015.33	7,460.63
	(ii) Lease Liability	7.2	299.57	-
	(b) Provisions	8	283.56	219.94
	(c) Deferred tax liabilities (net)	9	1,326.97	1,709.93
	(d) Other non-current liabilities	10	-	-
			10,925.43	**9,390.50**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	11	816.21	3,399.86
	(ii) Trade payables	12		
	- total outstanding dues of Micro and Small Enterprise		399.68	71.51
	- total outstanding dues of other than Micro and Small Enterprise		38,863.96	29,945.48
	(iii) Lease Liability	7.2	189.88	-
	(iv) Other financial liabilities	7.3	5,288.00	5,984.07
	(b) Provisions	8	1,176.86	837.91
	(c) Current Tax Liabilities (net)	13	96.47	276.72
	(d) Other current liabilities	10	576.61	309.15
			47,407.67	**40,824.70**
	Total Equity and Liabilities		**102,424.87**	**95,765.90**

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

As per our report of even date	For and on behalf of the Board of Directors	
For Natvarlal Vepari & Co. Chartered Accountants Firm Reg. No.106971W	**Ravi Goenka** Managing Director DIN-00059267	**Satej Nabar** EOJ CEO DIN-06931190
Nuzhat Khan Partner M.No. 124960 UDIN- 20124960AAAAJL2354 Mumbai, Dated : October 30, 2020	**Partha Roy Chowdhury** Chief Financial Officer Mumbai, Dated : October 30, 2020	**Aniket Hirpara** Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		Note No.	Year ended March 2020	Year ended March 2019
I)	**INCOME:**			
	Revenue from operations (gross)	14	135,869.16	142,880.45
	Other income	15	758.51	617.63
	Total Income (I)		**136,627.67**	**143,498.08**
II)	**EXPENSES:**			
	Cost of raw materials consumed	16	78,985.91	92,159.05
	Purchase of traded goods	17	14,443.13	8,017.30
	Changes in inventories of Finished Goods, Work in progress and Stock in Trade	18	(343.06)	(2,533.24)
	Employee benefits expense	19	6,256.15	5,855.17
	Finance cost	20	1,286.99	1,380.10
	Depreciation & amortisation	21	4,762.97	4,092.10
	Other expenses	22	24,764.01	24,239.75
	Total expenses (II)		**130,156.10**	**133,210.23**
III)	**Profit before exceptional items and tax**		**6,471.57**	**10,287.85**
	Exceptional items	37	2,566.32	-
	Profit before tax		**9,037.89**	**10,287.85**
	Tax expense	23	**1,176.06**	**2,509.05**
	1. Current tax		1,588.00	2,391.50
	2. Deferred tax liability / (asset)		(382.96)	122.17
	3. Income Tax (Excess)/Short Provision of previous year		(28.98)	(4.62)
	Profit for the period from continuing operations		**7,861.83**	**7,778.80**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss		(52.89)	(9.97)
	Reameasurement of the net defined benefit (net of tax)			
	Total other comprehensive income, net of tax		**(52.89)**	**(9.97)**
	Total comprehensive income for the year		**7,808.94**	**7,768.83**
	Earnings per equity share (nominal value of share ₹10/ - each)			
	Basic & Diluted (₹)		**16.06**	**15.54**

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

As per our report of even date

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

Nuzhat Khan
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Aniket Hirpara
Chief Financial Officer

Partha Roy Chowdhury
Company Secretary

Mumbai, Dated : October 30, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		2019-20		2018-19	
A	**Cash flow from operating activities**				
	Profit / (Loss) before extraordinary items and tax		**6,471.57**		**10,287.85**
	Adjustments for:				
	Depreciation and amortisation expense	4,762.97		4,092.10	
	(Profit) / loss on sale / write off of assets	1.19		(4.49)	
	Finance costs	1,161.77		1,380.10	
	Interest income	(607.84)		(238.69)	
	Guarantee Commission	-		(5.13)	
	Amortisation of upfront fees	20.67		4.86	
	Sales Tax Receivable w/off	25.16		39.66	
	Loss on sale of investments	-		23.12	
	Provision for doubtful debts/Write off - ECL	0.41		(2.38)	
	Sundry balances written back	(37.33)		(133.87)	
	Remesurement Gain	(34.24)		-	
	Net unrealised exchange (gain) / loss	290.84	5,583.60	310.80	5,466.08
	Operating profit / (loss) before working capital changes		**12,055.17**		**15,753.94**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(1,756.19)		(531.76)	
	Trade receivables	(1,130.17)		(1,502.63)	
	Financial Assets	(5,515.29)		(218.56)	
	Non Financial Assets	3,769.27		(1,119.45)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade Payable	7,801.01		10,220.08	
	Non Financial Liabilities	267.46		(308.85)	
	Financial Liabilities	(845.53)		(228.49)	
	Provisions	173.90	2,764.45	108.71	6,419.05
	Cash generated from operations		**14,819.62**		**22,172.99**
	Net income tax (paid) / refunds		(1,528.78)		(2,759.28)
	Net cash flow from / (used in) operating activities (A)		**13,290.84**		**19,413.71**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Capital expenditure on Property Pant and Equipment	(3,161.24)		(9,721.79)	
	Proceeds from sale of Property Pant and Equipment	20.45		15.11	
	Movement in Other Bank Balances	2,635.11		(3,377.56)	
	(Purchase)/ Sale of Investments	-		706.54	
	Interest received	409.89		281.87	
	Net cash flow from / (used in) investing activities (B)		**(95.79)**		**(12,095.82)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long term borrowings	4,996.07		5,304.86	
	Repayment of Long term borrowings	(3,406.33)		(2,313.10)	
	Net Proceeds from Short term borrowings	(2,583.65)		(8,399.69)	
	Buy back of Equity shares	(8,201.41)		-	
	Buy back tax	(804.02)		-	
	Interest paid	(1,107.00)		(1,369.55)	
	Lease Liabilities:				
	Principal	(167.51)		-	
	Interest	(42.26)		-	
	Dividends paid	(175.18)		(150.14)	
	Tax on dividend	(36.00)		(30.86)	
	Net cash flow from / (used in) financing activities (C)		**(11,527.30)**		**(6,958.49)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**1,667.77**		**359.47**

	2019-20	2018-19
Cash and cash equivalents at the beginning of the year	494.98	135.47
Cash and cash equivalents at the end of the year	2,162.83	494.98
Exchange Fluctuations	(0.08)	(0.05)
	1,667.77	**359.47**
Components of Cash and Cash Equivalents		
Cash on Hand	26.63	23.32
Balances with Bank	2,136.20	471.66
Total Balance	**2,162.83**	**494.98**

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 and on behalf of the Board of Directors

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

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Nuzhat K an
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2020		March 31, 2019	
March 31, 2018	Number of Shares	₹	Number of Shares	₹
Issued, subscribed and paid-up shares :	50,045,405	**5,004.54**	50,045,405	**5,004.54**
Equity shares of ₹ 10 each				
Opening Balance	50,045,405	5,004.54	10,009,081	1,000.91
Add: Bonus Shares issued during the year	-	-	40,036,324	4,003.63
Less: Buyback of shares	(5,029,010)	(502.90)	-	-
Closing Balance	**45,016,395**	**4,501.64**	**50,045,405**	**5,004.54**

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Capital Redemption Reserve	Total
Balance as at 1 April 2018	**28,215.42**	**55.00**	**5,011.04**	**3,680.50**		**36,961.96**
Profit for the year	7,778.80					7,778.80
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	**31,799.62**	**55.00**	**5,011.04**	**3,680.50**	**-**	**40,546.16**
Profit for the year	7,861.83					7,861.83
Dividend Paid	(175.18)					(175.18)
Dividend Distribution Tax	(36.00)					(36.00)
Buyback tax paid	(804.02)					(804.02)
Remeasurement of net defined benefit plans	(52.89)					(52.89)
INDAS 116 Impact Leases	(51.26)					(51.26)
Capital redemption reserve	-			(502.90)	502.90	-
Reserves utilised for buyback	-		(5,011.04)	(2,687.47)		(7,699)
Balance as at 31 March 2020	**38,542.10**	**55.00**	**-**	**490.13**	**502.90**	**39,590.13**

As per our report of even date

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

Nuzhat K an
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

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 October 30, 2020.

B 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.

C Significant accounting judgments, 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.

Estimates

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

Judgments

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

a Taxes

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

b Defined benefit plans (gratuity benefits)

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

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.

c Useful lives of property, plant and equipment

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

d Impairment of property, plant and equipment

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

e Impairment of investment

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

f Inventories

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

g Recognition and measurement of other Provisions

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

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

iii 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.

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

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

vi 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.

vii 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.

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

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

c) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

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

d) Depreciation methods, estimated useful lives and residual value

Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 except in case of Property 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.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

f) Impairment of Non-financial Assets:

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

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

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

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

g) Inventories

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

i Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method.

ii Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii Finished Goods & semi finished goods:

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

iv Stores and Spares:

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

v Traded Goods:

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

h) Cash and cash equivalents

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

i) Equity investment

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at 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.

j) Foreign Currency Translation:

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

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

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

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

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, Contingent Liabilities and Contingent Assets

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.

l) Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans (‘ESOP’)

The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 “Share Based Payments” except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

n) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.”

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

o) Financial instruments

A Financial assets

i Initial recognition and measurement

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

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

ii Subsequent measurement

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

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

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

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

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

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

iii Derecognition of financial instruments

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

iv Impairment of financial assets

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

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

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

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

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

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

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

B Financial liabilities

i Initial recognition and measurement

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

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

ii Subsequent measurement

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

a. Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied.

iii Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iv Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

v Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

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.

p) Revenue Recognition

A Revenue from Operations :

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

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

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

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

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

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

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

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

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

Use of significant judgements in revenue recognition

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

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

B Other Operating Income / Other Income

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

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.

viii) Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor.

q) Employee benefits :

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

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

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

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

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

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the Statement of Profit and Loss:

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

Long-term employee benefits

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

Termination benefits

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

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

r) Taxes :

Tax expenses comprise Current Tax and Deferred Tax.:

i Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii Deferred Tax :

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii MAT Credit :

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases :

Till March 31, 2019:

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.

<u>Operating lease:</u>

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.

<u>Finance leases:</u>

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.

With effective from April 1, 2019:

<u>As a lessee</u>

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

<u>As a lessor</u>

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development :

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share :

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

v) Dividend Distribution :

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade Payables & Trade Receivables :

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants :

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

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

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Notes to Standalone financial statements as at and for the period ended March 31, 2020

1. Property, Plant and Equipment

1.1.

(₹ in Lacs)

PARTICULARS	Land under lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Windmill	Tangible Total	Intangibles - Softwares
Cost											
As at 1 April 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 31 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**
Additions	-	583.52	1.89	3,246.82	11.06	16.44	50.64	148.73	-	**4,059.09**	19.52
Reclassified on account of adoption of IND AS 116	-	(165.29)	-					-	-	**(165.29)**	
Disposals/Adjustments	-	-	-	-	-	-	-	76.86	-	**76.86**	-
As at 31 March 2020	**293.67**	**5,705.42**	**2,408.21**	**35,887.91**	**524.40**	**178.13**	**169.20**	**602.50**	**223.13**	**45,992.56**	**166.03**
Depreciation											
Depreciation 1 April 2018	15.34	489.07	220.01	4,475.26	95.83	26.48	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 31 March 2019	**19.47**	**869.86**	**404.03**	**7,672.28**	**167.52**	**66.59**	**69.56**	**191.51**	**68.77**	**9,529.58**	**51.95**
Reclassified on account of adoption of IND AS 116	-	(75.27)	-					-	-	**(75.27)**	
Charge for the Year	4.13	449.24	144.48	3,607.77	89.63	45.06	37.69	120.52	19.70	**4,518.24**	45.44
Disposals/Adjustments	-	-	-	-	-	-	-	55.22	-	**55.22**	-
As at 31 March 2020	23.61	1,243.83	548.51	11,280.05	257.15	111.65	107.25	256.80	88.47	**13,917.33**	97.39
NET BLOCK											
As at 31 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**
As at 31 March 2020	**270.06**	**4,461.58**	**1,859.70**	**24,607.85**	**267.25**	**66.48**	**61.95**	**345.69**	**134.66**	**32,075.23**	**68.64**

1.2.

(₹ in Lacs)

Class of Assets	Right of Use		Total
	Building	Distillary Rights(*) Land	
Cost			
As at 1 April 2019	-		-
Reclassified on account of adoption of IND AS 116		165.29	165.29
Transition impact on account of IND AS 116 "Leases"	648.86	-	648.86
Additions	1.22	-	1.22
Disposals/Adjustments	-	-	-
As at 31 March 2020	**650.07**	**165.29**	**815.37**
Depreciation			
Depreciation 1 April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116		75.27	75.27
Charge for the Year	195.08	4.21	199.29
Disposals/Adjustments			-
As at 31 March 2020	**195.08**	**79.49**	**274.56**
NET BLOCK			
As at 31 March 2020	**455.00**	**85.81**	**540.80**

Notes

1.3. (*) 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.

1.4. Details of Additions made during the year w.r.t Research and Development

(₹ in Lacs)

Particulars	2019-20	2018-19
Factory Building	11.44	-
Plant and Machinery	100.26	103.95
Computers	1.10	2.06
Office Equipment	-	-
Furniture and Fixtures	-	-
Intangibles	-	0.03
Total	**112.80**	**106.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

(₹ in Lacs)

2 Financial Assets	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	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, 2019: 180 shares))	12.63	12.63	-	-
Laxmi Petrochem Middle East FZE of AED 1,000 each (34 shares (March 31, 2019: 34 shares))	11.03	11.03	-	-
Laxmi Speciality Chemicals (Shanghai) Co. Ltd. of RMB 3,00,000*	29.77	-	-	-
Cellbion Lifesicence Pvt. Ltd. of ₹ 10 each (10,000 shares (March 31, 2019: 10,000 shares))	399.47	399.47	-	-
Laxmi Lifescience Pvt. Ltd. of ₹ 10 each (10,000 shares (March 31, 2019: 10,000 shares))	1.00	1.00	-	-
Viva Lifescience Pvt. Ltd. of ₹ 10 each (10,000 shares (March 31, 2019: 10,000 shares))	1.00	1.00	-	-
Yellowstone Fine Chemicals Pvt. Ltd. of ₹10 Each (1,00,000 shares (March 31, 2019: Nil shares))*	10.00	-	-	-
ii) 4% Cumulative Reedemable Preference Shares				
Laxmi Organic Industries BV of Euro 20,00,000 each (1 share (March 31, 2019: 1 share))	-	-	1,661.00	1,554.05
Total	**464.90**	**425.13**	**1,661.00**	**1,554.05**

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) *The Incorporation of subsidiaries is done on the recognition of the shares subscribed . During the year the company has incorporated the above subsidiaries by subscription in memorandum of equity shares. The amount of Subscription has been recognised as investments with a corresponding liability being recognised.

Laxmi Speciality Chemicals (Shanghai) Co.

The Subsidiary is incorporated on September 5, 2019 and the payment for the aforesaid equity capital subscription is made on July 17, 2020

Yellowstone Fine Chemicals Private Ltd.

The Subsidiary is incorporated on March 3, 2020 and the payment for the aforesaid equity share subscription is made on May 27, 2020.

c) 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, 2020 of the Loans, Investments and Guarantees given by the Company to the Subsidiary Companies and Joint Venture (JV) Company.

	Particulars	Nature	2019-20	2018-19
1	Suvas Holdings Limited - JV	Investment	-	9.11
2	Viva Lifesciences Private Limited	Loan	4,839.00	-
3	Laxmi Organic Industries (Europe) B.V.- WOS	Corporate Guarantee	-	388.51
4	Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	Investment	29.77	-
5	Yellowstone Fine Chemicals Private Limited	Investment	10.00	-
6	Laxmi Lifesciences Private Limited	Loan	0.25	-

(₹ in Lacs)

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
2.2 Trade Receivables				
(Unsecured, at amortised cost)				
i) Considered good	-	-	31,665.35	30,396.34
ii) Considered doubtful	-	-	29.74	29.33
Less: Allowance for Credit Loss	-	-	(29.74)	(29.33)
Total	-	-	**31,665.35**	**30,396.34**

Expected Credit Loss Note

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	29.33	112.77
Addition during the year	0.41	-
Reversal during the year	-	(83.44)
Provision at the end of the period	**29.74**	**29.33**

(₹ in Lacs)

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
2.3 Loans and Advances (at amortised cost)				
(Unsecured, Considered good)				
i) Security Deposit	403.19	397.63	-	-
ii) Loans to Related Party	591.62	698.08	4,839.00	-
iii) Other receivable from related party	-	-	107.67	65.20
	994.81	**1,095.71**	**4,946.67**	**65.20**
Details of Related Party:				
Cellbion LifeSciences Private Limited	591.37	698.08	-	-
Laxmi Petrochem Middle East (FZE)	-	-	107.67	65.20
Viva Lifesciences Private Limited	-	-	4,839.00	-
Laxmi Lifesciences Private Limited	0.25	-	-	-
	591.62	**698.08**	**4,946.67**	**65.20**

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
2.4 Cash and Bank Balances				
A Cash and cash equivalents				
i) Balances with banks	-	-	2,136.20	471.66
ii) Cash on hand	-	-	26.63	23.32
Total	**-**	**-**	**2,162.83**	**494.98**
B Other bank balances				
i) Fixed Deposit	-	-	-	3,000.00
ii) Fixed Deposit against Margin money	-	-	**1,221.58**	909.15
Total	**-**	**-**	**1,221.58**	**3,909.15**
Grand Total	**-**	**-**	**3,384.41**	**4,404.13**

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
2.5 Other Financial Assets				
(Unsecured considered good unless otherwise stated)				
i) Advance to Staff	9.40	18.18	18.36	21.79
ii) Interest accrued receivable				
From related parties	-	-	213.44	26.53
From banks	-	-	16.76	34.86
From others	-	-	29.14	-
iii) Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	97.46	45.00	-	-
iv) Insurance Claim Receivable(*)	-	-	415.13	0.21
v) Amount receivable on hedging transactions	-	-	475.53	-
vi) Other Receivables	-	-	3,023.84	-
vii) Unbilled revenue	-	-	51.32	34.36
	106.86	**63.18**	**4,243.52**	**117.75**

(*) Insurance Claim Receivable

During the year, the Company's Unit 2 situated at Mahad was affected by floods. The Floods resulted in loss of Inventory and major repairs to Plant and Machinery. The Company made a claim with the Insurer. The Surveyor, pursuant to the survey of the claim and the loss, has approved the loss of Rs 384.68 lacs towards inventory and repairs cost which is accounted as receivable from Insurance Company. The relevant credits are given to the Inventory consumption and expenditure incurred on repair.

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
3. Other Assets				
i) Capital Advance	165.17	180.53	-	-
ii) Prepaid expenses	9.63	2.33	138.34	143.50
iii) Prepaid Upfront fees	163.00	3.16	-	-
iv) Prepaid Rent	-	43.16	-	-
v) Prepaid taxes (net of provisions)	38.83	73.54	-	-
vi) Balance with Government Authorities	412.28	519.20	1,186.57	4,023.83

vii) Advances to Supplier				
- Considered good	-	-	3,148.89	3,444.83
- Considered doubtful	-	-	277.21	277.21
	-	-	3,426.10	3,722.04
Less : Impairment of doubtful advances	-	-	277.21	277.21
	-	-	3,148.89	3,444.83
viii) Export Incentive receivable	-	-	92.64	287.24
ix) Export Licenses on hand	-	-	189.04	219.75
x) Other Receivables	-	-	0.04	0.13
Total	**788.91**	**821.92**	**4,755.52**	**8,119.28**

(₹ in Lacs)

	As at	
	March 31, 2020	**March 31, 2019**
	Current	
4. Inventories		
(at lower of cost and net realisable value)		
a) Raw material	8,494.54	7,267.43
b) Work-in-progress	479.50	880.36
c) Finished goods (including GIT of Rs 33.47 lacs (PY: NIL)	3,992.94	3,335.68
d) Consumable Stores and spares	1,292.80	1,108.97
e) Fuels and consumables	102.06	170.92
f) Packing Material	73.77	51.39
	14,435.61	**12,814.75**

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

Particulars	**2019-20**	**2018-19**
(i) Amount of inventories recognised as an expense during the period.	95,810.80	99,507.79
(ii) Amount of write - down of inventories recognised as an expense during the period.	175.59	-
	95,986.39	99,507.79

	As at	
	March 31, 2020	**March 31, 2019**
5. Equity Share capital		
i) Authorised shares :		
5,10,00,000 (March 31, 2019 : 5,10,00,000) Equity Shares of ₹ 10/- each	5,100.00	5,100.00
Total	**5,100.00**	**5,100.00**
ii) Issued and subscribed and paid-up shares :		
45,016,395 (March 31, 2019 : 5,00,45,405) Equity Shares of ₹ 10/- each	4,501.64	5,004.54
Total paid-up share capital	**4,501.64**	**5,004.54**

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

	As at		As at	
	March 31, 2020 Number	March 31, 2020 Amount	March 31, 2019 Amount	March 31, 2019 Number
Balance, beginning of the period	50,045,405	5,004.54	10,009,081	1,000.91
Add: Bonus shares issued during the year	-	-	40,036,324	4,003.63
Less: Buyback of shares during the year	(5,029,010)	(502.90)	-	-
Balance, end of the period	**45,016,395**	**4,501.64**	**50,045,405**	**5,004.54**

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 shares held by each shareholder holding more than 5% shares:

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	%	Number of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	40,186,120	89.27%	40,186,120	80.30%
International Finance Corporation (Washington D.C.)	-	-	5,029,010	11.17%

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 4:1 shares at face value of ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

f) In December, 2019 the Company completed buy back of 50,29,010 equity shares from International Finance Corporation (IFC) at an aggregate value of ₹ 8,201.09 Lacs. The buyback was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares and has created Capital Redemption Reserve of ₹ 502.90 Lacs by debiting balance in General Reserve

(₹ in Lacs)

	As at	
	March 31, 2020	March 31, 2019
6. Other Equity		
i) Retained Earnings	38,542.10	31,799.62
ii) General Reserve	490.13	3,680.50
iii) Security Premium Reserve	-	5,011.04
iv) Capital Reserve	55.00	55.00
v) Capital Redemption Reserve (Refer note 5(I) above)	502.90	-
	39,590.13	**40,546.16**

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
7. Financial Liabilities (at amortised cost)				
7.1 Long term Borrowings				
a) Term loans :				
Rupee Term Loan from Bank	6,416.67	4,222.22	1,805.56	1,555.56
Rupee Term Loan from NBFC	833.33	-	166.67	-
Foreign Currency Loan from Bank	1,657.74	2,397.94	736.77	368.91
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	-	691.71	753.86	1,383.43
(b) Vehicle loans :				
Vehicle Loans - Other than Bank	10.39	19.16	8.77	8.04

(c) Government Grant	97.20	129.60	32.40	90.91
			3,504.03	3,406.85
Less: Disclosed in Other Current Financial Liabilities	-	-	(3,504.03)	(3,406.85)
	9,015.33	**7,460.63**	**-**	**-**
The break-up of above:				
Secured	8,918.13	7,331.03	3,471.63	3,315.94
Unsecured	97.20	129.60	32.40	90.91
	9,015.33	**7,460.63**	**3,504.03**	**3,406.85**

Notes:

A) Term Loan includes :

i) Rupee Term loans from banks (HDFC Bank Ltd):
Tenure of Loan : Max 60 Months
Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement
Interest :
Linked with HDFC Bank 1 Year MCLR + 25 bps for ₹ 50 Crs.
Linked with HDFC Bank 1 Year MCLR + 70 bps for ₹ 20 Crs. and,
Linked with HDFC Bank 1 Year MCLR + 65 bps for ₹ 40 Crs which we availed in the month of Nov 2019

ii) Rupee Term loans from NBFC (Axis Finance Ltd):
Tenure of Loan : Max 60 Months
Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from 30th Sept. 2020
Interest : Linked with 1 Year MCLR + 115 bps for sanctioned Term loan of ₹ 75 Crs
Availed ₹ 10 Crs. in the month of Jan 2020.

iii) 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.
Converted ECB into INR loan under CCY SWAP on 2 April 2019 at fixed rate of 7.90% p.a.

iv) Foreign Currency Loan from Multi Lateral Agency (I.F.C.):
10 half yearly installments from December 2015. Interest rate is six months Libor plus 400 bps.

B) Security of Term Loans :

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

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

c) First Pari Passu charge on all movable fixed assets of borrower at 795/1, Chimangaon, taluka Koregaon, Dist. Satara, Maharashtra (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 of ₹ 129.60 lacs as at March 31, 2020 (Previous Year 220.51 Lacs). The first installment date was May 2009 and last terminal date is May 2023.

E) Maturity Profile of Long term Borrowings:

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Instalment payable within one year	3,504.02	3,406.85
Instalment payable between 1 to 2 years	3,556.50	3,026.26
Instalment payable between 2 to 5 years	5,458.84	4,434.36
Instalment payable beyond 5 years	-	-
Total	**12,519.35**	**10,867.48**

F) As per the Amendment to I NDAS 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
Balance as at March 31, 2018	**5,310.16**	**11,799.55**	**2,313.10**	**19,422.80**
Changes from financing cash flows	5,304.86	(8,788.39)	(2,313.10)	(5,796.63)
The effect of changes in foreign exchange rates	252.47	-	-	252.47
Bill Discounting	-	388.71	-	388.71
Other changes (transfer within categories)	(3,406.85)		3,406.85	-
Balance as at March 31, 2019	**7,460.63**	**3,399.86**	**3,406.85**	**14,267.34**
Changes from financing cash flows	4,996.59	(2,946.15)	(3,406.85)	(1,356.41)
The effect of changes in foreign exchange rates	62.15	-	-	62.15
Bill Discounting	-	362.50	-	362.50
Other changes (transfer within categories)	(3,504.03)	-	3,504.03	-
Balance as at March 31, 2020	**9,015.34**	**816.21**	**3,504.03**	**13,335.58**

(₹ in Lacs)

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
7.2 Lease Liability				
i) Lease Liability (Refer note 36)	299.57	-	189.88	-
Total	**299.57**	**-**	**189.88**	**-**

(₹ in Lacs)

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
7.3 Other Financial Liabilities (at amortised cost)				
i) Current maturity of long term borrowings	-	-	3,504.02	3,406.85
ii) Payable for Capital Goods	-	-	1,098.47	1,081.75
iii) Interest accrued (**)	-	-	143.07	130.56
iv) Deposit received	-	-	104.00	96.00
v) Staff Salary and other Payable	-	-	398.66	1,143.59
vi) Amount payable on hedging transactions	-	-	-	125.32
vii) Amount payable for investments in subsidary	-	-	39.77	-
Total	**-**	**-**	**5,288.00**	**5,984.07**

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
8 Provisions				
i) Provision for employee benefits :				
Leave Encashment	283.56	219.94	109.03	103.07
Gratuity	-	-	145.82	28.68
ii) Provision for Sales Return	-	-	108.65	56.58
iii) Provision for Tax (Net of Advances)	-	-	813.36	649.58
Total	**283.56**	**219.94**	**1,176.86**	**837.91**

(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, 2020	56.58	290.40	238.33	108.65
March 31, 2019	62.34	1,268.58	1,274.35	56.58

(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 ₹ 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:

(₹ in Lacs)

	Particulars	March 31, 2020	March 31, 2019
a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit Obligation at the beginning of the year	339.28	261.74
	Current Service Cost	62.13	47.94
	Interest Cost	25.16	19.62
	Actuarial (Gain) /Loss-Other Comprehensive Income	58.53	9.97
	Past Service Cost	-	0.00
	Benefits paid	(4.66)	0.00
	Defined Benefit Obligation at the year end	**480.44**	**339.28**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	310.60	286.06
	Investment Income	28.68	21.46
	Employer Contribution		3.10
	Benefits Paid	(4.66)	-
	Fair Value of Plan Assets at the year end	**334.62**	**310.62**

c)	**Reconciliation of fair value of assets and obligations**		
	Present value of Defined Benefit Obligation	480.44	339.28
	Fair Value of Plan Assets	334.62	310.62
	Net Asset / (Liability)	**(145.82)**	**(28.66)**
d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	In Income Statement	64.25	46.12
	In Other Comprehensive Income	52.89	9.97
	Total Expenses Recognized during the period	**117.14**	**56.10**
e)	**Actuarial (Gain)/ Loss- Other Comprehensive Income**	**52.89**	**9.97**
f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	-	
	Short-term provisions	145.82	28.66
		145.82	**28.66**

ii) Actuarial Assumptions

Particulars	**March 31, 2020**	**March 31, 2019**
Discount rate (per annum)	6.15%	7.40%
Salary growth rate (per annum)	5%	5%
Attrition rate	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	**Discount Rate**	**Salary Growth Rate**	**Attriation Rate**	**Mortality Rate**
Changes in Assumption				
March 31, 2020 (%)	1%	1%	50%	10%
March 31, 2019 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2020	450.39	512.51	482.30	480.53
March 31, 2019	319.58	360.68	344.48	339.40
Decrease in assumption				
March 31, 2020	514.35	451.15	475.34	480.34
March 31, 2019	361.36	319.76	344.48	339.16

(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 ₹ 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.

(₹ in Lacs)

	As at	
	March 31, 2020	**March 31, 2019**
9. Deferred Tax Liability		
a) Deferred Tax Liability on account of :		
i) Property Plant & Equipment	2,234.12	2,175.87
ii) Right of Use (Net)	17.95	-
	2,252.06	**2,175.87**
b) Deferred Tax Asset on account of :		
i) Minimum Alternate Tax	680.65	245.95
ii) Provision for doubtful advances and debts	107.26	107.12
iii) Tax disallowances	137.19	112.87
	925.09	**465.94**
Deferred Tax Liability, net	**1,326.97**	**1,709.93**

(₹ in Lacs)

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
10 Other Liabilities				
i) Duties and Taxes payable	-	-	205.85	204.46
ii) Advance from customers	-	-	370.76	104.69
Total	**-**	**-**	**576.61**	**309.15**

	As at	
	March 31, 2020	**March 31, 2019**
11 Short Term Borrowings (at amortised cost)		
From Banks		
Cash Credit	-	1,946.15
Short term Loans	-	1,000.00
Bill Discounting	751.21	388.71
From Others		
From Directors	65.00	65.00
Total	**816.21**	**3,399.86**
Secured	-	1,946.15
Unsecured	816.21	1,453.71

(₹ in Lacs)

	As at	
	March 31, 2020	**March 31, 2019**
12 Trade Payables (at amortised cost)		
i) Micro and Small Enterprise	399.68	71.51
ii) Other than Micro and Small Enterprise	38,863.96	29,945.48
Total	**39,263.64**	**30,016.99**

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 March 31, 2020	As at March 31, 2019
Principal amount due	399.68	71.51
Interest due on above	3.15	0.07
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	857.25	219.68
- Interest paid thereon	8.21	3.21
Amount of interest due and payable for the period of delay	11.36	3.28
Amount of interest accrued and remaining unpaid as at year end	24.35	12.99
Amount of further interest remaining due and payable in the succeeding year	-	-

	As at	
	March 31, 2020	**March 31, 2019**
13. Current Tax Liabilities (net)		
Current Tax Liabilities (net of taxes paid)	96.47	276.72
Total	**96.47**	**276.72**

	2019-20	**2018-19**
14. Revenue from Operations		
i) Sales/ Rendering :		
- Products	134,628.40	141,304.82
- Services	522.89	662.66
	135,151.29	**141,967.48**
ii) Other Operating Revenue:		
Sale of Scrap	34.25	78.65
Export Incentives	660.45	799.60
Income from DEPB purchase at discount	22.09	21.97
Insurance claim	1.08	12.74
	717.87	912.96
Total	**135,869.16**	**142,880.45**

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

(₹ in Lacs)

1	**Revenue disaggregation based on :**	**2019-20**	**2018-19**
(a)	**Category of good and services**		
	Chemicals	133,923.89	135,445.31
	Coal	595.14	5,688.79
	Others	109.37	170.72
	Jobwork and Other Services	522.89	662.66
		135,151.29	**141,967.48**

(b)	**Geographical region**	**2019-20**	**2018-19**
	India	102,222.22	102,249.87
	International	32,929.07	39,717.61
		135,151.29	**141,967.48**

2	**Movement in Contract Balances**	**2019-20**	**2018-19**
(i)	Advance from Customers:		
	Opening Balance	104.69	315.19
	Less : Invoices raised/ Adjusted during the year	(85.52)	(312.44)
	Add : Advances received during the year	351.59	101.94
	Closing Balance	**370.76**	**104.69**

(ii)	Unbilled Revenue:	**2019-20**	**2018-19**
	Opening Balance	34.36	-
	Less : Invoices raised during the year	(34.36)	-
	Add : Accrued during the year	51.32	34.36
	Closing Balance	**51.32**	**34.36**

		2019-20	**2018-19**
15.	**Other Income**		
i)	Interest Income on Financial Asset	607.84	238.69
ii)	Guarantee Commission	-	5.13
iii)	Sundry balances written back	37.33	133.87
iv)	Profit on Sale of Property Plant & Equipment	-	4.49
v)	Miscellaneous Income	79.10	233.07
vi)	Re-measurement gain on Financial assets	34.24	-
vii)	Reversal of Expected Credit Loss	-	2.38
	Total	**758.51**	**617.63**

		2019-20	**2018-19**
16	**Cost of Materials Consumed**		
	Opening Stock of Raw Material	7,267.43	9,636.82
	Add : Purchases	80,213.02	89,789.66
		87,480.45	99,426.48
	Less : Closing Stock of Raw Material	(8,494.54)	(7,267.43)
	Cost of Material Consumed	**78,985.91**	**92,159.05**

		2019-20	**2018-19**
17	**Purchase of Stock in trade**		
i)	Chemicals and Other Purchases	13,840.16	2,328.51
ii)	Coal	602.97	5,688.79
	Total	**14,443.13**	**8,017.30**

(₹ in Lacs)

		2019-20	2018-19
18	**Changes in inventories of Finished Goods,Work in progress and Stock in Trade**		
	WIP Inventory at the beginning of the year	880.36	428.20
	WIP Inventory at the end of the year	479.50	880.36
		400.86	(452.16)
	FG Inventory at the beginning of the year	3,335.68	1,218.91
	FG Inventory at the end of the year	3,992.94	3,335.68
	Less: Insurance claim	86.66	-
		(743.92)	(2,116.77)
	FG Inventory of Traded Goods at the beginning of the year	-	35.69
	FG Inventory of Traded Goods at the end of the year	-	-
		-	35.69
		(343.06)	**(2,533.24)**

		2019-20	2018-19
19	**Employee benefit expenses**		
i)	Salaries, wages and bonus	5,185.32	4,208.15
ii)	Contribution to Employees gratuity, leave encashment and Other Funds	454.29	427.97
iii)	Director's Remuneration	414.48	1,061.11
iv)	Staff Welfare Expenses	202.06	157.94
	Total	**6,256.15**	**5,855.17**

		2019-20	2018-19
20	**Finance Costs:**		
i)	Interest on Financial Liabilities at amortised cost	1,161.77	1,283.88
ii)	Interest on Direct Taxes	12.04	9.15
iii)	Interest on Indirect Taxes	-	0.65
iv)	Other borrowing costs	92.51	81.56
v)	Amortisation of Upfront Fees	20.67	4.86
	Total	**1,286.99**	**1,380.10**

		2019-20	2018-19
21	**Depreciation & amortization**		
i)	Depreciation	4,518.24	4,067.85
ii)	Deprecation on right of Use	199.29	-
iii)	Amortisation	45.44	24.25
	Total	**4,762.97**	**4,092.10**

		2019-20	2018-19
22	**Other expenses**		
	Power & Fuels	9,812.04	9,637.92
	Consumption of Consumables Stores and Spares	1,526.08	790.09
	Consumption of Packing Materials	1,198.74	1,074.59
	Water Charges	340.39	311.48
	Labour Charges	808.59	590.41
	Inward Freight Charges	337.82	242.54
	Outward Export Freight Charges	2,149.19	2,570.26
	Clearing and Forwarding Expenses	97.61	148.76

(₹ in Lacs)

Repairs and Maintenance		
Buildings	103.19	133.55
Machineries	315.79	782.91
Others	426.56	375.63
Transportation Charges	3,098.43	2,455.65
Commission on sales	117.49	320.11
Advertisement	14.39	5.82
Director's Sitting Fees	12.60	9.61
Books and Periodicals	0.55	6.40
Business Promotion Expenses	84.62	57.22
Commission to Non-Executive Director	57.25	36.50
Computer Maintenance	93.59	90.04
Conveyance Expenses	27.29	23.29
Donation	3.14	35.89
CSR Expenditure	4.03	323.58
General Expenses	156.02	59.80
Inspection charges	44.85	31.44
Insurance Charges	501.43	274.32
Membership & Subscription	88.84	51.15
Postage & Telegram	20.68	19.43
Professional and Legal Expenses	949.95	1,319.00
Printing & Stationery	38.65	40.64
Rent	26.43	246.66
Rates and Taxes	91.91	100.44
Security Service Charges	158.15	104.71
Travelling Expenses	410.62	449.55
Telephone Expenses	51.31	49.07
Vehicle Expenses	238.76	222.09
Auditors' remuneration	27.35	21.96
Bank Charges	244.22	196.24
Expected credit loss	0.41	-
Exchange Loss	519.50	826.24
Other Expenses	525.17	141.98
Loss on sale of assets	1.19	-
Indirect taxes paid/Written off	39.19	39.66
Loss on sale of investments	-	23.12
Total	**24,764.01**	**24,239.75**

	2019-20	**2018-19**
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors		
For audit including consolidation	22.50	15.50
For limited review	3.75	2.25
For certification and other services	1.10	4.21
Total	**27.35**	**21.96**

(₹ in Lacs)

23 Tax Expense	2019-20	2018-19
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	1,588.00	2,391.50
Deferred tax	(382.96)	122.17
Income Tax (Excess)/Short Provision of previous year	(28.98)	(4.62)
Income tax recognised in statement of profit or loss	**1,176.06**	**2,509.05**

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 :

		2019-20	2018-19
A Current Tax			
Profit Before tax		9,037.89	10,287.85
Enacted tax rates in India (%)		34.94%	34.94%
Computed expected tax expenses		3,158.20	3,594.99
Effect of non- deductible expenses		1,914.21	1,620.60
Effects of deductible Expenses		(2,072.49)	(1,522.21)
Non Taxable effects		(1,869.57)	(1,301.87)
Income tax expenses - Net	**A**	**1,130.35**	**2,391.50**
Tax liability as per Minimum Alternate Tax on book profits			
Minimum Alternate Tax rate		17.47%	21.55%
Computed tax liability on book profits		1,579.10	2,217.03
Tax effect on adjustments:			
1/5 portion of Opening IND AS Reserve as on March 31, 2017		(7.26)	(8.95)
Effect of non deductible expense		2.10	6.29
Others		14.06	0.64
Minimum Alternate Tax on Book Profit	**B**	**1,588.00**	**2,215.00**
Higher of A or B		**1,588.00**	**2,391.50**

B Deferred Tax

Deferred tax assets/ (liabilities) in relation to:

	Opening	Recognised in profit and loss	Closing
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)**
Property Plant & Equipment	(2,175.87)	58.25	(2,234.12)
Right of use	-	17.95	(17.95)
Minimum Alternate Tax	245.95	(434.70)	680.65
Provision for doubtful advances and debts	107.12	(0.14)	107.26
Tax disallowances	112.87	(24.32)	137.19
As at March, 31, 2020	**(1,709.92)**	**(382.96)**	**(1,326.97)**

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

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

(₹ in Lacs)

Particulars	**2019-20**	**2018-19**
Net Profit / (Loss) as per Statement of Profit and Loss	7,861.83	7,778.80
Outstanding equity shares at period end	45,016,395	50,045,405
Weighted average Number of Shares outstanding during the period – Basic	48,942,486	50,045,405
Weighted average Number of Shares outstanding during the period - Diluted	48,942,486	50,045,405
Weighted average number of shares as per para 26 of Ind AS 33" Earning per Share"	48,942,486	50,045,405
Earnings per Share - Basic (₹)	16.06	15.54
Earnings per Share - Diluted (₹)	16.06	15.54

Reconciliation of weighted number of outstanding during the period:

	2019-20	**2018-19**
Nominal Value of Equity Shares (₹ per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	50,045,405	10,009,081
Add : Issue of Equity Shares	-	40,036,324
Less : Buyback of Equity Shares	(5,029,010)	
Total number of equity shares outstanding at the end of the period	**45,016,395**	**50,045,405**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	48,942,486	50,045,405
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	48,942,486	50,045,405

25 Details of research and development expenditure recognised as an expense

Particulars	**2019-20**	**2018-19**
Revenue Expenses		
Employee benefits expense	292.72	140.53
Legal & Professional fees	38.95	44.83
Other expenses	38.74	4.56
Utility Expenses	31.37	-
Travelling Expenses	33.04	-
Contract Labour and Security Service Charge	31.09	-
Subscription	26.13	-
Repairs & Maintenance	91.84	-
Depreciation	164.94	16.06
Capital Expenses		
Capital expenditure (Refer Note 1.5)	112.80	106.04
Total	**861.65**	**312.01**

(₹ in Lacs)

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

Particulars	As at March 31, 2020	As at March 31, 2019
i) Contingent liabilities		
a) Liabilities Disputed - Appeals filed with respect to :		
i) Disputed Excise/ Custom Matters in Appeals	75.15	-
ii) Income Tax on account of Disallowances / Additions and default of TDS	47.13	174.34
iii) VAT credits disallowed by the authorities against which the company has preferred appeals	42.90	23.27
b) Guarantees:		
i) Given on behalf of WOS to their Vendors	-	1,165.54
ii) Furnished by banks on behalf of the Company	380.20	756.05
c) Other money for which the Company is contingently liable (give details)		
i) Standby letter of credit given on behalf of WOS	3,279.29	3,008.95
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	264.53	355.24
b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	2,407.03	11,135.82
iii) Letters of Credit	7,559.80	5,048.79

27 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in 'chemicals business' and 'power generation' and it is the primary segment. During the year ended March 31, 2020 and March 31, 2019, 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.

During the current year there is no single customer contributing to more than 10% of the total sales for the year. However, in Previous year one of the Subsidiary contributed 11% of the total sales.

28 Disclosure on CSR Activity

(a) Gross amount required to be spent by the Company during the year: ₹ 222.92 Lacs (P.Y. ₹ 170.50 Lacs)

(b) Amount spent by the Company during the year (Including previous years unspent) is as follows:

Particulars	2019-20	2018-19
Community	3.73	1.98
Medical & Health	-	2.69
Education	-	6.58
CSR Corpus	-	315.26
Total	**3.73**	**326.51**

(c) Amount unspent by the Company for the financial year 2019-20 is ₹ 218.89 Lacs (March 31, 2019 : ₹ 0.06 Lacs)

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

Details are given in **Annexure -1**

30 Derivative Instruments and Unhedged Foreign Currency Exposure

Details on unhedged foreign currency exposures

	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	1,533,468	1,156.02	1,697,480	1,136.93
Trade Receivable (EURO)	103,726	86.14	265,799	167.12
Interest receivable (USD)	42,027	8.66	42,027	29.07
Advances to suppliers - USD	637,118	480.30	1,667,935	1,154.27
Loans and Advances Given (AED)	522,688	107.67	332,803	62.66
Advance from Customers (USD)	238,901	187.48	231,259	160.83
Advance from customer (EURO)	72,421	60.18	59,550	46.36
Interest payable (USD)	18,642	14.05	97,576	67.49
Trade payable (USD)	4,660,256	3,513.18	762,044	377.80
Trade payable (EURO)	288	0.24	-	-
Trade payable (CHF)	-	-	7,880	5.42
Investment in Pref shares (EURO)	2,000,000	1,660.99	2,000,000	1,554.05
Borrowings (USD)	166,667	125.64	6,000,000	4,131.24

Details on hedged foreign currency exposures

	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	3,715,496	2,800.96	4,638,435	3,245.71
Forwards - EURO - Sales	633,373	526.01	4,012,581	3,157.28
Forwards - USD Purchase	29,806,535	22,469.92	27,707,500	19,314.95
Options - USD - Buy	4,300,000	3,241.59	1,000,000	710.75

Details on Interest rate swap on Borrowings

	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Interest Rate Swap - USD	722,222	532.77	944,444	681.15

31. Value of imports calculated on CIF basis

Particulars	2019-20	2018-19
Traded goods	4,727.80	2,549.29
Raw material	68,909.57	73,486.80
Capital goods	37.06	194.45
Spare parts	97.36	16.17

32. IND AS 116 "Leases"

a) Transition

Effective April 1, 2019, the Company adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Thus the Company has recognised 'Right of Use' asset of ₹ 648.85 Lacs (excluding reclassification of ₹ 165.20 Lacs) and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of ₹ 656.96 Lacs as at April 1, 2019. On application of INDAS 116 the unamortised balance of prepaid security deposit is also transferred to Right of Use Asset which is depreciated over the balance life of lease.

In this approach, there is no requirement to restate comparative information rather the effects is given in retained earning. On account of adoption of INDAS 116 as at April 1, 2019 the retained earning of the Company has reduced by ₹ 51.26 Lacs.

IND AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

b) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

c) Movement in Right of Use assets - Refer Note 1.2

d) Movement in lease liabilities :

Particulars	2019-20
Balance at the beginning	-
Transition impact on account of IND AS 116 "Leases"	656.96
Addition	-
Finance Cost During the year	42.26
Payment of Lease Liability	(209.77)
Closing Balance	**489.45**

The weighted average incremental rate applied to lease liabilities as at April 1, 2019 is 7.5% p.a.

e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

f) Undiscounted Contractual maturities of Lease Liability:

Particulars	2019-20
Less than one year	218.97
One to two years	215.86
Two to five years	100.17
More than five years	-
Total	**535.00**

g) The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	2019-20
Current lease liability	189.88
Non-current lease liability	299.57
Balance as at March 31, 2020	**489.45**

33. Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a. Financial Assets				
Amortised Cost				
Loans	5,941.48	1,160.91	5,941.48	1,160.91
Investments	1,661.00	1,554.05	1,661.00	1,554.05
Others	4,350.38	180.93	4,350.38	180.93
Trade receivables	31,665.35	30,396.34	31,665.35	30,396.34
Cash and cash equivalents	2,162.83	494.98	2,162.83	494.98
Other Bank Balances	1,221.58	3,909.15	1,221.58	3,909.15
Total Financial Assets	**47,002.62**	**37,696.36**	**47,002.62**	**37,696.36**

	Carrying Value		Fair Value	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
b. Financial Liabilities				
Amortised Cost				
Borrowings	13,335.56	14,267.34	13,335.56	14,267.34
Trade payables	39,263.64	30,016.99	39,263.64	30,016.99
Lease Liability	489.45	-	489.45	-
Others	1,783.97	2,577.22	1,783.97	2,577.22
Total Financial Liabilities	**54,872.63**	**46,861.55**	**54,872.63**	**46,861.55**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

34 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020 and March 31, 2019.

	Fair Value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial liabilities measured at fair value:				
Forward Contracts	31-Mar-20		(475.53)	
Forward Contracts	31-Mar-19		125.32	

35 Financial Risk Management

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

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

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the company is attributable to company's operating activities and financing activities. In the operating activities, the company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the 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 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	2,212,613	3,407,442	5,084,465	7,090,880
EUR	2,103,726	2,265,799	72,709	59,550
AED	522,688	332,803	-	-
CHF	-	-	-	7,880

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, 2020		As at March 31, 2019	
	Rupee Strengthens by 1%	Rupee weakens by 1%	Rupee Strengthens by 1%	Rupee weakens by 1%
USD	21.44	(21.44)	48.56	(48.56)
EUR	(16.70)	16.70	(1.59)	1.59
AED	(1.07)	1.07	(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 ₹ 148.76 Lacs and floating interest loan is ₹ 12,370.60 Lacs (March 31, 2019: Fixed interest loan ₹ 247.71 Lacs and Floating interest loan ₹ 10,619.77 lakh). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonably change in interest rates on the borrowings:

	2019-20		2018-19	
	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%
Increase in Profit	92.22	4.72	57.78	7.26

	2019-20		2018-19	
	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%
Decrease in Profit	(92.22)	(4.72)	(57.78)	(7.26)

C) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

	As At March 31, 2020	As At March 31, 2019
Trade receivables *(Refer Note 2.2)*	31,665.35	30,396.34
Allowances for Credit Loss *(Refer Note 2.2 (a))*	(29.74)	(29.33)

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	Beyond 5 years
As at March 31, 2020				
Borrowings*	4,320.23	3,556.50	5,458.84	-
Trade Payables	39,263.64	-	-	-
Other financial Liabilities	1,783.97	-	-	-
	45,367.84	**3,556.50**	**5,458.84**	**-**
As at March 31, 2019				
Borrowings*	6,806.72	3,026.26	4,434.36	-
Trade Payables	30,016.99	-	-	-
Other financial Liabilities	2,577.22	-	-	-
	39,400.93	**3,026.26**	**4,434.36**	**-**

* including Current Maturity of non current borrowing

Note - Maturity profile of Lease liability is given in Note 32(f)

36 Capital management

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

	March 31, 2020	March 31, 2019
Gross Debt	13,335.56	14,267.34
Less:		
Cash and Cash Equivalent	2,162.83	494.98
Other Bank Balance	1,319.04	3,954.15
Net debt (A)	**9,853.69**	**9,818.21**
Total Equity (B)	**44,091.77**	**45,550.70**
Gearing ratio (A/ B)	**0.22**	**0.22**

37 Exceptional Items

During the year the Company has received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 VAT and CST refunds.

(a) Electricity Duty

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty from 15 years starting from 1 April 2010 till 31 March 2025. Accordingly, MSEDCL has granted the exemption to the Company from paying the electricity duty w.e.f. Oct-2019 and the electricity duty exemption got reflected in October 2019 Electricity Bill. Simultaneously, the MSEDCL has also confirmed the refund of the total electricity duty amounting to ₹ 1,522.47 Lacs ("Electricity Duty Refund") which the Company has paid from 1 April 2010 till 30 September 2019. Accordingly, although the Electricity Duty Refund has not yet been received by the Company, the same has been accounted as an exceptional item (net of expenses) which pertains to period April 2010 to Sept 2019.

(b) Vat and CST Refunds

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of the VAT and CST which the Company has paid during the period between 1 October 2014 to 31 March 2017). Accordingly, the Directorate of Industries has issued the Provisional Sanction of Industrial Promotion Subsidy dated February 18, 2020 whereby refund of ₹ 1,501.36 lacs has been sanctioned by the Directorate of Industries and VAT Department. The Company has recognised income of ₹ 1,501.36 Lacs as an exceptions item in Statement of profit and loss (net of expenses).

38 The Board of Directors at their meeting held on October 30, 2020 has recommended dividend of ₹ 1.75 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 ₹ 787.79 lacs (previous year ₹ 211.16 lacs including dividend distribution tax).

39. The outbreak of COVID -19 has severely impacted many businesses around the world including India. Although there has been various directives of Central / State Governments relating to lockdown, the Company has obtained requisite permissions, as applicable, from the concerned Government authorities to run its manufacturing operations since it falls under the essential services.

Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and has concluded that, in the preparation of the standalone financial results, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

40 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, 2020.

As per our report of even date	For and on behalf of the Board of Directors	
For Natvarlal Vepari & Co. Chartered Accountants Firm Reg. No.106971W	**Ravi Goenka** Managing Director DIN-00059267	**Satej Nabar** EOJ CEO DIN-06931190
Nuzhat K an Partner M.No. 124960 UDIN-20124960AAAAJL2354 Mumbai, Dated : October 30, 2020	**Partha Roy Chowdhury** Chief Financial Officer Mumbai, Dated : October 30, 2020	**Aniket Hirpara** Company Secretary

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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.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZC	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Step-down Subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (Wef from September 05, 2019)	Subsidiaries
8	Yellowstone fine chemicals Pvt. Ltd. (Wef from March 03, 2020)	Subsidiaries
B	**Associates and joint ventures of the reporting enterprise**	
1	Suvas Holding Ltd. (Upto February 15, 2019)	Joint Venture
C	**Key Management Personnel and**	
1	Vasudeo Goenka	Non-Executive Chairman
2	Ravi Goenka	Key Management Personnel
3	Radhesh welling (Upto November 15, 2018)	Chief Executive Officer & Director
4	Rajeev Goenka	Non-Executive director
5	Mr. Desh Verma	Non-Executive director
6	Mr. Omprakash Bundellu	Independent Director
7	Mr. Manish Chokhani	Independent Director
8	Ms. Sangeeta Singh	Independent Women Director
D	**Relatives of Key Management Personnel**	
1	Aditi Goenka	Relatives of Key Management Personnel
2	Aryavrat Goenka	Relatives of Key Management Personnel
3	Avantika Goenka	Relatives of Key Management Personnel
4	Harshvardhan Goenka	Relatives of Key Management Personnel
5	Manisha Goenka	Relatives of Key Management Personnel
6	Niharika Goenka	Relatives of Key Management Personnel
7	Vimladevi Goenka	Relatives of Key Management Personnel
E	**Enterprises over which any person described in (C)**	**is able to exercise control**
1	Amrutsagar Construction Pvt. Ltd.	Associates
2	Brady Investments Pvt. Ltd.	Associates
3	Crescent Oils Pvt. Ltd	Associates
4	Enersun Power Tech Pvt. Ltd.	Associates
5	International Knowledge Park Pvt. Ltd.	Associates
6	Laxmidevi Nathmal Goenka Charitable Trust	Associates
7	Maharashtra Aldehydes & Chemicals Ltd.	Associates
8	Merton Finance & Trading	Associates
9	Ojas Dye-Chem (India) Pvt. Ltd.	Associates
10	Pedestal Finance & Trading Pvt. Ltd.	Associates
11	Rajeev Goenka HUF	Associates
12	Ravi Goenka HUF	Associates
13	Sherry Exports Pvt. Ltd	Associates
14	Zenith Distibutors	Associates
15	Wintech Systems	Associates
16	Varadvinayak Multi Impex Pvt Ltd	Associates
17	Merton Finance & Trading Pvt. Ltd	Associates
18	Yellowstone Chemicals Pvt. Ltd.	Associates
19	Acetyls Holding Private Limited	Associates

B The following are the transactions with related parties

Related party transactions

Related Parties Transactions	1	2	3	4	5	
	Entities where control exists	Associate & Joint Venture	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Entities where KMP/ Relative of KMP exercise significant Influence	Total
Commission paid	**1.07**	**-**	**-**	**-**	**-**	**1.07**
	-	-	-	-	-	**-**
Laxmi Organic Industries (Europe) BV	1.07	-	-	-	-	**1.07**
	-	-	-	-	-	**-**
Commission to Non Executive Directors	**-**	**-**	**57.25**	**-**	**-**	**57.25**
	-	**-**	**(36.50)**	**-**	**-**	**(36.50)**
Mr. Omprakash Bundellu	-	-	15.00	-	-	**15.00**
	-	-	(12.50)	-	-	**(12.50)**
Mr. Manish Chokhani	-	-	15.00	-	-	**15.00**
	-	-	(10.00)	-	-	**(10.00)**
Ms. Sangeeta Singh	-	-	21.25	-	-	**21.25**
	-	-	(8.75)	-	-	**(8.75)**
Mr. Desh Verma	-	-	6.00	-	-	**6.00**
	-	-	(5.25)	-	-	**(5.25)**
Interest Received	**289.84**	**-**	**-**	**-**	**-**	**289.84**
	(86.70)	**-**	**-**	**-**	**-**	**(86.70)**
Laxmi Organic Industries (Europe) BV	8.83	-	-	-	-	**8.83**
	(8.13)	-	-	-	-	**(8.13)**
Viva Lifesciences Pvt Ltd.	201.95	-	-	-	-	**201.95**
	-	-	-	-	-	**-**
Cellbion Lifesciences Pvt. Ltd.	79.06	-	-	-	-	**79.06**
	(78.57)	-	-	-	-	**(78.57)**
Miscellaneous income	**34.24**	-	-	-	-	**34.24**
	-	-	-	-	-	**-**
Cellbion Lifesciences Pvt. Ltd.	34.24	-	-	-	-	**34.24**
	-	-	-	-	-	**-**
Rent, Commission and Other Expenses	**-**	-	-	-	6.74	**6.74**
	-	-	-	-	(1.08)	**(1.08)**
Merton Finance & Trading Pvt. Ltd	-	-	-	-	1.08	**1.08**
	-	-	-	-	(1.08)	**(1.08)**
Sherry Exports Pvt. Ltd.	-	-	-	-	5.66	**5.66**
	-	-	-	-	-	**-**
Donation	-	-	-	-	-	**-**
	-	**-**	**-**	**-**	(314.00)	**(314.00)**
Laxmidevi Nathmal Goenka Charitable Trust	-	-	-	-	-	**-**
	-	-	-	-	(108.25)	**(108.25)**
Laxmi Foundation	-	-	-	-	-	**-**
	-	-	-	-	(205.75)	**(205.75)**
Expenses Incurred on behalf of	**36.37**	-	-	-	12.07	**48.43**
	(34.93)	-	-	-	(9.11)	**(44.05)**
Brady Investments Pvt. Ltd.	-	-	-	-	12.07	**12.07**
	-	-	-	-	(9.11)	**(9.11)**
Laxmi Petrochem Middle East FZC	36.37	-	-	-	-	**36.37**
	(34.93)	-	-	-	-	**(34.93)**

Related Parties Transactions	1	2	3	4	5	
	Entities where control exists	Associate & Joint Venture	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Entities where KMP/ Relative of KMP exercise significant Influence	Total
Expenses Recovered	**1.51**	-	-	-	78.58	**80.08**
	-	**-**	**-**	**-**	**(1.11)**	**(1.11)**
Viva Lifesciences Pvt Ltd.	1.51					**1.51**
	-					**-**
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	10.88	**10.88**
	-	-	-	-	(1.11)	**(1.11)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	67.70	**67.70**
	-	-	-	-	-	**-**
Sales	**7,946.82**	-	-	-	4,587.92	**12,534.74**
	(16,705.97)	-	-	-	(36.77)	**(16,742.74)**
Laxmi Organic Industries (Europe) BV	7,946.82	-	-	-	-	**7,946.82**
	(16,684.73)	-	-	-	-	**(16,684.73)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	4,053.83	**4,053.83**
	-	-	-	-	-	**-**
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	534.09	**534.09**
	-	**-**	**-**	**-**	**(36.77)**	**(36.77)**
Laxmi Petrochem Middle East FZC	-	-	-	-	-	**-**
	(21.24)	-	-	-	-	**(21.24)**
Purchases	**1,631.36**	-	-	-	1,173.77	**2,805.13**
	(5,040.85)	-	-	-	-	**(5,040.85)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	1,173.77	**1,173.77**
	-	-	-	-	-	**-**
Saideep Traders	1,631.36	-	-	-	-	**1,631.36**
	(2,753.82)	-	-	-	-	**(2,753.82)**
Laxmi Petrochem Middle East FZC	-	-	-	-	-	**-**
	(2,287.04)	-	-	-	-	**(2,287.04)**
Sitting Fees	-	-	**12.66**	-	-	**12.66**
	-	-	**(9.60)**	-	-	**(9.60)**
Vasudeo Goenka	-	-	1.80	-	-	**1.80**
	-	-	(1.60)	-	-	**(1.60)**
Rajeev Goenka	-	-	1.20	-	-	**1.20**
	-	-	(0.80)	-	-	**(0.80)**
Mr. Desh Verma	-	-	1.47	-	-	**1.47**
	-	-	(1.00)	-	-	**(1.00)**
Mr. Omprakash Bundellu	-	-	3.36	-	-	**3.36**
	-	-	(2.60)	-	-	**(2.60)**
Mr. Manish Chokhani	-	-	3.15	-	-	**3.15**
	-	-	(2.40)	-	-	**(2.40)**
Ms. Sangeeta Singh	-	-	1.68	-	-	**1.68**
	-	-	(1.20)	-	-	**(1.20)**
Salary	-	-	-	**66.63**	**-**	**66.63**
	-	-	-	**(192.35)**	**-**	**(192.35)**
Harshvardhan Goenka	-	-	-	66.63	-	**66.63**
	-	-	-	(192.35)	-	**(192.35)**
Directors Remuneration	-	-	**414.48**	-	-	**414.48**
	-	-	**(1,061.11)**	-	-	**(1,061.11)**
Ravi Goenka	-	-	414.48	-	-	**414.48**
	-	-	(863.10)	-	-	**(863.10)**
Radhesh Welling	-	-	-	-	-	**-**
	-	-	(198.01)	-	-	**(198.01)**

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Sales of Investment	-	-	-	-	-	-
	-	-	(177.33)		-	(177.33)
Ravi Goenka	-	-	-	-	-	-
	-	-	(60.83)	-	-	(60.83)
Rajeev Goenka	-	-	-	-	-	-
	-	-	(116.50)		-	(116.50)
Equity Investment	39.77	-	-	-	-	39.77
	-	(91.63)	-	-	-	(91.63)
Suvas Holding Ltd.	-	-	-	-	-	-
	-	(91.63)	-	-	-	(91.63)
Laxmi Speciality Chemicals (Shanghai) Co. Ltd.	29.77	-	-	-	-	29.77
	-	-	-	-	-	-
Yellowstone Fine Chemicals Pvt. Ltd.	10.00	-	-	-	-	10.00
	-	-	-	-	-	-
Loan / Advance Given	4,839.25	-	-	-	-	4,839.25
	-	-	-	-	-	-
Viva Lifesciences Pvt Ltd.	4,839.00	-	-	-	-	4,839.00
	-	-	-	-	-	-
Laxmi Lifesciences Pvt Ltd.	0.25	-	-	-	-	0.25
	-	-	-	-	-	-
Repayment of Loan / Advance Given	220.00	-	-	-	-	220.00
	-	-	-	-	-	-
Cellbion Lifesciences Pvt. Ltd.	220.00	-	-	-	-	220.00
	-	-	-	-	-	-
Dividend Paid	-	-	0.45	0.99	151.38	152.82
	-	-	(0.00)	(0.76)	(129.75)	(130.51)
Ravi Goenka	-	-	0.11	-	-	0.11
	-	-	(0.00)	-	-	(0.00)
Rajeev Goenka	-	-	0.34	-	-	0.34
	-	-	(0.20)	-	-	(0.20)
Yellow Stone Trust	-	-	-	-	140.65	140.65
	-	-	-	-	(120.56)	(120.56)
Ravi Goenka HUF	-	-	-	-	7.44	7.44
	-	-	-	-	(6.38)	(6.38)
Brady Investments Pvt. Ltd.	-	-	-	-	3.29	3.29
	-	-	-	-	(2.82)	(2.82)
Balance Payable As On 31.03.2020	158.21	-	-	-	1,061.29	1,219.50
	-	-	(189.82)	-	-	(189.82)
Saideep Traders	158.21	-	-	-	-	158.21
	-	-	-	-	-	
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	1,057.94	1,057.94
	-	-	-	-	-	-
Ravi Goenka	-	-	-	-	-	-
	-	-	(73.32)	-	-	(73.32)
Rajeev Goenka	-	-	-	-	-	-
	-	-	(116.50)	-	-	(116.50)

Related Parties Transactions	**1**	**2**	**3**	**4**	**5**	
	Entities where control exists	**Associate & Joint Venture**	**Key Manage-ment Personnel**	**Relatives of Key Manage-ment Personnel**	**Entities where KMP/ Relative of KMP exercise significant Influence**	**Total**
Balance Receivable As On 31.03.2020	**5,767.00**	**-**	**-**	**-**	**4,091.86**	**9,858.86**
	(4,499.02)	**-**	**-**	**-**	**-**	**(4,499.02)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	4,091.86	**4,091.86**
	-	-	-	-	-	**-**
Viva Lifesciences Pvt Ltd.	5,020.75	-	-	-	-	**5,020.75**
	-	-	-	-	-	**-**
Laxmi Organic Industries (Europe) BV	15.27	-	-	-	-	**15.27**
	(3,151.89)	-	-	-	-	**(3,151.89)**
Cellbion Lifesciences Pvt. Ltd.	591.37	-	-	-	-	**591.37**
	(698.08)	-	-	-	-	**(698.08)**
Saideep Traders	-	-	-	-	-	**-**
	(557.32)	-	-	-	-	**(557.32)**
Laxmi Petrochem Middle East FZC	139.36	-	-	-	-	**139.36**
	(91.73)	-	-	-	-	**(91.73)**
Laxmi Lifesciences Pvt. Ltd.	0.25	-	-	-	-	**0.25**
	-	-	-	-	-	**-**
Corporate Gurantee as on 31.03.2020	-	-	-	-	-	**-**
	(1165.54)	-	-	-	-	**(1165.54)**
Laxmi Organic Industries (Europe) BV	-	-	-	-	-	**-**
	(1165.54)	-	-	-	-	**(1165.54)**

Note

1. Figures in backets are pertaining to previous year.
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 ₹ 10/-. The same transactions has not been disclosed in aforsaid table.

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CONSOLIDATED

FINANCIAL RESULTS

2019-2020

INDEPENDENT AUDITOR'S REPORT

To the Members,
Laxmi Organic Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Laxmi Organic Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (The Holding Company and its Subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31,2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020 and consolidated profitand Other Comprehensive Income, consolidated changes in equityand its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Holding Company's Annual Report excluding the Financial Statements and our Independent Auditors' Reports.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the OtherInformation identified above and, in doing so, consider whether the Other Information ismaterially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, orotherwise 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, weconclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to reportin this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a materialmisstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, asapplicable under the applicable laws and regulations.

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

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

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. We also Identify and assess the risks of material misstatement of theConsolidated FinancialStatements, 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. We 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. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. We evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

a. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 6,725.06 Lacs as at March 31, 2020, total revenue of NIL and net cash inflow amounting to ₹ 11.76 Lacs for the year ended on that date, as considered in the preparation of the consolidated Ind AS financial statements. These financial statements has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

b. We did not audit the financial statements of three subsidiaries whose financial statements reflects total assets of ₹ 7,167.54 lacs, total revenue of ₹ 27,128.54 lacs and net cash outflow of ₹ 33.08 lacs for the year ended on that date. These financial statements,which have been audited by other auditors, were not prepared in accordance with the Ind AS. These financials were converted in to Ind AS financial statements by passing Ind AS adjustment entries, where necessary, by the managementfor consolidation purpose and theseInd AS adjustment entries were verified by us.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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

a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statementshave been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31 , 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

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

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

   i. The Consolidated Financial Statementsdisclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 29 to the Consolidated Financial Statements.

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

   iii. There are no amounts which are required to be transferred to Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

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

Nuzhat K an
Partner
M. No. – 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

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ANNEXURE - A TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **Laxmi Organic Industries Limited** (hereinafter referred to as 'the Holding Company') and its subsidiary which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility :

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiaries, which are companies incorporated in India, are based on the corresponding report of the auditor of such companies incorporated in India

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

Nuzhat K an
Partner
M. No. – 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated: October 30, 2020

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		Note No.	As At March 31, 2020	As At March 31, 2019
	ASSETS			
1	**Non-current assets**			
	(a) Property, plant and equipment	3.1	32,550.65	33,148.47
	(b) Capital work-in-progress		6,748.93	3,147.86
	(c) Other intangible assets	3.1	68.64	184.50
	(d) Right of use assets	3.2	1,146.15	-
	(d) Financial assets			
	(i) Trade Receivable	4.1	-	-
	(ii) Loans	4.2	825.27	405.34
	(iii) Others	4.4	106.86	63.18
	(f) Other non-current assets	5	797.70	822.03
			42,244.20	**37,771.38**
2	**Current assets**			
	(a) Inventories	6	15,188.86	17,074.65
	(b) Financial assets			
	(i) Trade receivables	4.1	35,936.70	32,618.13
	(ii) Cash and cash equivalents	4.3	2,411.03	764.50
	(iii) Other Bank Balance	4.3	2,059.94	3,909.15
	(iv) Loans	4.2	19.61	19.72
	(v) Others	4.4	4,031.10	92.22
	(c) Other current assets	5	5,045.18	8,007.64
			64,692.42	**62,486.01**
	Total Assets		**106,936.62**	**100,257.39**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity Share capital	7	4,501.64	5,004.54
	(b) Other Equity	8	38,190.03	40,073.37
			42,691.67	**45,077.91**
	(c) Non-controlling interests			
	Total Equity		38.68	34.70
			42,730.35	**45,112.61**
	Liabilities			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	9.1	9,015.33	7,460.63
	(ii) Other financial liabilities	9.2	835.75	-
	(b) Provisions	10	283.56	219.94
	(c) Deferred tax liabilities (net)	11	1,201.01	1,709.93
	(d) Other non-current liabilities	12	-	-
			11,335.65	**9,390.50**
2	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	3,364.52	6,665.20
	(ii) Trade payables	14		
	- total outstanding dues of Micro and Small Enterprise		399.68	71.51
	- total outstanding dues of other than Micro and Small Enterprise		40,762.51	31,485.12
	(iii) Lease Liability	9.2	238.95	-
	(iv) Other financial liabilities	9.3	6,210.34	6,040.11
	(b) Provisions	10	1,177.17	860.46
	(c) Current Tax Liabilities (net)	15	96.47	276.72
	(d) Other current liabilities	12	620.99	355.16
			52,870.62	**45,754.28**
	Total Equity and Liabilities		**106,936.62**	**100,257.39**

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

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

Nuzhat Khan
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		Note No.	2019-20	2018-19
I)	**INCOME:**			
	Revenue from operations (gross)	16	153,412.23	156,852.11
	Other income	17	449.81	580.27
	Total Income (I)		**153,862.04**	**157,432.38**
II)	**EXPENSES:**			
	Cost of raw materials consumed	18	78,096.05	88,841.59
	Purchase of traded goods	19	28,706.65	24,959.98
	Changes in inventories of Finished Goods,Work in progress and Stock in Trade	20	2,854.59	(4,238.23)
	Employee benefits expense	21	6,856.29	6,453.36
	Finance cost	22	1,401.77	1,597.19
	Depreciation & amortisation	23	4,888.86	4,157.13
	Other expenses	24	25,543.94	25,808.92
	Total expenses (II)		**148,348.15**	**147,579.94**
III)	**Profit before share of profit/(loss) of an associate/ Joint venture and exceptional items**		**5,513.89**	**9,852.44**
	Share of profit/(loss) of a Joint Venture		-	(47.05)
IV)	**Profit/(loss) before tax**		**5,513.89**	**9,805.39**
V)	**Exceptional items**	38	2,566.32	-
	Profit before tax (III+IV)		**8,080.21**	**9,805.39**
	Tax expense	25	**1,056.26**	**2,532.02**
	1. Current tax		1,588.00	2,414.47
	2. Deferred tax liability / (asset)		(502.76)	122.17
	3. Income Tax (Excess)/Short Provision of previous year		(28.98)	(4.62)
	Profit for the period from continuing operations		**7,023.95**	**7,273.37**
	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	Reameasurement of the net defined benefit liability / asset (net of tax)		(52.89)	(9.97)
	Total other comprehensive income, net of tax		**(52.89)**	**(9.97)**
	Total comprehensive income for the year		**6,971.06**	**7,263.40**
	Profit/(Loss) attributable to:			
	Owners of the Company		**7,010.20**	**7,273.37**
	Non-Controlling Interest		**13.75**	**-**
	Other Comprehensive Income attributable to:			
	Owners of the Company		**(52.89)**	**(9.97)**
	Non-Controlling Interest		**-**	**-**
	Earnings per equity share (nominal value of share ₹.10/- each)			
	Basic & Diluted (Rs)		14.32	14.53

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

As per our report of even date

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

Nuzhat Khan
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

		2019-20		2018-19	
A	**Cash flow from operating activities**				
	Profit / (Loss) before extraordinary items and tax		**5,513.89**		**9,852.44**
	Adjustments for:				
	Depreciation and amortisation expense	4,888.86		4,157.13	
	(Profit) / loss on sale / write off of assets	1.19		(4.49)	
	Finance costs	1,239.85		1,597.19	
	Interest income	(325.98)		(162.09)	
	Guarantee Commission	-		(5.13)	
	Amortisation of upfront fees	20.67		4.86	
	Sales Tax Receivable w/off	25.16		49.51	
	Provision for doubtful debts/Write off - ECL	113.13		(2.38)	
	Sundry balances written back	(37.69)		(137.69)	
	Net unrealised exchange (gain) / loss	(410.75)	5,514.44	127.14	5,624.05
	Operating profit / (loss) before working capital changes		**11,028.33**		**15,476.49**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	1,885.79		(2,491.63)	
	Trade receivables	(3,571.07)		(202.67)	
	Financial Assets	(1,812.42)		(55.96)	
	Other Assets	2,883.65		(1,217.77)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade Payable	10,211.35		10,190.84	
	Financial Liabilities	23.41		(368.97)	
	Non Financial Liabilities	265.83		(423.55)	
	Provisions	173.83	10,060.37	29.20	5,459.50
	Cash generated from operations		**21,088.71**		**20,935.99**
	Net income tax (paid) / refunds		(1,550.84)		(2,758.39)
	Net cash flow from / (used in) operating activities (A)		**19,537.87**		**18,177.60**
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Capital expenditure on Property Pant and Equipment	(7,708.05)		(9,496.32)	
	Proceeds from sale of Property Pant and Equipment	20.45		15.11	
	Movement in Other Bank Balances	1,796.75		(3,332.56)	
	(Purchase)/ Sale of Investments	-		718.16	
	Interest received	314.90		138.44	
	Net cash flow from / (used in) investing activities (B)		**(5,575.95)**		**(11,957.17)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Non Controlling interest	(9.77)		13.90	
	Proceeds from Long term borrowings	5,058.73		5,304.86	
	Repayment of Long term borrowings	(3,406.85)		(2,313.10)	
	Net Proceeds from Short term borrowings	(3,300.68)		(7,217.64)	
	Buy back of Equity shares	(8,201.31)		-	
	Buy back tax	(804.02)		-	
	Interest paid	(1,139.89)		(1,586.64)	
	Lease Liabilities:				
	Principal	(213.04)		-	
	Interest	(87.45)		-	
	Dividends paid	(175.18)		(150.14)	
	Tax on dividend	(36.00)		(30.86)	
	Net cash flow from / (used in) financing activities (C)		**(12,315.46)**		**(5,979.62)**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**1,646.45**		**240.81**

	2019-20	2018-19
Cash and cash equivalents at the beginning of the year	764.50	523.65
Cash and cash equivalents at the end of the year	2,411.03	764.50
Exchange Fluctuations	(0.08)	(0.05)
	1,646.45	**240.81**
Components of Cash and Cash Equivalents		
Cash on Hand	31.43	106.03
Balances with Bank	2,379.60	658.47
Total Balance	**2,411.03**	**764.50**

Notes:

(i) Figure in brackets denote outflows

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

In terms of our report attached.

As per our report of even date

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

Nuzhat K an
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

A Equity Share Capital

Particulars	March 31, 2020		March 31, 2019	
	Number of Shares	₹	Number of Shares	₹
Issued, subscribed and paid-up shares :	**50,045,405**	**5,004.54**	**50,045,405**	**5,004.54**
Equity shares of INR 10 each				
Opening Balance	50,045,405	5,004.54	10,009,081	1,000.91
Add: Bonus Shares issued during the year	-	-	40,036,324	4,003.63
Less: Buyback of shares	(5,029,010)	(502.90)	-	-
Closing Balance	**45,016,395**	**4,501.64**	**50,045,405**	**5,004.54**

B Other Equity

Particulars	Retained Earnings	Capital Reserve	Security Premium Reserve	General Reserve	Capital Redemption Reserve	OCI - Foreign Currency Translation Reserve	Total
INDAS balance as at April 1, 2018	**28,206.35**	**95.53**	**5,010.94**	**3,680.50**	**-**	**(2.91)**	**36,990.41**
Profit for the year	7,273.37						7,273.37
Dividend Paid	(150.14)						(150.14)
Dividend Distribution Tax	(30.86)						(30.86)
Effects of Foreign Exchange	-					4.20	4.20
Re-measurement 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	**31,285.12**	**95.53**	**5,010.94**	**3,680.50**	**-**	**1.29**	**40,073.37**
Profit for the year	7,010.20						7,010.20
Dividend Paid	(175.18)						(175.18)
Dividend Distribution Tax	(36.00)						(36.00)
Buyback tax paid	(804.02)						(804.02)
Re-measurement of net defined benefit plans	(52.89)						(52.89)
INDAS 116 Impact Leases	(96.38)						(96.38)
Capital redemption reserve	-			(502.90)	502.90		-
Reserves utilised for buyback	-		(5,010.94)	(2,687.47)			(7,698.41)
Effects of Foreign Exchange	-					(30.67)	(30.67)
Balance as at 31 March 2020	**37,130.85**	**95.53**	**-**	**490.13**	**502.90**	**(29.38)**	**38,190.03**

As per our report of even date

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

Nuzhat K an
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

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Company Secretary

Mumbai, Dated : October 30, 2020

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1 Corporate Information:

Laxmi Organic Industries Limited ("LOIL" or "The Company") is the Goenka Group's flagship company, established in 1989 and is in the business 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 October 30, 2020.

2 Significant Accounting Policies :

2.1 Basis of Preparation:

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

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

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

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

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

2.2 Principles of Consolidation:

The consolidated financial statements relates to Laxmi Organic Industries Limited. and its Subsidiary Companies (referred to as Group), Associates and Joint Ventures. The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statement", Indian Accounting Standard - 28 "Investment in Associate and Joint Ventures" of the Companies (Indian Accounting Standard) Rules 2015. The Consolidated Financial Statements have been prepared on the following basis: -

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

In case of foreign subsidiaries, revenue items are consolidated at average rate prevailing during the year. All Assets and Liabilities are converted at the rates prevailing at the end of the year. Exchange gain or loss on conversion arising on consolidation is recognized under foreign currency translation reserve.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries, joint ventures and associates used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2020.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates are entities over which the Group has significant influence but not control.This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting as per Indian Accounting Standard - 28 ''Investment in Associate and Joint venture''. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

The difference between the cost to the Company of its investments in the subsidiary / associates / joint ventures over the Company's portion of equity is recognized in the financial statement as Goodwill on consolidation or Capital Reserve.

Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations: The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures: Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

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

Subsidiaries Companies

(*) Laxmi Organic Industries (Europe) BV

(*) Laxmi Petrochem Middle East FZC

(*) Cellbion Lifesciences Pvt. Ltd.

(*) Laxmi Lifesciences Pvt. Ltd.

(*) Viva Lifesciences Pvt Ltd.

(**)Saideep Traders

(#) Laxmi Speciality Chemicals (Shanghai) Co. Ltd.

(#) Yellowstone Fine Chemicals Private Ltd.

Note:

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

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

(#) The Incorporation of subsidiaries is done on the recognition of the shares subscribed. During the year the company has incorporated the above subsidiaries by subscription in memorandum of equity shares. The amount of Subscription has been recognised as investments with a corresponding liability being recognised.

Joint Venture

Suvas Holding Ltd.(49% holding) (Upto February 15, 2019)

2.4 Business combinations and goodwill:

In accordance with IND AS 101 provisions related to first time adoption, the Group has exercised exemption and elected not to apply IND AS accounting for business combinations retrospectively. The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment on transition date and at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under other equity, in the consolidated financial statements.

2.5 Significant accounting 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.

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.

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.

c Useful lives of property, plant and equipment

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

d Impairment of property, plant and equipment

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

e Inventories

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

f Recognition and measurement of other Provisions

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

2.6 Summary of significant accounting policies:

a) Current and non-current classification

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

An asset is treated as current when:

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

It is held primarily for the purpose of trading.

It is expected to be realised within 12 months after the reporting period; or

It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is treated as current when :

It is expected to be settled in normal operating cycle;

It is held primarily for the purpose of trading;

It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

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

b) Property, plant and equipment (PPE):

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

iii 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.

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

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

vi 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.

vii 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.

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

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

c) Intangible assets:

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.

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

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

Depreciation on all assets of the Company is charged on Written down Value over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 except in case of Property 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.

e) Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

f) Impairment of Non-financial Assets:

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

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

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

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

g) Inventories:

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

i Raw Materials and Packing Materials:

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of Excise duty and Value Added Tax, wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average Method.

ii Work in process:

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

iii Finished Goods & semi finished goods:

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

iv Stores and Spares:

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

v Traded Goods:

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

h) Cash and cash equivalents:

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

i) Equity investment:

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at 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.

j) Foreign Currency Translation:

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

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

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

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

The exchange gain or loss on conversion of the financial statements for the purposes of consolidation are carried in other comprehensive income to be reclassified into statement of profit and loss on disposal.

k) Provisions, Contingent Liabilities and Contingent Assets:

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.

l) Onerous contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

m) Employee Share – based payment plans ('ESOP'):

The Company accounts for the benefits of Employee share based payment plan in accordance with IND AS 102 "Share Based Payments" except for the ESOP granted before the transition date which are accounted as per the previous GAAP as provided in IND AS 101 first time adoption.

n) Fair Value Measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

o) Financial instruments:

A Financial assets:

i Initial recognition and measurement:

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

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

ii Subsequent measurement:

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

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

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

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

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A financial asset that meets the following two conditions is measured at Fair Value through Other Comprehensive Income unless the asset is designated at fair value through profit or loss under the fair value option.
- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

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

iii Derecognition of financial instruments:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

iv Impairment of financial assets:

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

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

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

  The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B Financial liabilities:

i Initial recognition and measurement:

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

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

ii Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

v Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

C Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

D Derivative financial instruments and hedge accounting:

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

p) Revenue Recognition:

A Revenue from Operations:

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

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

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

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

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

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

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

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

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

Use of significant judgements in revenue recognition:

- The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each

distinct service promised in the contract.

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

B Other Operating Income / Other Income:

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

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.

q) Employee benefits:

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

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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

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

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

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

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

<u>Long-term employee benefits</u>

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**.**

<u>Termination benefits</u>

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

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

r) Taxes

Tax expenses comprise Current Tax and Deferred Tax :

i Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as a deferred tax asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

s) Leases:

i) Till March 31, 2019:

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.

<u>Operating lease:</u>

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.

<u>Finance leases:</u>

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.

ii) With effective from April 1, 2019:

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in Profit and loss account.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

t) Research and Development:

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant & equipment / intangible assets.

u) Earnings Per Share:

Earnings per share are calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v) Dividend Distribution:

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

w) Trade Payables & Trade Receivables:

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

x) Government Grants:

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

- 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.

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

3.1. Property, plant and equipment

(₹ in Lacs)

PARTICULARS	Land covered under finance lease	Factory Building	Non Factory Building	Plant & Machinery	Furniture & Fixtures	Office Equip-ments	Computers	Vehicles	Windmill	Tangible Total	Intangibles - Softwares
Cost											
As at April 01, 2018	293.67	3,437.02	2,276.62	26,063.66	377.65	109.08	111.05	543.71	223.10	33,435.56	156.60
Additions	-	1,868.69	129.70	7,193.61	141.30	55.77	36.74	63.25	-	9,489.05	107.29
Disposals/Adjustments	-	-	-	-	-	-	-	(66.91)	-	(66.91)	-
Exchange Fluctuation	-	-	-	-	(0.35)	(0.43)	(1.80)	-	-	(2.58)	-
As at 31st March 2019	**293.67**	**5,305.71**	**2,406.32**	**33,257.27**	**518.60**	**164.43**	**145.98**	**540.05**	**223.10**	**42,855.12**	**263.89**
Additions	-	583.52	1.89	3,273.71	11.06	16.44	50.95	149.89	-	4,087.46	19.52
Reclassified on account of adoption of Ind AS 116	-	(165.29)	-	-	-	-	-	-	-	(165.29)	(117.38)
Disposals/Adjustments	-	-	-	-	-	-	-	(76.86)	-	(76.86)	-
Exchange Fluctuation	-	-	-	-	0.64	0.78	3.43	-	-	4.85	-
As at 31st March 2020	**293.67**	**5,723.94**	**2,408.21**	**36,530.98**	**530.30**	**181.65**	**200.36**	**613.08**	**223.10**	**46,705.28**	**166.03**
Depreciation											
As at April 01, 2018	15.34	491.87	220.01	4,567.10	100.18	32.34	64.79	103.70	46.25	5,641.57	45.99
Charge for the Year	4.13	382.19	184.02	3,245.59	73.20	41.87	23.55	146.67	22.52	4,123.73	33.40
Disposals/Adjustments	-	-	-	-	-	-	-	(56.29)	-	(56.29)	-
Exchange Fluctuation	-	-	-	-	(0.28)	(0.28)	(1.80)	-	-	(2.36)	-
As at 31st March 2019	**19.47**	**874.06**	**404.03**	**7,812.69**	**173.10**	**73.93**	**86.54**	**194.07**	**68.77**	**9,706.66**	**79.39**
Charge for the Year	4.13	450.64	144.48	3,659.04	89.84	45.60	39.23	121.20	19.70	4,573.87	45.44
Reclassified on account of adoption of Ind AS 116	-	(75.27)	-	-	-	-	-	-	-	(75.27)	(27.44)
Disposals/Adjustments	-	-	-	-				(55.22)	-	(55.22)	-
Exchange Fluctuation	-	-	-	-	0.64	0.77	3.19		-	4.60	-
As at 31st March 2020	**23.61**	**1,249.43**	**548.51**	**11,471.72**	**263.58**	**120.31**	**128.96**	**260.05**	**88.47**	**14,154.63**	**97.39**
NET BLOCK											
As at 31st March 2019	**274.19**	**4,431.66**	**2,002.29**	**25,444.58**	**345.51**	**90.49**	**59.44**	**345.98**	**154.34**	**33,148.47**	**184.50**
As at 31st March 2020	**270.06**	**4,474.51**	**1,859.70**	**25,059.26**	**266.72**	**61.34**	**71.40**	**353.03**	**134.63**	**32,550.65**	**68.64**

3.2.

Class of Assets	Right of Use		Total
	Building	Distillery Rights(*) Land	
Cost			
As at 1st April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	282.67	282.67
Transition impact on account of Ind AS 116 "Leases"	648.86	585.66	1,234.52
Additions	1.22	-	1.22
Disposals/Adjustments	-	-	-
As at 31st March 2020	**650.08**	**868.33**	**1,518.41**
Depreciation			
Depreciation 1st April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	-	102.71	102.71
Charge for the Year	195.08	74.47	269.55
Disposals/Adjustments	-	-	-
As at 31st March 2020	**195.08**	**177.19**	**372.27**
NET BLOCK			
As at 31st March 2019	**-**	**-**	**-**
As at 31st March 2020	**455.00**	**691.15**	**1,146.15**

3.3. 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) Details of Additions made during the year w.r.t Research and Development

Particulars	2019-20	2018-19
Non Factory Building	11.44	-
Plant and Machinery	100.26	103.95
Computers	1.10	2.06
Office Equipment	-	-
Furniture and Fixtures	-	-
Intangibles	-	0.03
Total	**112.80**	**106.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED MARCH 31, 2020

(All figures are Rupees in Lacs unless otherwise stated)

4 Financial Assets

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non-Current		**Current**	
4.1 Trade Receivables				
(Unsecured, at amortised cost)				
i) Considered good	-	-	35,936.70	32,618.13
ii) Considered doubtful	-	-	592.50	435.36
Less:- Allowance for Credit Loss	-	-	(592.50)	(435.36)
Total	-	-	**35,936.70**	**32,618.13**

a) Expected Credit Loss:

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

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

Movement in Allowance for Credit Loss	As at	
Particulars	**March 31, 2020**	**March 31, 2019**
Balance at the beginning of the period	435.36	83.75
Addition during the year	157.14	435.05
Reversal during the year	-	(83.44)
Provision at the end of the period	**592.50**	**435.36**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non-Current		**Current**	
4.2 Loans and Advances (at amortised cost)				
(Unsecured, at amortised cost)				
i) Security Deposit	825.27	405.34	19.61	19.72
Total	**825.27**	**405.34**	**19.61**	**19.72**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non-Current		**Current**	
4.3 Cash and Bank balance (at amortised cost)				
A Cash and cash equivalents				
i) Balances with banks	-	-	2,379.60	658.47
ii) Cash on hand	-	-	31.43	106.03
Total	**-**	**-**	**2,411.03**	**764.50**
B Other bank balances				
i) Fixed Deposit	-	-	-	3,000.00
ii) Fixed Deposit against BG/Margin money	-	-	2,059.94	909.15
Total	**-**	**-**	**2,059.94**	**3,909.15**
Grand Total	**-**	**-**	**4,470.97**	**4,673.65**

(₹ in Lacs)

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
4.4 Other Financial Assets				
(Unsecured considered good unless otherwise stated)				
i) Advance to Staff	9.40	18.18	18.36	21.79
ii) Interest accrued receivable				
From banks	-	-	16.76	34.86
From others	-	-	30.16	0.98
iii) Fixed deposit with banks (having maturity more than 12 months as margin for bank facilities)	97.46	45.00	-	-
iv) Insurance Claim Receivable	-	-	415.13	0.23
v) Amount receivable on hedging transactions	-	-	475.53	-
vi) Other Receivables	-	-	3,023.84	-
vii) Unbilled revenue	-	-	51.32	34.36
viii) Guarantee Rental Obligation	-	-	-	-
	106.86	**63.18**	**4,031.10**	**92.22**

(*) Insurance Claim Receivable

During the year, the Company's Unit 2 situated at Mahad was affected by floods. The Floods resulted in loss of Inventory and major repairs to Plant and Machinery. The Company made a claim with the Insurer. The Surveyor, pursuant to the survey of the claim and the loss, has approved the loss of ₹ 384.68 lacs towards inventory and repairs cost which is accounted as receivable from Insurance Company. The relevant credits are given to the Inventory consumption and expenditure incurred on repairs

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
5. Other Assets				
i) Capital Advance	165.17	180.53	-	-
ii) Prepaid expenses	18.42	2.33	170.41	190.11
iii) Prepaid Upfront fees	163.00	3.16	-	-
iv) Prepaid Rent	-	43.16	-	-
v) Prepaid taxes (net of provisions)	38.83	73.65	-	-
vi) Balance with Government Authorities	412.28	519.20	1,337.94	4,351.55
vii) Advances to Supplier				
- Considered good	-	-	3,163.98	2,902.85
- Considered doubtful	-	-	277.21	277.21
	-	-	3,441.19	3,180.06
Less : Impairment of doubtful advances	-	-	277.21	277.21
	-	-	3,163.98	2,902.85
viii) Export Incentive receivable	-	-	92.64	287.24
ix) Export Licenses on hand	-	-	189.04	219.75
x) Other Receivables	-	-	91.17	56.14
Total	**797.70**	**822.03**	**5,045.18**	**8,007.64**

	As at	
	March 31, 2020	March 31, 2019
	Current	
6. Inventories		
(at lower of cost and net realisable value)		
a) Raw material	8,569.22	7,747.35
b) Work-in-progress	479.50	880.35
c) Finished goods (including GIT of Rs 33.47 lacs (PY: NIL)	3,995.58	3,938.84
d) Consumable Stores and spares	1,295.49	1,114.68
e) Fuels and consumables	102.06	170.92
f) Packing Material	73.77	51.39
g) Trading	673.24	3,171.12
	15,188.86	**17,074.65**

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

	Particulars	2019-20	2018-19
(i)	Amount of inventories recognised as an expense during the period.	112,382.11	111,521.97
(ii)	Amount of write - down of inventories recognised as an expense during the period.	175.59	-
		112,557.70	**111,521.97**

	As at	
	March 31, 2020	March 31, 2019
7. Equity Share capital		
i) Authorised shares :		
5,10,00,000 (March 31, 2019 : 5,10,00,000) Equity Shares of ₹ 10/- each	5,100.00	5,100.00
Total	**5,100.00**	**5,100.00**
ii) Issued and subscribed and paid-up shares :		
4,50,16,395 ((March 31, 2019 : 5,00,45,405) Equity Shares of ₹ 10/- each	4,501.64	5,004.54
Total paid-up share capital	**4,501.64**	**5,004.54**

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

	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Number	Amount	Amount	Number
Balance, beginning of the period	50,045,405	5,004.54	10,009,081	1,000.91
Add: Bonus Shares issued during the year	-	-	40,036,324	4,003.63
Less: Buyback of shares during the year	(5,029,010)	(502.90)	-	-
Balance, end of the period	**45,016,395**	**4,501.64**	**50,045,405**	**5,004.54**

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 shares held by each shareholder holding more than 5% shares:**

Particulars	March 31, 2020		March 31, 2019	
	No. of shares	%	No. of shares	%
Ravi Goenka Trustee of Yellow Stone Trust	40,186,120	89.27%	40,186,120	80.30%
International Finance Corporation (Washington D.C.)	-	-	5,029,010	10.05%

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 ₹ 10/-. The aforesaid issue is made by utilising the balance in Retained Earnings of the Company.

f) In December, 2019 the Company completed buy back of 50,29,010 equity shares from International Finance Corporation (IFC) at an aggregate value of ₹ 8,201.09 lacs. The buyback was completed by utilising the balance in Securities Premium and General Reserve. The Company has cancelled 50,29,010 equity shares and has created Capital Redemption Reserve of ₹ 502.90 lacs by debiting balance in General Reserve.

	As at	
	March 31, 2020	**March 31, 2019**
8. Other Equity		
i) Retained Earnings	37,130.85	31,285.12
ii) General Reserve	490.13	3,680.50
iii) Security Premium Reserve	-	5,010.94
iv) Capital Reserve	95.53	95.53
v) Other Comprehensive Income	(29.38)	1.29
vi) Capital Redemption Reserve	502.90	-
	38,190.03	**40,073.37**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current Maturities**	
9. Financial Liabilities (at amortised cost)				
9.1 Long term Borrowings				
a) Term loans :				
Rupee Term Loan from Bank	6,416.67	4,222.22	1,805.56	1,555.56
Rupee Term Loan from NBFC	833.33	-	166.67	-
Foreign Currency Loan from Bank	1,657.74	2,397.94	736.77	368.91
Foreign Currency Loan from Multi Lateral Agency (I.F.C.)	-	691.71	753.86	1,383.43
(b) Vehicle loans :				
Vehicle Loans - Other than Bank	10.39	19.16	8.77	8.04
(c) Government Grant	97.20	129.60	32.40	90.91
			3,504.03	3,406.85
Less: Disclosed in Other Current Financial Liabilities			(3,504.03)	(3,406.85)
	9,015.33	**7,460.63**	**-**	**-**
The break-up of above:				
Secured	8,918.13	7,331.03	3,471.63	3,315.94
Unsecured	97.20	129.60	32.40	90.91
	9,015.33	**7,460.63**	**3,504.03**	**3,406.85**

Notes:

A) Term Loan includes :

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

Tenure of Loan : Max 60 Months

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

Interest :

Linked with HDFC Bank 1 Year MCLR + 25 bps for ₹ 50 Crs.

Linked with HDFC Bank 1 Year MCLR + 70 bps for ₹ 20 Crs. and,

Linked with HDFC Bank 1 Year MCLR + 65 bps for ₹ 40 Crs which we availed in the month of Nov 2019.

ii) Rupee Term loans from NBFC (AXIS Finance Ltd):

Tenure of Loan : Max 60 Months

Repayment : 18 Equal Quarterly Installments after a moratorium period of 6 months from the date of 1st disbursement with first payment starting from 30th Sept. 2020

Interest : Linked with 1 Year MCLR + 115 bps for sanctioned Term loan of ₹ 75 Crs

Availed ₹ 10 Crs. in the month of Jan'2020.

iii) 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.

Converted ECB into INR loan under CCY SWAP on 2 April 2019 at fixed rate of 7.90% p.a.

iv) Foreign Currency Loan from Multi Lateral Agency (I.F.C.):

'10 half yearly installments from December 2015. Interest rate is six months Libor plus 400 bps.

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 ₹ 129.60 Lacs as at March 31, 2020 (Previous Year: ₹ 220.51 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, 2020	March 31, 2019
Instalment payable within one year	3,504.02	3,406.85
Instalment payable between 1 to 2 years	3,556.50	3,026.26
Instalment payable between 2 to 5 years	5,458.84	4,434.36
Instalment payable beyond 5 years	-	-
Total	**12,519.35**	**10,867.48**

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
Balance as at March 31, 2018	**5,310.16**	**13,882.84**	**2,313.10**	**21,506.10**
Changes from financing cash flows	5,304.86	(7,606.35)	(2,313.10)	(4,614.59)
The effect of changes in foreign exchange rates	252.47	-	-	252.47
Bill Discounting	-	388.71	-	388.71
Other changes (transfer within categories)	(3,406.85)	-	3,406.85	-
Balance as at March 31, 2019	**7,460.63**	**6,665.20**	**3,406.85**	**17,532.68**
Changes from financing cash flows	5,058.73	(4,051.89)	(3,406.85)	(2,400.01)
The effect of changes in foreign exchange rates	-	-	-	-
Bill Discounting	-	751.21	-	751.21
Other changes (transfer within categories)	(3,504.03)	-	3,504.03	-
Balance as at March 31, 2020	**9,015.33**	**3,364.52**	**3,504.03**	**15,883.88**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
9.2 Lease Liability				
i) Lease Liability (Refer note 36)	835.75	-	238.95	-
Total	**835.75**	**-**	**238.95**	**-**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
9.3 Other Financial Liabilities (at amortised cost)				
i) Current maturity of long term borrowings	-	-	3,504.03	3,406.85
ii) Payable for Capital Goods	-	-	1,098.47	1,081.75
iii) Interest accrued	-	-	143.07	130.56
iv) Deposit received	-	-	104.00	96.00
v) Staff Salary and other Payable	-	-	423.45	1,189.84
vi) Other Liabilities	-	-	937.32	9.79
vii) Amount payable on hedging transactions	-	-	-	125.32
Total	**-**	**-**	**6,210.34**	**6,040.11**

	As at		As at	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
	Non- Current		**Current**	
11 Provisions				
i) Provision for employee benefits :				
Leave Encashment	283.56	219.94	109.03	103.07
Gratuity	-	-	145.82	28.68
ii) Provision for Sales Return	-	-	108.65	56.58
iii) Provision for Tax (Net of Advances)	-	-	813.67	672.13
Total	**283.56**	**219.94**	**1,177.17**	**860.46**

(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, 2020	56.58	290.40	238.33	108.65
March 31, 2019	62.34	1,268.58	1,274.35	56.58

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

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to ₹ 20 Lacs (previous year ₹ 10 Lacs). The Company's gratuity liability is entirely funded and leave encashment is non-funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

	Particulars	March 31, 2020	March 31, 2019
a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	339.28	261.74
	Current Service Cost	62.13	47.94
	Interest Cost	25.16	19.62
	Actuarial (Gain) / Loss-Other Comprehensive Income	58.53	9.97
	Past Service Cost	0.00	0.00
	Benefits paid	(4.66)	0.00
	Defined Benefit obligation at the year end	**480.44**	**339.28**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	310.60	286.06
	Investment Income	28.68	21.46
	Employer Contribution		3.10
	Benefits Paid	(4.66)	-
	Fair Value of Plan Assets at the year end	**334.62**	**310.62**
c)	**Reconciliation of fair value of assets and obligations**		
	Present value of Defined Benefit obligation	480.44	339.28
	Fair Value of Plan Assets	334.62	310.62
	Net Asset / (Liability)	**(145.82)**	**(28.66)**
d)	**Expenses recognized during the year (Under the head "Employees Benefit Expenses")**		
	In Income Statement	64.25	46.12
	In Other Comprehensive Income	52.89	9.97
	Total Expenses Recognized during the period	**117.14**	**56.10**
e)	**Actuarial (Gain)/ Loss- Other Comprehensive Income**	**52.89**	**9.97**
f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	-	(24.32)
	Short-term provisions	145.82	-
		145.82	**(24.32)**

ii) **Actuarial Assumptions**

Particulars	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.15%	7.40%
Salary growth rate (per annum)	5%	5%
Attrition rate	7%	7%
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

iii) **Sensitivity analysis**

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attriation Rate	Mortality Rate
Changes in Assumption				
March 31, 2020 (%)	1%	1%	50%	10%
March 31, 2019 (%)	1%	1%	50%	10%
Increase in assumption				
March 31, 2020	450.39	512.51	482.30	480.53
March 31, 2019	319.58	360.68	344.48	339.40
Decrease in assumption				
March 31, 2020	514.35	451.15	475.34	480.34
March 31, 2019	361.36	319.76	344.48	339.16

(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 ₹ 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.

	March 31, 2020	March 31, 2019
11. Deferred Tax Liability		
a) Deferred Tax Liability on account of :		
i) Property Plant & Equipment	2,360.08	2,175.87
ii) Right of Use (Net)	17.95	-
	2,378.03	**2,175.87**
b) Deferred Tax Asset on account of :		
i) Minimum Alternate Tax	680.65	245.95
ii) Provision for doubtful advances and debts	107.26	107.12
iii) Tax disallowances	263.15	112.87
iv) Deferred Tax of Component	125.96	
	1,177.02	**465.94**
Deferred Tax Liability, net	**1,201.01**	**1,709.93**

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
12 Other Liabilities				
i) Duties and Taxes payable	-	-	250.23	221.46
ii) Advance from customers	-	-	370.76	133.70
Total	**-**	**-**	**620.99**	**355.16**

	As at	
	March 31, 2020	March 31, 2019
13 Short Term Borrowings (at amortised cost)		
From Banks		
Cash Credit	2,513.40	5,179.46
Short term Loans	-	1,000.00
Bill Discounting	751.21	388.71
From Others		
From Directors	99.91	97.03
Total	**3,364.52**	**6,665.20**
Secured	2,513.40	5,179.46
Unsecured	851.12	1,485.74

	As at	
	March 31, 2020	March 31, 2019
14 Trade Payables (at amortised cost)		
i) Micro and Small Enterprise	399.68	71.51
ii) Other than Micro and Small Enterprise	40,762.51	31,485.12
Total	**41,162.19**	**31,556.63**

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 March 31, 2020	As at March 31, 2019
Principal amount due	399.68	71.51
Interest due on above	3.15	3.28
Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-
- Principal amount paid beyond appointed day	857.25	219.84
- Interest paid thereon	8.21	3.21
Amount of interest due and payable for the period of delay	11.36	3.28
Amount of interest accrued and remaining unpaid as at year end	24.35	12.99
Amount of further interest remaining due and payable in the succeeding year	-	-

	As at March 31, 2020	As at March 31, 2019
15. Current Tax Liabilities (net)		
Current Tax Liabilities (net of taxes paid)	96.47	276.72
Total	**96.47**	**276.72**

	2019-20	2018-19
16. Revenue from Operations		
i) Sales/ Rendering :		
- Products	152,171.47	155,276.49
- Services	522.89	662.66
	152,694.36	**155,939.15**
ii) Other Operating Revenue:		
Sale of Scrap	34.25	78.65
Export Incentives	660.45	799.60
Income from DEPB purchase at discount	22.09	21.97
Insurance claim received	1.08	12.74
	717.87	**912.96**
Total	**153,412.23**	**156,852.11**

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

1 Revenue disaggregation based on :	2019-20	2018-19
(a) Category of good and services		
Chemicals	151,466.96	149,416.98
Coal	595.14	5,688.79
Others	109.37	170.72
Jobwork and Other Services	522.89	662.66
	152,649.36	**155,939.15**

(b) Geographical region	2019-20	2018-19
India	103,856.15	100,100.39
International	48,838.21	55,838.76
	152,746.43	**155,939.15**

		2019-20	2018-19
2	**Movement in Contract Balances**		
(i)	**Advance from Customers:**		
	Opening Balance	133.70	387.81
	Less : Invoices raised/ Adjusted during the year	(114.53)	(356.05)
	Add : Advances received during the year	351.59	101.94
	Closing Balance	**370.76**	**133.70**

		2019-20	2018-19
(ii)	**Unbilled Revenue:**		
	Opening Balance	34.36	-
	Less : Invoices raised during the year	(34.36)	-
	Add : Accrued during the year	51.32	34.36
	Closing Balance	**51.32**	**34.36**

		2019-20	2018-19
17.	**Other Income**		
i)	Interest Income on Financial Asset	325.98	162.09
ii)	Guarantee Commission	-	5.13
iii)	Sundry balances written back	37.69	137.69
iv)	Profit on Sale of Property Plant & Equipment	-	4.49
v)	Miscellaneous Income	86.14	233.07
vi)	Reversal of Expected Credit Loss	-	2.38
vii)	Profit on sale of Investments	-	35.42
	Total	**449.81**	**580.27**

		2019-20	2018-19
18.	**Cost of Materials Consumed**		
	Opening Stock of Raw Material	7,747.35	9,933.81
	Add : Purchases	78,917.92	86,655.13
		86,665.27	96,588.94
	Less : Closing Stock of Raw Material	(8,569.22)	(7,747.35)
	Cost of Material Consumed	**78,096.05**	**88,841.59**

		2019-20	2018-19
19	**Purchase of Stock in trade**		
i)	Chemicals and Other Purchases	28,103.68	19,271.19
ii)	Coal	602.97	5,688.79
	Total	**28,706.65**	**24,959.98**

		2019-20	2018-19
20	**Changes in inventories of Finished Goods,Work in progress and Stock in Trade**		
	WIP Inventory at the beginning of the year	880.35	428.20
	WIP Inventory at the end of the year	(479.50)	(880.35)
		400.85	(452.15)
	FG Inventory at the beginning of the year	3,938.84	1,795.52
	FG Inventory at the end of the year	(3,995.58)	(3,938.84)
	Less: Insurance claim	(86.66)	-
		(143.40)	(2,143.32)
	FG Inventory of Traded Goods at the beginning of the year	3,171.12	1,456.84
	Add Foreign Currency Translation Adjustments	99.26	71.52
	FG Inventory of Traded Goods at the end of the year	(673.24)	(3,171.12)
		2,597.14	(1,642.76)
		2,854.59	**(4,238.23)**

		2019-20	2018-19
21	**Employee benefit expenses**		
	i) Salaries, wages and bonus	5,707.79	4,742.55
	ii) Contribution to Employees gratuity, leave encashment and Other Funds	498.95	476.63
	iii) Director's Remuneration	414.48	1,061.11
	iv) Staff Welfare Expenses	235.07	173.07
	Total	**6,856.29**	**6,453.36**

		2019-20	2018-19
22	**Finance Costs:**		
	i) Interest on Financial Liabilities at amortised cost	1,239.85	1,500.81
	ii) Interest on Direct Taxes	12.07	9.31
	iii) Interest on Indirect Taxes	0.02	0.65
	iv) Other borrowing costs	129.16	81.56
	v) Amortisation of Upfront Fees	20.67	4.86
	Total	**1,401.77**	**1,597.19**

		2019-20	2018-19
23	**Depreciation & amortization**		
	i) Depreciation	4,573.87	4,123.73
	ii) Deprecation on right of Use	269.55	-
	iii) Amortisation	45.44	33.40
	Total	**4,888.86**	**4,157.13**

		2019-20	2018-19
24	**Other expenses**		
	Power & Fuels	9,846.74	9,714.66
	Consumption of Consumables Stores and Spares	1,526.08	790.09
	Consumption of Packing Materials	1,198.74	1,074.59
	Water Charges	342.83	321.05
	Labour Charges	830.53	627.74
	Inward Freight Charges	371.44	580.89
	Outward Export Freight Charges	2,149.19	2,570.26
	Clearing and Forwarding Expenses	97.61	148.76
	Repairs and Maintenance		
	Buildings	104.12	133.55
	Machineries	347.83	817.90
	Others	426.56	395.30
	Transportation Charges	3,120.49	2,553.95
	Commission on sales	117.49	320.11
	Advertisement	14.39	5.82
	Director's Sitting Fees	12.60	9.61
	Books and Periodicals	0.55	6.40
	Business Promotion Expenses	107.75	70.98
	Commission to Non-Executive Director	57.25	36.50
	Computer Maintenance	94.37	103.96
	Conveyance Expenses	28.70	26.07
	Donation	4.17	35.89
	CSR Expenditure	4.03	323.58
	General Expenses	166.14	61.42
	Inspection charges	44.85	31.44
	Insurance Charges	517.42	280.04
	Membership & Subscription	103.26	57.88
	Postage & Telegram	25.16	27.42
	Professional and Legal Expenses	1,224.62	1,390.35
	Printing & Stationery	40.11	42.24
	Rent	68.06	395.17

Rates and Taxes	93.02	126.02
Security Service Charges	166.12	113.23
Travelling Expenses	468.91	523.11
Telephone Expenses	56.55	53.14
Vehicle Expenses	270.28	257.23
Auditors' remuneration	27.35	21.96
Component Auditors Fees	20.85	17.08
Bank Charges	301.90	196.27
Expected credit loss	0.41	-
Exchange Loss	405.55	922.32
Provision for doubtful debt	113.13	394.31
Loss on sale of assets	1.19	-
Other Expenses	564.46	181.12
Sales Tax Receivable w/off	61.14	49.51
Total	**25,543.94**	**25,808.92**

	2019-20	2018-19
Payments to the auditors comprises (net of tax input credit, where applicable) :		
To Statutory auditors		
For audit including consolidation	22.50	15.50
For limited review	3.75	2.25
For certification and other services	1.10	4.21
Total	**27.35**	**21.96**

		2019-20	2018-19
25	**Tax Expense**		
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	1,588.00	2,414.47
	Deferred tax	(502.76)	122.17
	Income Tax (Excess)/Short Provision of previous year	(28.98)	(4.62)
	Income tax recognised in statement of profit or loss	**1,056.26**	**2,532.02**

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 :**

		2019-20	2018-19
A	**Current Tax**		
	Accounting profit before Tax	8,080.21	9,852.44
	Non Taxable Profit/(Loss)	(1,008.72)	(547.23)
	Taxable Profit/(Loss)	9,088.94	10,399.67
	Enacted tax rates in India (%)	34.94%	34.94%
	Enacted tax rates for Foreign Subsidiary (%)	20.54%	20.54%
	Computed expected tax expenses	3,176.04	3,594.98
	Effect of non- deductible expenses	1,914.21	1,620.60
	Effects of deductible Expenses	(2,072.49)	(1,522.21)
	Non Taxable effects	(1,869.57)	(1,301.87)
	Tax of Foreign Subsidiary	-	22.97
	Income tax expenses - Net A	**1,148.18**	**2,414.47**
	Tax liability as per Minimum Alternate Tax on book profits		
	Minimum Alternate Tax rate	17.47%	21.55%
	Computed tax liability on book profits	1,588.02	2,241.13
	Tax effect on adjustments:		
	1/5 portion of Opening IND AS Reserve as on March 31, 2017	(7.26)	(8.95)

Effect of non deductible expense		4.20	6.29
Others		3.04	0.64
Minimum Alternate Tax on Book Profit	**B**	**1,588.00**	**2,239.10**
Higher of A or B		**1,588.00**	**2,414.47**

B Deferred Tax : Deferred tax assets/ (liabilities) in relation to:

Particulars	Opening	Recognised in profit and loss	Closing
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)**
Property Plant & Equipment	(2,175.87)	184.21	(2,360.08)
Right of use	-	17.95	(17.95)
Minimum Alternate Tax	245.95	(434.70)	680.65
Provision for doubtful advances and debts	107.12	(0.14)	107.26
Tax disallowances	112.87	(144.12)	263.15
As at March, 31, 2020	**(1,709.93)**	**(376.80)**	**(1,326.97)**

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

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

Particulars	2019-20	2018-19
Net Profit / (Loss) as per Statement of Profit and Loss	7,010.20	7,273.37
Outstanding equity shares at period end	45,016,395	50,045,405
Weighted average Number of Shares outstanding during the period – Basic	48,942,486	50,045,405
Weighted average Number of Shares outstanding during the period - Diluted	48,942,486	50,045,405
Weighted average number of shares as per para 26 of Ind AS 33" Earning per Share"	48,942,486	50,045,405
Earnings per Share - Basic (₹)	14.32	14.53
Earnings per Share - Diluted (₹)	14.32	14.53

Reconciliation of weighted number of outstanding during the period:

	2019-20	2018-19
Nominal Value of Equity Shares (₹ per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	50,045,405	10,009,081
Add : Issue of Equity Shares	-	40,036,324
Less : Buyback of Equity Shares	(5,029,010)	-
Total number of equity shares outstanding at the end of the period	**45,016,395**	**50,045,405**
For Basic EPS :		
Weighted average number of equity shares at the end of the period	48,942,486	50,045,405
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	48,942,486	50,045,405

27 Details of research and development expenditure recognised as an expense

Particulars	2019-20	2018-19
Revenue Expenditure	292.72	140.53
Employee benefits expense	38.95	44.83
Legal & Professional fees	38.74	4.56
Other expenses	31.37	-
Utility Expenses	33.04	-
Travelling Expenses	31.09	-
Contract Labour and Security Service Charge	26.13	-
Subscription	91.84	-
Repairs & Maintenance	164.94	16.06
Depreciation and amortisation expense		
Capital Expenditure		
Capital expenditure (Refer Note 3.3 (iii))	112.80	106.04
Total	**861.65**	**312.01**

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

Particulars	As at March 31, 2020	As at March 31, 2019
i) **Contingent liabilities**		
a) Liabilities Disputed - Appeals filed with respect to :		
i) Disputed Excise/ Custom Matters in Appeals	75.15	-
ii) Income Tax on account of Disallowances /Additions and default of TDS	47.13	174.34
iii) VAT credits disallowed by the authorities against which the company has preferred appeals.	42.90	23.27
b) Guarantees:		
i) Given on behalf of WOS to their Vendors	-	1,165.54
ii) Furnished by banks on behalf of the Company	380.20	756.05
c) Other money for which the Company is contingently liable (give details)		
i) Standby letter of credit given on behalf of WOS	3,279.29	3,008.95
ii) **Commitments**		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	264.53	355.24
b) Export obligation under Advance License Scheme on duty free import of specific raw materials remaining outstanding	2,407.03	11,135.82
iii) **Letters of Credit**	7,559.80	5,048.79

29 Disclosure in accordance with IND AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.

The Company is engaged in ‘chemicals business’ and ‘power generation’ and it is the primary segment. During the year ended March 31, 2020 and March 31, 2019, 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.

None of the customer contribute more than 10% of the total turnover of the Group.

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

Details are given in **Annexure -1**

31 Disclosure on CSR Activity

a) Gross amount required to be spent by the Company during the year: ₹ 222.92 Lacs (P.Y. ₹ 170.50 Lacs)

b) Amount spent by the Company during the year (Including previous years unspent) is as follows:

Particulars	2019-20	2018-19
Community	4.03	1.98
Medical & Health	-	2.69
Education	-	6.58
CSR Corpus	-	315.26
Total	**4.03**	**326.51**

(c) Amount unspent by the Company for the financial year 2019-20 is ₹ 218.89 Lacs (March 31, 2019 : ₹ 0.06 Lacs)

32 Derivative Instruments and Unhedged Foreign Currency Exposure

Details on unhedged foreign currency exposures

	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Trade Receivable (USD)	1,533,468	1,156.02	1,682,432	1,126.52
Trade Receivable (EURO)	86,984	72.24	-	-
Advance from Customers (USD)	238,901	180.10	231,259	160.83
Advances to suppliers - USD	637,118	480.30	1,667,935	1,154.27
Interest payable (USD)	18,642	14.05	97,576	67.49
Trade payable (USD)	4,660,256	3,513.18	762,044	377.80
Trade payable (CHF)	-	-	7,880	5.42
Trade payable (EURO)	288	0.24	-	-
Borrowings (USD)	166,667	125.64	6,000,000	4,131.24

Details on hedged foreign currency exposures	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Forwards - USD - Sales	3,715,496	2,800.96	4,638,435	3,245.71
Forwards - EURO - Sales	633,373	526.01	4,012,581	3,157.28
Forwards - USD Purchase	29,806,535	22,469.92	27,707,500	19,314.95
Options - USD - Buy	4,300,000	3,241.59	1,000,000	710.75

Details on Interest rate swap on Borrowings

	As at March 31, 2020		As at March 31, 2019	
	Foreign Currency	INR	Foreign Currency	INR
Interest Rate Swap - USD	722,222	532.77	944,444	681.15

33. IND AS 116 “Leases”

a) Transition

Effective April 1, 2019, the Company adopted IND AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Thus the Company has recognised ‘Right of Use’ asset of ₹ 1,234.52 Lacs (excluding reclassification of ₹ 282.67 Lacs) and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate of ₹ 1,287.74 Lacs as at April 1, 2019. On application of INDAS 116 the unamortised balance of prepaid security deposit is also transferred to Right of Use Asset which is depreciated over the balance life of lease.

In this approach, there is no requirement to restate comparative information rather the effects is given in retained earning. On account of adoption of INDAS 116 as at April 1, 2019 the retained earning of the Company has reduced by ₹ 96.38 Lacs.

IND AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

b) The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

c) Movement in Right of Use assets - Refer Note 1.2

d) Movement in lease liabilities :

Particulars	**2019-20**
Balance at the beginning	-
Transition impact on account of IND AS 116 "Leases"	1,287.74
Addition	-
Finance Cost During the year	87.45
Payment of Lease Liability	(300.50)
Closing Balance	**1,074.69**

The weighted average incremental rate applied to lease liabilities as at April 1, 2019 is 7.5% p.a.

e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

f) Undiscounted Contractual maturities of Lease Liability:

Particulars	**2019-20**
Less than one year	309.70
One to two years	306.58
Two to five years	376.21
More than five years	334.86
Total	**1,327.36**

g) The following is the break-up of current and non-current lease liabilities as at March 31, 2020.

Particulars	**2019-20**
Current lease liability	242.76
Non-current lease liability	831.94
Balance as at March 31, 2020	**1,074.69**

34. Financial Instruments

(₹ in Lacs)

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

	Carrying Value		**Fair Value**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
a. Financial Assets				
Amortised Cost				
Loans	844.88	425.06	844.88	425.06
Others	4,137.96	155.40	4,137.96	155.40
Trade receivables	35,936.70	32,618.13	35,936.70	32,618.13
Cash and cash equivalents	4,470.97	4,673.65	4,470.97	4,673.65
Total Financial Assets	**45,390.51**	**37,872.24**	**45,390.51**	**37,872.24**

	Carrying Value		Fair Value	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
b. Financial Liabilities				
Amortised Cost				
Borrowings	15,883.88	17,532.68	15,883.88	17,532.68
Trade payables	41,162.19	31,556.63	41,162.19	31,556.63
Lease Liability	1,074.70		1,074.70	
Others	2,706.31	2,633.26	2,706.31	2,633.26
Total Financial Liabilities	**60,827.08**	**51,722.57**	**60,827.08**	**51,722.57**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

35 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020 and March 31, 2019.

		Fair Value measurement using		
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial liabilities measured at fair value:				
Forward Contracts	31-Mar-20		(475.53)	
Forward Contracts	31-Mar-19		125.32	

36 Financial Risk Management

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

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

The Company manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. The Company reviews and approves policies for managing each of the above risk.

1) Market Risk

Market risk is the risk arising out of the fluctuations in fair value of future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into the derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk, from time to time.

A) Foreign Currency Risk

Foreign currency risk also known as Exchange Currency Risk is the risk arising out of fluctuation in the fair value or future cash flows of an exposure because of changes in foreign exchange rates. Foreign currency risk in the company is attributable to company's operating activities and financing activities. In the operating activities, the company's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). The Company manages the Net exposure based on a duly approved policy by the Board. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the Company is mainly in U.S. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

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

	Assets		Liabilities	
	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2020**	**As at March 31, 2019**
USD	1,772,368	3,350,367	4,845,852	7,090,880
EUR	86,984	-	-	-
AED	637,118	-	-	-
CHF	-	-	-	7,880

Foreign Currency Sensitivity analysis:

The company is mainly exposed to USD and EURO fluctuations

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

	As at March 31, 2020		As at March 31, 2019	
	Rupee Strengthens by 1%	**Rupee weakens by 1%**	**Rupee Strengthens by 1%**	**Rupee weakens by 1%**
USD	21.05	(21.05)	25.62	(25.62)
EUR	(0.67)	0.67	-	-
AED	(1.19)	1.19	-	-
CHF	-	-	(0.59)	0.59

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 ₹ 148.76 Lacs and floating interest loan is ₹ 12,370.60 Lacs (March 31, 2019: Fixed interest loan ₹ 247.71 lakh and Floating interest loan ₹ 10,619.77 lakh). With all the other variables remaining constant, the following table demonstrates the sensitivity to a reasonably change in interest rates on the borrowings:

	2019-20		2018-19	
	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%**
Increase in Profit	92.22	4.72	57.78	7.26

	2019-20		2018-19	
	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%**
Decrease in Profit	(92.22)	(4.72)	(57.78)	(7.26)

C) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with counter parties who meet the parameters specified in Investment Policy of the Company. The investment policy is reviewed by the Company's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as the minimize the concentration of risks and therefore mitigate financial loss due to counter party's potential failure.

Financial assets for which loss allowance is measured:

(₹ in Lacs)

	As At March 31, 2020	**As At March 31, 2019**
Trade receivables *(Refer Note 4.1)*	35,936.70	32,618.13
Allowances for Credit Loss *(Refer Note 4.1 (a))*	592.50	435.36

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 and , Chief Financial Officer and Treasury Head. The Company assesses the concentration of risk with respect to refinancing its debt, guarantee given, and funding of its capital expenditure needs of the future. The Company manages its liquidity by holding appropriate volumes of liquid assets which are available to its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

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

(₹ in Lacs)

	Within one year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years
As at March 31, 2020				
Borrowings*	6,868.55	3,556.50	5,458.84	-
Trade Payables	41,162.19			
Other financial Liabilities	2,706.31			
	50,737.05	**3,556.50**	**5,458.84**	**-**
As at March 31, 2019				
Borrowings*	6,665.21	3,026.26	4,434.36	-
Trade Payables	31,556.63			
Other financial Liabilities	6,040.11			
	44,261.95	**3,026.26**	**4,434.36**	**-**

* including Current Maturity of non current borrowing

Note: Maturity profile of Lease liability is given in Note 33(f)

37 Capital management

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

	March 31, 2020	March 31, 2019
Gross Debt	15,883.88	14,125.83
Less:		
Cash and Cash Equivalent	2,411.03	764.50
Other Bank Balance	2,059.94	3,909.15
Net debt (A)	**11,412.91**	**9,452.18**
Total Equity (B)	**42,691.67**	**45,077.91**
Gearing ratio (A/ B)	**0.27**	**0.21**

38 Exceptional Items

During the year the Company has received Eligibility Certificates from Directorate of Industries, Government of Maharashtra under the Package Scheme of Incentive - 2007 for Electricity Duty exemption and Package Scheme of Incentive - 2013 VAT and CST refunds.

a) Electricity Duty

Pursuant to the terms of the Eligibility Certificates the Company is exempted from paying the Electricity duty from 15 years starting from 1 April 2010 till 31 March 2025. Accordingly, MSEDCL has granted the exemption to the Company from paying the electricity duty w.e.f. Oct-2019 and the electricity duty exemption got reflected in October 2019 Electricity Bill. Simultaneously, the MSEDCL has also confirmed the refund of the total electricity duty amounting to ₹ 1,522.47 Lacs ("Electricity Duty Refund") which the Company has paid from 1 April 2010 till 30 September 2019. Accordingly, although the Electricity Duty Refund has not yet been received by the Company, the same has been accounted as an exceptional item (net of expenses) which pertains to period April 2010 to Sept 2019 (net of expenses).

b) Vat and CST Refunds

Pursuant to the terms of the Eligibility Certificates the Company is eligible to get refund of the VAT and CST which the Company has paid during the period between 1 October 2014 to 31 March 2017). Accordingly, the Directorate of Industries has issued the Provisional Sanction of Industrial Promotion Subsidy dated February 18, 2020 whereby refund of ₹ 1,501.36 lacs has been sanctioned by the Directorate of Industries and VAT Department. The Company has recognised income of ₹ 1,501.36 Lacs as an exceptions item in Statement of profit and loss (net of expenses).

39. The outbreak of COVID -19 has severely impacted many businesses around the world including India. Although there has been various directives of Central / State Governments relating to lockdown, the Company has obtained requisite permissions, as applicable, from the concerned Government authorities to run its manufacturing operations since it falls under the essential services.

Management has carried out a detailed assessment of the impact of COVID-19 on its business operations and liquidity position, and has concluded that, in the preparation of the standalone financial results, it has taken into account all known events arising from COVID-19 pandemic. However, the Company will continue to monitor any material changes to future economic conditions.

40 Disclosure as per Schedule III of the Companies Act 2013 of the entities consolidated in these Financial Statements

Name of the Enterprise	**Net Assets i.e. Total assets minus Total Liabilities**		**Share in Consolidated Profit or Loss**	
	% of Consolidated Net assets	**₹ in Lacs**	**% of Consolidated Profit**	**₹ in Lacs**
Parent :				
Laxmi Organic Industries Limited				
Current Year	102.28%	43,677.94	116.06%	8,325.11
Previous Year	97.97%	44,161.42	97.51%	7,082.27
Subsidiary - Indian :				
Laxmi Lifesicences Pvt. Ltd				
Current Year	0.00%	(1.04)	0.00%	(0.24)
Previous Year	0.00%	(0.80)	0.00%	(0.13)
Viva Lifesicences Pvt. Ltd.				
Current Year	-0.01%	(3.92)	-0.04%	(3.12)
Previous Year	0.00%	(0.80)	0.00%	(0.13)
Cellbion Lifesicences Pvt. Ltd				
Current Year	-0.28%	(118.90)	-1.58%	(113.51)
Previous Year	0.87%	393.08	2.32%	168.57
Saideep Traders				
Current Year	-0.43%	(182.65)	-1.92%	(137.53)
Previous Year	0.58%	261.12	3.60%	261.12
Subsidiary - Foreign :				
Laxmi Petrochem Middle East FZE				
Current Year	-0.77%	(328.06)	-5.42%	(389.13)
Previous Year	0.17%	78.60	-4.64%	(337.16)
Laxmi Organic Industries (Europe) BV				
Current Year	-0.79%	(338.02)	-7.09%	(508.63)
Previous Year	0.41%	185.29	1.22%	88.85

41 The Board of Directors at their meeting held on October 30, 2020 has recommended dividend of ₹ 1.75 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 ₹ 787.79 lacs (previous year ₹ 211.16 lacs including dividend distribution tax).

42 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

As per our report of even date

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

Nuzhat K an
Partner
M.No. 124960
UDIN- 20124960AAAAJL2354
Mumbai, Dated : October 30, 2020

For and on behalf of the Board of Directors

Ravi Goenka
Managing Director
DIN-00059267

Satej Nabar
EOJ CEO
DIN-06931190

Partha Roy Chowdhury
Chief Financial Officer

Aniket Hirpara
Company Secretary

Mumbai, Dated : October 30, 2020

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.	Subsidiaries
2	Laxmi Lifesciences Pvt. Ltd.	Subsidiaries
3	Laxmi Organic Industries (Europe) BV	Subsidiaries
4	Laxmi Petrochem Middle East FZC	Subsidiaries
5	Viva Lifesciences Pvt Ltd.	Subsidiaries
6	Saideep Traders	Step-down Subsidiary
7	Laxmi Speciality Chemicals (Shanghai) Co. Ltd. (Wef from September 05, 2019)	Subsidiaries
8	Yellowstone fine chemicals Pvt. Ltd. (Wef from March 03, 2020)	Subsidiaries
B	**Associates and joint ventures of the reporting enterprise**	
1	Suvas Holding Ltd. (Upto February 15, 2019)	Joint Venture
C	**Key Management Personnel and**	
1	Vasudeo Goenka	Non-Executive Chairman
2	Ravi Goenka	Key Management Personnel
3	Radhesh welling (Upto November 15, 2018)	Chief Executive Officer & Director
4	Rajeev Goenka	Non-Executive director
5	Desh Verma	Non-Executive director
6	Omprakash Bundellu	Independent Director
7	Manish Chokhani	Independent Director
8	Sangeeta Singh	Independent Women Director
D	**Relatives of Key Management Personnel**	
1	Aditi Goenka	Relatives of Key Management Personnel
2	Aryavrat Goenka	Relatives of Key Management Personnel
3	Avantika Goenka	Relatives of Key Management Personnel
4	Harshvardhan Goenka	Relatives of Key Management Personnel
5	Manisha Goenka	Relatives of Key Management Personnel
6	Niharika Goenka	Relatives of Key Management Personnel
7	Vimladevi Goenka	Relatives of Key Management Personnel
E	**Enterprises over which any person described in (C)**	**is able to exercise control**
1	Amrutsagar Construction Pvt. Ltd.	Associates
2	Brady Investments Pvt. Ltd.	Associates
3	Crescent Oils Pvt. Ltd	Associates
4	Enersun Power Tech Pvt. Ltd.	Associates
5	International Knowledge Park Pvt. Ltd.	Associates
6	Laxmidevi Nathmal Goenka Charitable Trust	Associates
7	Maharashtra Aldehydes & Chemicals Ltd.	Associates
8	Merton Finance & Trading	Associates
9	Ojas Dye-Chem (India) Pvt. Ltd.	Associates
10	Pedestal Finance & Trading Pvt. Ltd.	Associates
11	Rajeev Goenka HUF	Associates
12	Ravi Goenka HUF	Associates
13	Sherry Exports Pvt. Ltd	Associates
14	Zenith Distibutors	Associates
15	Wintech Systems	Associates
16	Varadvinayak Multi Impex Pvt Ltd	Associates
17	Merton Finance & Trading Pvt. Ltd	Associates
18	Yellowstone Chemicals Pvt. Ltd.	Associates
19	Acetyls Holding Pvt. Ltd.	Associates

B The following are the transactions with related parties

Related party transactions

(₹ in Lacs)

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
Rent, Commission and Other Expenses	**-**	**-**	**-**	**-**	**6.74**	**6.74**
	-	**-**	**-**	**-**	**(6.26)**	**(6.26)**
Merton Finance & Trading Pvt. Ltd	-	-	-	-	1.08	**1.08**
	-	-	-	-	(1.08)	**(1.08)**
Sherry Exports Pvt. Ltd.	-	-	-	-	5.66	**5.66**
	-	-	-	-	(5.18)	**(5.18)**
Expenses Incurred on bahalf of	**-**	**-**	**-**	**-**	**12.07**	**12.07**
	-	**-**	**-**	**-**	**(9.11)**	**(9.11)**
Brady Investments Pvt. Ltd.	-	-	-	-	12.07	**12.07**
	-	-	-	-	(9.11)	**(9.11)**
Expenses Recovered	**-**	**-**	**-**	**-**	**78.58**	**78.58**
	-	**-**	**-**	**-**	**(1.11)**	**(1.11)**
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	10.88	**10.88**
	-	-	-	-	(1.11)	**(1.11)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	67.70	**67.70**
	-	-	-	-	-	**-**
Sales	**-**	**-**	**-**	**-**	**4,587.92**	**4,587.92**
	-	**-**	**-**	**-**	**(36.77)**	**(36.77)**
Maharashtra Aldehydes & Chemicals Ltd.	-	-	-	-	534.09	**534.09**
	-	-	-	-	(36.77)	**(36.77)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	4,053.83	**4,053.83**
	-	-	-	-	-	**-**
Purchase	**-**	**-**	**-**	**-**	**1,173.77**	**1,173.77**
	-	**-**	**-**	**-**	**-**	**-**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	1,173.77	**1,173.77**
	-	-	-	-	-	**-**
Sitting Fees	**-**	**-**	**12.66**	**-**	**-**	**12.66**
	-	**-**	**(9.60)**	**-**	**-**	**(9.60)**
Vasudeo Goenka	-	-	1.80	-	-	**1.80**
	-	-	(1.60)	-	-	**(1.60)**
Rajeev Goenka	-	-	1.20	-	-	**1.20**
	-	-	(0.80)	-	-	**(0.80)**
Mr. Desh Verma	-	-	1.47	-	-	**1.47**
	-	-	(1.00)	-	-	**(1.00)**
Mr. Omprakash Bundellu	-	-	3.36	-	-	**3.36**
	-	-	(2.60)	-	-	**(2.60)**
Mr. Manish Chokhani	-	-	3.15	-	-	**3.15**
	-	-	(2.40)	-	-	**(2.40)**
Ms. Sangeeta Singh	-	-	1.68	-	-	**1.68**
	-	-	(1.20)	-	-	**(1.20)**

(₹ in Lacs)

Related Parties Transactions	1 Entities where control exists	2 Associate & Joint Venture	3 Key Manage-ment Personnel	4 Relatives of Key Manage-ment Personnel	5 Entities where KMP/ Relative of KMP exercise significant Influence	Total
Commission to Non Executive Directors	**-**	**-**	**57.25**	**-**	**-**	**57.25**
	-	-	**(36.50)**	**-**	**-**	**(36.00)**
Mr. Omprakash Bundellu	-	-	15.00	-	-	**15.00**
	-	-	(12.50)	-	-	**(12.50)**
Mr. Manish Chokhani	-	-	15.00	-	-	**15.00**
	-	-	(10.00)	-	-	**(10.00)**
Ms. Sangeeta Singh	-	-	21.25	-	-	**21.25**
	-	-	(8.75)	-	-	**(8.75)**
Mr. Desh Verma	-	-	6.00	-	-	**6.00**
	-	-	**(5.25)**	**-**	**-**	**(5.25)**
Salary	-	-	**66.63**	**-**	**-**	**66.63**
	-	-	**(192.35)**	**-**	**-**	**(192.35)**
Harshvardhan Goenka	-	-	66.63	-	-	**66.63**
	-	-	(192.35)	-	-	**(192.35)**
Directors Remuneration	**-**	**-**	**414.48**	**-**	**-**	**414.48**
	-	**-**	**(1,061.11)**	**-**	**-**	**(1,061.11)**
Ravi Goenka	-	-	414.48	-	-	**414.48**
	-	-	(863.10)	-	-	**(863.10)**
Radhesh Welling	-	-	-	-	-	**-**
	-	-	(198.01)	-	-	**(198.01)**
Sales Investment (of Suvas Holding Ltd.)	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**(177.33)**	**-**	**-**	**(177.33)**
Ravi Goenka	-	-	-	-	-	**-**
	-	-	(60.83)	-	-	**(60.83)**
Rajeev Goenka	-	-	-	-	-	**-**
	-	-	(116.50)	-	-	**(116.50)**
Equity Investment In JV	**-**	**-**	**-**	**-**	**-**	**-**
	-	**(91.63)**	**-**	**-**	**-**	**(91.63)**
Suvas Holding Ltd.	-	-	-	-	-	**-**
	-	(91.63)	-	-	-	**(91.63)**
Dividend Paid	**-**	**-**	**0.45**	**0.99**	**151.38**	**152.82**
	-	**-**	**(0.20)**	**(0.76)**	**(129.75)**	**(130.71)**
Ravi Goenka	-	-	0.11	-	-	**0.11**
	-	**-**	(0.00)	**-**	**-**	**(0.00)**
Rajeev Goenka	**-**	**-**	0.34	**-**	**-**	**0.34**
	-	-	(0.20)	-	-	**(0.20)**
Yellow Stone Trust	-	-	-	-	140.65	**140.65**
	-	-	-	-	(120.56)	**(120.56)**
Ravi Goenka HUF	-	-	-	-	7.44	**7.44**
	-	-	-	-	(6.38)	(6.38)
Brady Investments Pvt. Ltd.	-	-	-	-	3.29	3.29
	-	-	-	-	(2.82)	(2.82)

(₹ in Lacs)

Related Parties Transactions	1	2	3	4	5	
	Entities where control exists	Associate & Joint Venture	Key Manage-ment Personnel	Relatives of Key Manage-ment Personnel	Entities where KMP/ Relative of KMP exercise significant Influence	Total
Balance Payable As On 31.03.2020	**-**	**-**	**-**	**-**	**1,061.29**	**1,219.50**
	-	**-**	**(189.82)**	**-**	**-**	**(189.82)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	1,057.94	158.21
	-	-	-	-	-	-
Ravi Goenka	-	-	-	-	-	-
	-	-	(73.32)	-	-	(73.32)
Rajeev Goenka	-	-	-	-	-	-
	-	-	(116.50)	-	-	(116.50)
Balance Payable As On 31.03.2020	**-**	**-**	**-**	**-**	**4,120.79**	**1,219.50**
	-	**-**	**-**	**-**	**(23.16)**	**(189.82)**
Yellowstone Chemicals Pvt. Ltd.	-	-	-	-	4,091.86	158.21
	-	-	-	-	-	-
Corporate Gurantee as on 31.03.2020	-	-	-	-	-	**-**
	(1165.54)	-	-	-	-	**(1165.54)**
Laxmi Organic Industries (Europe) BV	-	-	-	-	-	**-**
	(1165.54)	-	-	-	-	**(1165.54)**

Note:

1. Figures in parenthesis are pertaining to previous year.
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 ₹ 10/-. The same transactions has not been disclosed in aforsaid table.

LAXMI ORGANIC INDUSTRIES LIMITED

A-22/2/3, MIDC, Mahad, Dist Raigad - 402309

ATTENDANCE SLIP

I hereby record my presence at the 31st Annual General Meeting of the Company to be held on Tuesday, November 24, 2020 at 12.00 noon at the Registered Office of the Company.

<table>
<tr><th>For Physical Holdings</th><th colspan="2">For Electronic Form (Demat) Holding
NSDL/ CDSL</th><th>No. of Shares</th></tr>
<tr><td></td><td>DP ID</td><td>Client ID</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">NAME OF THE MEMBER/ JOINT MEMBER(S) (IN BLOCK LETTERS)</td><td>SIGNATURE</td></tr>
<tr><td colspan="3"></td><td></td></tr>
<tr><td colspan="3">NAME OF THE PROXY (IN BLOCK LETTERS)</td><td>SIGNATURE</td></tr>
<tr><td colspan="3"></td><td></td></tr>
</table>

Notes:

1. You are requested to sign and hand over this slip at the entrance of the Meeting Venue
2. This attendance is valid only in case shares are held on the date of the Meeting.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of
the Companies (Management and Administration) Rules, 2014]

CIN No : **U24200MH1989PLC051736**
Name of Company : **Laxmi Organic Industries Limited**
Registered Office : **A-22/2/3, MIDC, Mahad, Dist Raigad – 402309**

Name of Member(s)	
Registered Address	
Email ID	
Folio No./ DP ID	
DP ID	

I/We, being the member (s) of .... shares of the above named Company, hereby appoint

1. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : .... , or failing him
2. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : .... , or failing him
3. Name : ....
   Address : ....
   E-mail Id : ....
   Signature : ....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, November 24, 2020 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 2019-20
2. Declaration of final dividend on Equity Shares
3. Appointment of Director in place of Mr. Vasudeo Goenka
4. Ratification of remuneration to be paid to Cost Auditor for FY 2020-21
5. To approve the revision in the remuneration of Mr. Harshvardhan Goenka for the period from April 1, 2020 till October 31, 2020
6. Confirm appointment of Mr. Harshvardhan Goenka as a Director of the Company
7. Approve appointment of Mr. Harshvardhan Goenka as a Whole-Time Director designated as Director – Business Development & Strategy
8. Approve revision in the remuneration paid to Mr. Ravi Goenka, Managing Director for the FY 2020-21
9. Sub-division of shares of the Company from ₹ 10 per share to ₹ 2 per share
10. Approval of increase in authorised share capital of the Company
11. Amendment of Memorandum of Association
12. Adoption of new sets of Articles of Association
13. Approve Employee Stock Option (ESOP-2020)
14. Approval of Initial Public Offering
15. Approval of the Related Party Transaction to be undertaken by the Company during financial year 2020-21

Signed this .... day of 2020

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.