

INDO RAMA

Synthetics (India) Limited

Annual Report

2019-20

Standing
strong
**through
challenges**

An abstract graphic consisting of several overlapping squares in various shades of teal and blue. The squares are arranged in a way that creates a sense of depth and movement, with some squares appearing to be in front of others. The colors range from light, airy teals to darker, more saturated blues.

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Online Report
www.indoramaindia.com

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements—written and oral—that we periodically make contain forward-looking statements that set out anticipated results based on the Management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Corporate Information

Board of Directors

Om Prakash Lohia
Chairman and Managing Director

Vishal Lohia
Whole-time Director

M. N. Sudhindra Rao
Executive Director

Udeypaul Singh Gill
Non-executive Non-Independent Director

Dr Arvind Pandalai
Non-executive Independent Director

Suman Jyoti Khaitan
Non-executive Independent Director

Ranjana Agarwal
Non-executive Independent Director

Ashok Kumar Ladha
Non-executive Independent Director
(upto November 25, 2019)

Dhanendra Kumar
Non-executive Independent Director
(w.e.f. February 14, 2020)

Corporate Executives

M. N. Sudhindra Rao
Chief Executive Officer

Umesh Kumar Agrawal
Chief Commercial and Financial Officer

Susheel Kumar Mehrotra
Chief Financial Officer

Pawan Kumar Thakur
Company Secretary

Auditors

Walker Chandiok & Co LLP

Bankers

Standard Chartered Bank

The Hongkong and Shanghai Banking
Corporation Ltd.

Australia and New Zealand
Banking Group Limited

Sumitomo Mitsui Banking Corporation

IKB Deutsche Industriebank AG

Our Identity

Incorporated in 1986, we, at Indo Rama Synthetics (India) Ltd., have emerged as one of the largest dedicated polyester manufacturers in India. With nearly three decades of market presence, we are one of the country's most cost-efficient polyester producers. Our investments in innovation and capacity expansion allow us to integrate value for our large customer base.

We have an integrated production facility in Butibori, near Nagpur, Maharashtra. We believe polyester will be the 'fibre of future', which encouraged us to foray into this business with confidence. Our well-defined quality and process management systems have enabled us to enjoy global presence.



Our Mission

To be the preferred polyester business partner by focusing on customer delight and innovation to attain sustainable growth



Relevant Facts

30+

Years of robust industry expertise and experience

45

Countries across five continents mark our presence

610,050 TPA

Cumulative production capacity at our Butibori plant

1,400+

Members in Team Indo Rama



OUR OFFERINGS

- Polyester Staple Fibre (PSF) 2,63,550 TPA
- Polyester Filament Yarn (PFY) 2,59,000 TPA
- Draw Texturised Yarn (DTY) 1,38,946 TPA
- Polyester Chips 87,500 TPA
- Power 71.08 MW



WIDE-RANGING PRODUCT APPLICATIONS

- Apparel & Sportswear
- Home Furnishing & Textiles
- Hygiene & Non-woven
- Automotive



OUR KEY RAW MATERIALS

The primary raw materials needed for polyester production are Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG). Both PTA and MEG are petrochemical derivatives, making the industry sensitive to crude oil prices



OUR TECHNOLOGY ALLIANCES

Our global technology partners enable us to consistently improve our capacities and make the most of emerging opportunities. These partners include:

- Chemtex Intl. Inc., USA
- Oerlikon Barmag, Germany
- Zimmer AG, Germany
- Autefa, Germany
- LTG Ameliorair, France
- Bertrams, Switzerland
- LVD, Belgium
- Wartsila Diesel, Finland
- Foxboro Invensys, Singapore
- Teijin Seiki, Japan
- Toyobo, Japan



OUR ACCREDITATIONS

Our commitment to quality, occupational safety, health and environment management has helped us achieve major certifications like:

- ISO-9001:2008 for Quality Management System (QMS) for ensuring stringent quality protocol
- ISO-14001:2004 Certification for globally benchmarked Environment Management System (EMS)
- OEKO Tex Certification for meeting Human and Ecological requirements
- REACH - Substance of Very High Concern (SVHC) for human health and environment safety
- ISO 45001:2018 for occupational health and safety



Our Awards and Accolades

Conferred the Energy Conservation Award in the petrochemical sector by the Maharashtra State Energy Development Agency (MEDA) for FY 2015-16

Received the Highest Exporter and Highest Importer award in Central India from M/s Container Corporation of India Ltd.

Chairman and Managing Director's Message

Dear Stakeholders,

'Atmanirbhar Bharat' is much more than a clarion call to ensure the success of 'Make in India'. It stands as a pledge by Indians to support the Government of India's goal of crafting a US\$5-trillion economy by 2025.

I am glad that we are a cog in the wheel of this nation-building journey that will bring prosperity across the country. Among the fastest growing economies of the world, India—the youngest nation, demographically, is on the verge of becoming an economic powerhouse with a commanding presence.

An impaired global economy

FY 2019-20 carried forward the challenges to economic growth observed during the latter part of FY 2018-19. During the year under review, several factors like the US-China trade tiff, a no-deal Brexit on the cards and others gave rise to protectionist policies among major economies. This eroded investor confidence, concurrently impacting international trade.

Towards the middle of the financial year, green shoots of recovery were observed. This was primarily due to focused monetary policies from central banks of major economies and improved investor sentiments due to progress made in the US-China trade talks and Brexit deal.

However, global economic activity was brought to a standstill by the COVID-19 pandemic transcending borders. To contain the spread of this deadly virus, most nations, including India promptly declared a lockdown, halting all non-essential economic activities.

According to the International Monetary Fund's (IMF's) April 2020 predictions, the global economy is to contract by 3% and is likely to experience its worst recession since the Great Depression of 1930s as a result of COVID-induced lockdowns. Nevertheless, the IMF also forecasts a 'V' shaped recovery for the world economy during FY 2020-21 with a 5.8% growth rate, in a baseline scenario where the pandemic recedes in the second half of 2020.

Atmanirbhar Bharat: The cornerstone of a five-trillion-dollar economy

India responded to the threat of the pandemic with pre-emptive, proactive and graded initiatives, prioritising the lives of its citizens. The Government of India undertook a



slew of measures to limit the economic fallout of the nation-wide lockdown. This includes a ₹ 1.7 trillion relief package, equivalent to 1% of the country's GDP, especially directed towards citizens suffering due to loss of livelihoods.

As a result, the IMF expects India to record a growth of 1.9% during FY 2019-20 and 7.4% in the next financial year with the baseline scenario in place.

The government has also announced a special package worth ₹ 20 trillion, which is 10% of India's GDP to remain on course towards its ambitious target of crafting a US\$5-trillion economy by 2025.

India remains an attractive investment and manufacturing destination for investors from across the world on the back of its young demography, rapidly urbanising population, robust consumption demand and a development-focused government.

Despite this factor, FY 2019-20 began on a muted tone for India. This was primarily due to weak rural income, decline in domestic demand and liquidity crunch in the capital markets. Moreover, subdued global exports led to a decrease in capacity utilisation and clogged fresh investments.

The Government of India stepped in with agility to offset these market conditions and infuse positivity in the economy. It reduced corporate tax rates, offered credit guarantee for Non-Banking Financial Institution (NBFCs) and facilitated the Reserve Bank of India's (RBI) interest rate cut to inject significant liquidity into the economy.

India's focused approach to bolster growth and strong fundamentals has led international investors and businesses to view India as a viable option for relocating their manufacturing base from China and other neighbouring countries. With the government's focus on developing India as the investment and manufacturing destination for the world, the 'Make in India' programme is slated to receive a significant boost and propel India to become atmanirbhar – self-reliant.

A shift in the business paradigm

The Government of India has undertaken several measures to bolster India's textile industry. A major step in this regard was the abolition of anti-dumping duty on Purified Terephthalic Acid (PTA), a critical input for the manufacture of textile fibres and yarns. At Indo Rama, we welcome this decision as PTA is one of our key raw materials.

Additionally, the government aims to grow the country's technical textile industry to US\$ 27.72 billion by FY 2020-21 and therefore has undertaken various steps, including:

- Assigned 207 Harmonised System Nomenclature (HSN) for the industry
- Allocated US\$ 100.15 million for the Amended Technology Upgradation Fund Scheme (ATUFS)

ATUFS is a credit-linked capital investment subsidy and will facilitate investment in the textile industry and indirectly promote finance in textile machinery manufacturing.

The government is also looking to bridge the skill gap in the industry and has approved a new skill development Scheme for Capacity Building in the Textile Sector (SCBTS)—with an outlay of US\$ 202.9 million from FY 2017-18 to FY 2019-20.

Driving with determination

During the year, Company registered revenues from its operations worth ₹ 2,122 crore as against ₹ 1,695 crore previous year, registering a growth of more than 25% with positive EBIDATA of ₹ 0.7 crore as against EBIDTA loss of ₹ 88.6 crore in the previous year.

We are working on enhanced capacity utilisation with better quality product and a satisfied customer base to make the operations profitable. With technical, financial and operational support from Indorama Ventures Public Limited Company (IVL), a co-promoter and a leader in man-made fibre segment, the Company is targeting to achieve capacity utilisation of more than 60% during FY 2020-21, with various cost-efficiency initiatives as compared to 42% in FY 2019-20.

At Indo Rama, the safety of our people is an absolute priority; and we proved it again during the COVID-19 crisis. During the national lockdown announced by the Government of India, we closed our operations and resumed on June 9, 2020 in a phased manner, adhering to all government guidelines for social distancing, hand hygiene and people safety and health. We have conducted regular awareness

programme for our frontline employees, contract employees and family members of employees residing in colonies. We formulated SOP for any outsider entering the factory premises and displayed boards of Dos and Don'ts at various locations at the plant premise.

Value creation for all

We offer our people a conducive and meritocratic work culture that helps sharpen their skills. Transparency and knowledge sharing among our people promotes collaboration and camaraderie in the Indo Rama team.

As a responsible corporate citizen, we engage in community development activities and support education for 1,200 students in Ira International School. In addition, we enable skill training, collaborating with ITI Nagpur and ITI Butibori. We also organise free health check-up and eye camps in and around our plant and help local authorities in driving pulse polio immunisation programmes.

We are cognisant of the impact our operations have on the environment. Hence, we adopt several measures for ecological balance in and around production facilities. We have a captive power plant (CPP), complete with coal-based thermal power of 40 MW capacity and 31.08 MW FO-based DG capacity. It is sufficient to meet our power requirement, still we opted to avail power from state grid from 11th June 2020. This will help in reducing carbon emission and will also help our operations due to reduced cost of power in view of state government subsidies.

Our unwavering focus on effective energy utilisation helps to continuously pursue improvements in energy performance and efficiency.

We also focus on water conservation with a focused approach towards reduce, reuse, recycle, recover and rethink alternate solutions. As a result, we have successfully decreased our specific water consumption in the last few years.

Going forward

Market opportunities beckon us to pursue growth. We are geared up with a customer-focused and value-driven approach to enhance our product quality, people engagement and safety measures as we give back to the society.

On behalf of the Board and our Indo Rama team, I thank everyone of you for your continued trust and support. We are confident of turning the tide of our business soon with your constant encouragement.

Regards

Om Prakash Lohia

Chairman and Managing Director

Indo Rama Synthetics (India) Limited

CIN: L17124MH1986PLC166615

Regd. Office: A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra,

Tel. No.:+91-7104-663000-01 Fax No.: +91-7104-663200

E-Mail: investor-relations@indorama-ind.com Website: www.indoramaindia.com

Notice

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Indo Rama Synthetics (India) Limited will be held on Wednesday, 26th Day of August 2020, at 11:30 AM, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra, India.

ORDINARY BUSINESS

1. To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Directors' Reports and the Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Udeypaul Singh Gill (DIN 00004340), Non-Executive Non- Independent Director, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. 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 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules made thereunder read with Schedule IV to the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) or any other applicable laws, rules and regulations as may be applicable from time to time and pursuant to the recommendations of Nomination & Remuneration Committee of the Board and that of the Board of Directors, the consent of the Members of the Company be and are hereby accorded for the re-appointment of Mrs. Ranjana Agarwal (DIN03340032), who was appointed as a Non -Executive Independent Director of the Company for a term of 5 (five) years commencing from 18th May 2015 till 17th May,

2020, in terms of section 149 of the Companies Act, 2013, who is eligible for re-appointment and has submitted a declaration that she meets the criteria for independence as provided under the Act, and Listing Regulations be and is hereby re-appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years commencing from 18th May, 2020 up to 17th May, 2025, and whose office shall not liable to retires by rotation;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Board of Directors (including any Committee thereof) and/or Company Secretary of the Company be and are hereby severally authorised to file the necessary documents /form(s) returns, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of sections 149, 150, 152 and 161 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there under read with schedule IV of the Act, and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory amendment(s) modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and remuneration Committee and that of the Board, Mr. Dhanendra Kumar, (DIN 05019411), who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from February 14, 2020, pursuant to section 161 of the Act, and who has submitted a declaration that he meets the criteria of independence as provided under the Act, and the Listing Regulations and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Non- Executive Independent Director of the Company to hold office for a term up to 5 (Five) consecutive years with effect from February 14, 2020 up to 13 February, 2025;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Board of Directors (including any Committee thereof) and/or Company Secretary of the Company be and are hereby severally authorised to file the necessary documents /form(s), returns, with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st April, 2019 vide SEBI (LODR) (Amendments) Regulation, 2018 and other applicable provisions, if any, of the Companies Act, 2013 including any amendment (s), statutory modification(s) or re-enactment thereof, for the time being in force and recommendation and/or approval of the Nomination and Remuneration Committee and Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for continuation of holding office of Non-Executive Independent Director of the Company by Mr. Dhanendra Kumar (DIN 05019411), after his attaining the age of 75 (Seventy Five) years on 5th June, 2021 for the remaining period of his tenure as a Non-Executive Independent Director of the Company up to 13th February 2025;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (including Committee thereof) and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and matters and things and give such directions as it may in its absolute directions deem necessary, proper or desirables and to settle any questions, difficulty, or doubts that may arise in this regards and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of Directors or any director(s) or any other key Managerial Personnel or any other officer (s) of the Company.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

Registered Office:

A-31, MIDC Industrial Area
Butibori, Nagpur - 441122, Maharashtra
CIN: L17124MH1986PLC166615
E-mail: investor-relations@indorama-ind.com
Website: www.indoramaindia.com
Tel.: 07104-663000 / 01
Fax: 07104-663200

Place: Gurugram
Date: 24 June 2020

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications of re-enactments thereof, for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, including any amendment(s), statutory modification (s) or re-enactment (s) thereof, the Remuneration of INR.1,80,000/- (Rupees One Lakh Eighty Thousand only) (apart from reimbursement out of pocket expenses and applicable taxes) payable to Mr. R. Krishnan, Cost Accountants (Membership No. 7799), appointed by the Board of Directors in their Meeting held on 24th June 2020, as Cost Auditors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2021, be and is hereby approved and ratified;

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Board of Directors (including any Committee thereof) and/or Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds, matters, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to provisions of Section 14 and other applicable provisions of the Companies Act, 2013, (including any, statutory modification(s) or re-enactment thereof, for the time being in force) and rules framed there under, consent of the Members be and are hereby accorded to adopt the restated Articles of Association of the Company.”

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Board of Directors (including any Committee thereof) and/or Company Secretary of the Company be and are hereby severally authorised to sign, execute, file any document in relation to the alteration of Articles of Association of the Company for and on behalf of the Company and is further authorised to sign all forms, applications, documents, undertakings, affidavits and papers that may be required in connection with the alteration of the Articles of Association of the Company and make appropriate filings with the Registrar of Companies in that regard.”

By order of the Board of Directors
Indo Rama Synthetics (India) Limited

Pawan Kumar Thakur
Company Secretary
(FCS No. 6474)

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 ("Collectively referred to as MCA Circular ") along with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) dated May 12, 2020 permitting the holding of the Annual General Meeting ("AGM") through VC/ OAVM without the physical presence of Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulation") and MCA Circular the AGM of the Company is being held through VC/OVAM. Hence, Member can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given herein below.
2. The Company has appointed National Securities Depositories Limited (NSDL) to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.
3. Members can attend the Meeting using the remote e-Voting login credentials provided to them to connect to Video conference.
4. Pursuant to provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since the AGM is being held pursuant to the MCA Circulars through VC /OVAM, Physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and attendance slip are not annexed to this Notice.
5. In case of joint holders attending the AGM through video conferencing only such joint holder who is higher in the order of name will be entitled to do the e-voting.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The recorded transcript of the forthcoming AGM scheduled to be held on August 26, 2020, shall also be made available on the website of the Company, www.indoramaindia.com, in the Investor Relations Section, as soon as possible after the Meeting is over.
8. The attendance of the Members (member logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act.
9. The Register of Members and the Share Transfer books of the Company shall remain closed from Thursday, 20th August 2020 to Wednesday, 26th August 2020 (both days inclusive) for annual closing.
10. An Explanatory Statement under Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at this meeting, is annexed hereto.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, Securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.
12. In View of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contract the Company or Company's Registrar and Transfer Agent, MCS Share Transfer Agent Limited for assistance in this regard.
13. To support the green initiative; Members who have not yet registered their email address are requested to register the same with their DPs in case the shares are held by them in electronic form and with the MCS Share Transfer Agent Limited in case shares are held by them in physical form.
14. Members are requested to intimate changes if any, pertaining to their names, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, Power of Attorney, bank details, bank account number, MICR Code, IFSC Code, to their DP in case shares are held by them in electronic form to MCS share Transfer Agent Limited, in case shares are held by them in physical Form.
15. As per provisions of section 72 of the Act, the facility for making nomination is available for the Members, in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case shares are held by them in electronic form and to MCS

Share Transfer Agent Limited in case shares are held in physical form.

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MCS Share Transfer Agent Limited, the details of such folio together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such members after making requisite changes.
17. Members who wish to obtain any information on the Company or view the Accounts or the year ended 31st March, 2020 may visit the Company's website, www.indoramaindia.com or send their queries at least 10 days before the Annual General Meeting, to the Company Secretary at the Corporate Office at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurugram-122002, Haryana.
18. Pursuant to Section 124 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules, 2016") dividends for the financial year ended 31st March, 2013 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education & Protection Fund ("IEPF") on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2012-13	4th July 2013	3rd August 2020
2013-14	1st August 2014	31st August 2021
2014-15	30th July 2015	29th August 2022
2015-16	30th September 2016	29th October 2023

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend(s) are also uploaded as per the requirements, on the Company's website www.indoramaindia.com. Members who have so far not encashed the Dividend for the above years are advised to submit their claim to the Company's RTA at their Registered Address given below, immediately quoting their folio number/ DP ID & Client ID.

MCS Share Transfer Agent Limited
 F-65, First Floor
 Okhla Industrial Area, Phase-1
 New Delhi-110 020, India
 Tel. No.:+91-11-4140 6149-52
 Fax No.:+91-11-4170 9881
 E-mail: helpdeskdelhi@mcsregistrars.com

The MCA had notified the IEPF Rules, 2016 effective from 7th September, 2016. Further, the MCA had notified

the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28th February, 2017 ("IEPF Rules, 2017").

The Rules, contain provisions for transfer of all those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in the account of the IEPF Authority.

In terms of the said Rules, the Company has already transferred to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years or more in Financial Year 2019-20.

Accordingly, the Company would be transferring every year to the IEPF Authority those shares in respect of which dividend has not been encashed or claimed by shareholders for seven consecutive years. Members who have so far not encashed the Dividend for seven consecutive years are advised to submit their claim to the Company's RTA at the aforesaid address immediately quoting their folio number/ DP ID & Client ID, to avoid of transfer of their shares to IEPF Authority.

19. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:
 - a) change in the residential status on return to India for permanent settlement.
 - b) particulars of the NRE account with a Bank in India, if not furnished earlier
20. In compliance with aforesaid MCA circulars and SEBI Circular dated May 12, 2020, Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those members whose email address are registered with the Company /Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.indoramaindia.com, website of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL <https://www.evoting.nsdl.com>.
21. Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with Registrar & Transfer Agent on physical folios.

On account of threat posed by COVID-19 and in terms of the above mentioned MCA Circulars and SEBI Circular, the Company has sent the Annual Report,

Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- i) Those shareholders who have registered/not registered their e-mail address or registered an incorrect email address and mobile numbers including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with M/s MCS Share Transfer Agent Limited, Registrar & Transfer Agent of the Company ("RTA") in case the shares are held in physical form.
 - ii) Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number provided with the Company's RTA, by sending a request at email id: admin@mcsregistrars.com/bonds@mcsregistrars.com. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, please refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
22. Instructions for the Members for attending the AGM through Video Conference:
- i) Members will be provided with a facility to attend the AGM through video conferencing platform provided by NSDL. Members may access the same at www.evoting.nsdl.com under "shareholders/members" login by using the remote e-Voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further, Shareholders can also use the OTP based login for logging into the e-voting system of NSDL.
 - ii) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - iii) Further, Members will be required to allow camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.
 - iv) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - v) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM.
23. Members holding shares in the electronic form are requested to intimate all changes with respect to their bank details, mandate, etc., to their respective Depository Participants (DPs). These changes will be automatically reflected in Company's records, which will help the Company to provide efficient and better service to the members.
24. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
25. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.
26. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.
27. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for the financial year 2019-20 will also be available on the Company's website, www.indoramaindia.com, for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members

may also send requests to the Company's Investor email Id: investor-relations@indorama-ind.com.

28. The facility for voting through electronic voting system shall also be made available at the Meeting and Members attending the Meeting who have not already cast their vote by Remote e-Voting shall be able to exercise their right at the meeting.
29. Brief resume of Directors proposed to be appointed /re-appointed, nature of their expertise in the functional areas, name of companies in which they hold directorship and Membership/ Chairman of Board Committees and shareholdings is annexed hereto and form part of the Notice.
30. The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.
31. Any person, who acquires shares of the Company and become Member of the Company after sending of the Notice and holding shares as of the cut off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.

32. Procedure to raise questions/seek clarifications with respect to Annual Report:

- I) As the AGM is being conducted through VC/OAVM, Members are encouraged to express their views/send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail Id, Mobile number at investor-relations@indorama-ind.com to enable smooth conduct of proceedings at the AGM. Questions/Queries received by the Company on or before Thursday, 20th August, 2020 on the afore mentioned e-mail Id shall only be considered and responded to during the AGM.
- II) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id/Folio No., PAN, mobile number at investor-relations@indorama-ind.com on or before Thursday, 20th August, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

- III) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

33. The instructions for shareholders voting electronically are as under:

In compliance with provisions of Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 34th AGM by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the Members using an electronic voting system will also be provided at the AGM by NSDL.

Members who have voted through remote e-Voting will be eligible to attend the AGM but will not be eligible to vote thereat.

- I. The remote e-voting period commences on Sunday, 23rd August, 2020 at 9:00 AM and ends on Tuesday, 25th August, 2020 at 5:00 PM. During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Wednesday, 19th August, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting, shall be eligible to vote through e-voting system during the AGM.
- II. Once the vote on a resolution is cast by the Member, such Member will not be allowed to change it subsequently.
- III. A person who is not a Member as on cut-off date should treat this Notice for information purpose only.
- IV. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Wednesday, 19th August, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.
- V. CS Jaya Yadav (ACS 24582, CP 12070), Practicing Company Secretaries, and falling him, falling her Mr. Himanshu Gupta, Advocate (Enrolment No. D/3139/2014.), has been appointed as the

Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The Results declared along with the report of the Scrutinizer will be placed on the website of the Company, www.indoramaindia.com and on the website of NSDL, i.e., www.evoting.nsdl.com immediately after the declaration of result by the Chairman or Managing Director or any one Director of the Company. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

- VI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM, i.e., 26th August, 2020.

VII. How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting systems.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-voting website?

- I) Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
- II) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

- III) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e., IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2, i.e., cast your vote electronically.

- IV) Your User ID details are given below:

Manner of holding shares, i.e., Demat (NSDL or CDSL) or Physical

Your User ID is:

- | | |
|---|---|
| a) For Members who hold shares in demat account with NSDL.. | 8 Character DP ID followed by 8 Digit Client ID

For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID

For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- V) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the

email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii) If your email ID is not registered, please follow the Process as given in Notice for those shareholders whose email IDs are not registered.
- VI) If you are unable to retrieve or have not received the 'initial password' or you have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- VII) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- VIII) Now, you will have to click on "Login" button.
- IX) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

- I) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on "e-voting". Then, click on "Active Voting Cycles".
- II) After clicking on "Active Voting Cycles", you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- III) Select "EVEN" of "Indo Rama Synthetics (India) Limited."

- IV) Now you are ready for e-voting as the Voting page opens.
- V) Cast your vote by selecting appropriate options, i.e., "Assent" or "Dissent", verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- VI) Upon confirmation, the message "Vote cast successfully" will be displayed.
- VII) You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.
- VIII) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

34. The instructions for Members for e-voting at the AGM:

- I) The procedure for e-Voting at the AGM is same as the instructions mentioned above for remote e-voting.
- II) As mentioned herein above, only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- III) Shareholders who have voted through remote e-voting will be eligible to attend the AGM and their presence shall be counted for the purpose of quorum, however such Shareholders shall not be entitled to cast their vote again at the AGM.

35. General Guidelines for shareholders

- (i) Institutional Shareholders (i.e., other than individuals /HUF, NRI etc.)) are required to send a scanned copy (PD/JPG Format) of the relevant Board Resolution / Authority Letter etc with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to jayayadav@whitespan.in with a copy marked to e-voting@nsdl.co.in.
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.Evoting.nsdl.com or call on toll free No. 1800-222-990 or send a request at evoting@nsdl.co.in,

36. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., 26th August 2020. Members seeking to inspect such documents can send an email to investor-relations@indorama-ind.com.

37. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013: ITEM NO. 3

Members of the Company at the 29th Annual General Meeting held on 30th July, 2015 approved the appointment of Mrs. Ranjana Agarwal (DIN 03340032) as a Non-Executive Independent Director of the Company for a period of 5 (five) years from 18th May, 2015 to 17th May, 2020., As per the provisions of section 149 of the Companies Act, 2013., an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for the re-appointment for another term of up to five years on passing of Special Resolution by the Shareholders.

The Company has received a declaration from Mrs. Ranjana Agarwal that she is not disqualified from being re-appointed as an Independent Director in terms of section 164 of the Companies Act, 2013, submitted declaration that she meets with the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI Listing Regulations and her consent to continue as an Independent Director, Mrs. Agarwal is independent of the management.

The Resolution seek the approval of the Members for the re-appointment of Mrs. Ranjana Agarwal as an Independent Director of the Company for another term of 5 (five) consecutive years commencing from 18th May, 2020 to 17th May, 2025 in term of section 149 and other applicable provisions of the Act, and rules made there under. She is not liable to retire by rotation. In the opinion of the Board, Mrs. Ranjana Agarwal fulfills the conditions for her

re-appointment as an Independent Director as specified in the Act, and the SEBI Listing Regulations and is independent of the Management. Based on the recommendation of the Nomination & Remuneration Committee and keeping in view the expertise of Mrs. Ranjana Agarwal, the Board of Directors vide Circular Resolution No.1 of 2020 dated 17th May, 2020 approved the re-appointment of Mrs. Ranjana Agarwal as mentioned in the Resolution.

Brief resume of Mrs. Ranjana Agarwal, nature of her expertise in functional areas and names of companies in which she holds Directorships and Memberships/Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Annexure I of the Notice.

Mrs. Agarwal is not debarred from holding the office of Director pursuant to any SEBI order or any such statutory authority.

Mrs. Agarwal is Non-Executive Independent Director and does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Copy of the appointment letter of Mrs. Ranjana Agarwal as an Independent Director setting out the terms and conditions is an available for inspection by members through electronic mode, basis the request being sent on investor-relations@indorama-ind.com .

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Agarwal as an Independent Director of the Company.

Except Mrs. Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No. 4

Pursuant to section 161 of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Mr. Dhanendra Kumar, (DIN 05019411) as an Additional Director in the Category of Non-Executive Independent Director of the Company with effect from 14th February, 2020.

In terms of provisions of 161 of the Companies Act, 2013 Mr. Dhanendra Kumar, (DIN 05019411) would hold office up to the date of this Annual General Meeting. On the recommendation of the Nomination & Remuneration Committee, Board at its meeting held on February 14,

2020, recommended to the Members of the Company, the appointment of Mr. Dhanendra Kumar, (DIN 05019411) as Non-Executive Independent Director for a term of 5 (five) consecutive years from 14th February, 2020 to 13 February, 2025 under Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Dhanendra Kumar has given his consent to act as a Director and declaration that he is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013.

The Company has also received declaration from Mr. Dhanendra Kumar that he meets the criteria of independence as provided under Section 149 (6) of the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the basis of above declaration, the Board is of the opinion that Mr. Dhanendra Kumar fulfill the conditions specified in the said Act, and SEBI Regulations and also possesses appropriate balance of skill, experience and knowledge so as to enable the Board to discharge its functions and duties effectively and both are independent of the Management.

Brief resume of Mr. Dhanendra Kumar, nature of his expertise in functional areas and names of companies in which he holds Directorships and Memberships /Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Annexure I of the Notice.

Mr. Dhanendra Kumar is not debarred from holding the office of Director pursuant to any SEBI order or any such statutory authority.

Mr. Dhanendra Kumar is Non-Executive Independent Director and does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Copy of the appointment letter of Mr. Dhanendra Kumar as Independent Director setting out the terms and conditions is an available for inspection by members through electronic mode, basis the request being sent on investor-relations@indorama-ind.com.

Except Mr. Dhanendra Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Listing Regulations with the Stock Exchanges.

The Board of Directors recommends Ordinary Resolution as set out in item No. 4 of the Notice for approval by the Members.

Item No. 05

The Members of the Company are informed that SEBI has come out with a notification on 9th May, 2018 amending the existing Listing Regulations by issuing the SEBI (Listing Obligations Disclosure Requirements) (Amendment) Regulations 2018. The Regulation is effective from 1st April, 2019 unless any other specific date is provided for a specific Regulation. Regulation 17 is one of the provisions in which the amendment have been made by insertion of new sub-regulation (1A) thereunder and same is applicable with effect from 1st April, 2019. In term of said sub-regulation, a person shall not be eligible to get appointment as a Non-Executive Director or in case of existing Non-Executive Director shall not be eligible to continue such directorship, if he/she has attained the age of 75 (Seventy Five) years unless the approval of the shareholders of the Company is obtained by way of Special Resolution. The said Regulation is reproduced for ready reference of the Members.

“(1A) No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director, who has attained the age of 75 (Seventy Five) years unless a Special Resolution is passed to that effect, in which case explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such a person.”

Considering the implication of such amendment, the same shall result in the immediate vacation of such director as the restriction is not imposed only on the appointment but also on the continuation of the existing director. In view of the above, Company is required to take the approval from the shareholders by way of Special Resolution beforehand so that the existing Non-Executive Director who is about to attain the age of 75 (Seventy Five) can continue as a Non- Executive Independent Director.

As per section 177 (4) (iv) of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations read with part C of schedule II thereof, the Nomination and Remuneration Committee and of the Board have accorded its consent to the continuation of Mr. Dhanendra Kumar as a Non-Executive Independent Director of the Company at its meeting held on 24th June, 2020 on attaining his age of Seventy Five (75) years on 5th June, 2021.

The Members are further apprised that Mr. Dhanendra Kumar (DIN: 05019411) was appointed as Non-Executive Independent Director of the Company with effect from 14th February, 2020 for a period of 5 (five) years from the said date till 13th February, 2025, subject to approval of the shareholders at the ensuing Annual General Meeting.

The statement may also be regarded as a disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Mr. Dhanendra Kumar is not debarred or disqualified from continuing to act as a director of Company by SEBI, MCA or any other statutory authority.

Keeping in view that the aforesaid director possesses requisite qualifications, the members are requested to approve continuation of his appointment as Non-Executive Independent Director on attaining his age of 75 (Seventy Five) years on 5th June, 2021 for his existing term of appointment.

Except Mr. Dhanendra Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this Resolution.

The Board of Directors recommends Special Resolution as set out in item No. 5 of the Notice for approval by the Members.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the re-appointment and remuneration of Mr. R. Krishnan, Cost Accountants, (Membership No. 7799) as Cost Auditors of the Company for the financial year ending 31st March 2021, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the notice of 34th Annual General Meeting of your Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of Mr. R. Krishnan, Cost Accountants, (Membership No. 7799), to conduct the audit of the cost records of the Company for the financial year 2020-21 at a remuneration of ₹1,80,000/- (Rupees One Lakh Eighty Thousand only. as audit fee plus applicable taxes plus out of pocket expenses

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice,

Registered Office:

A-31, MIDC Industrial Area
Butibori, Nagpur - 441122, Maharashtra
CIN: L17124MH1986PLC166615
E-mail: investor-relations@indorama-ind.com
Website: www.indoramaindia.com
Tel.: 07104-663000 / 01
Fax: 07104-663200

Place: Gurugram
Date: 24 June 2020

to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2021.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO. 7

In view of the Investment Agreement dated 21st January, 2019 executed by and among the Indorama Netherlands B.V. ('INBV'), Mr. O.P. Lohia, Mr. Vishal Lohia, Mrs. Urmila Lohia, Indorama Ventures Public Company Limited ('IVL') and Indo Rama Synthetics (India) Limited and pursuant to the provision of section 14 of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification (s) or re-enactment thereof for the time being in force) and rules framed there under, the Company is required to adopt the new set of Articles of Association of the Company, incorporating therein to incorporate the provisions of said Investment Agreement and schedule to the Investment Agreement ("Restated Articles of Association").

The Board of Directors at its meeting held on June, 24th, 2020 has approved alteration of the Articles of Association ('AOA') of the Company and the Board now seek Members' approval for the same.

The draft Articles of Association of the Company will be open for inspection through electronic mode, basis the request sent by the member to investor-relations@indorama-ind.com. The draft Articles of Association will also available for inspection at the AGM.

None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

By order of the Board of Directors
Indo Rama Synthetics (India) Limited

Pawan Kumar Thakur
Company Secretary
(FCS No. 6474)

ANNEXURE I TO THE NOTICE**Details of Directors seeking appointment/re-appointment at the 34th Annual General Meeting:**

In pursuance of Regulation 26(4) and Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2).

1. Mr. Udeypaul Singh Gill (DIN: 00004340)	
Name of Director	Mr. Udeypaul Singh Gill
Father's Name	Shri Mahender Singh Gill
Age and date of birth	67, 16th October 1953
Date of first Appointment	3rd April 2019
Brief Profile	Mr. Gill possesses rich experience in the field of Fibers, Polyester and Yarns Business.
Qualification	MBA (Market Management) and holds International Trade Degree, from University of California, Davis.
Directorship/Chairman/CEO held in other Companies	<ol style="list-style-type: none"> 1. Indorama Ventures PCL; 2. Sinterama S.p.A.; 3. Wellman Neufchateau Recyclage S.A; 4. Avgol Industries 1953 Ltd.; 5. Performance Fibers Operations México; 6. Performance Fibers Services, S. de R.L.; 7. Glanzstoff Industries A.G.; 8. Performance Fibers (Kaiping) No.3; 9. Performance Fibers (Kaiping) Company; 10. Performance Fibers (Kaiping) No.2; 11. Performance Fibers (Hong Kong) Limited; 12. PHP Fibers GmbH; 13. PHP Fibers Inc; 14. Indorama Germany GMBH (Former name is Trevira Holdings GmbH); 15. Indorama Polyester Industries PCL; 16. PT. Indorama Polychem Indonesia; 17. PT. Indorama Ventures Indonesia; 18. PT. Indorama Polyester Industries; 19. KP Equity Partners Inc; and 20. Wellman International Limited.
Chairman/Member of the Committee of the Board of Directors of the Company	Nomination and Remuneration Committee-Member Stakeholders Relationship Committee-Member Banking and Finance Committee-Member Share Allotment and Transfer Committee-Member Corporate Social Responsibility Committee-Member Risk Management Committee-Member
Chairman/Member of the Committee of the Board of Directors of other Company in which he is Director	Nil
No of Equity Shares held in the Company	Nil
No of Board Meeting attended during the financial year 2019-20	3
Relationship of the Director, Manager and other KMP of the Company	None
2. Independent Director – Mrs. Ranjana Agarwal (DIN: 03340032)	
Name of Director	Mrs. Ranjana Agarwal
Father's Name	Late Shri Om Prakash Vaish
Age and date of birth	64, 25th November 1956
Date of first Appointment	18th May 2015

Brief Profile	<p>Mrs. Agarwal is the Founder and Managing partner of Vaish & Associates, Chartered Accountants.</p> <p>She has been in practice for more than 35 years. Her boutique firm specialises in audit, taxation and related services including valuations and due diligence. She was also partner in Deloitte Haskins & Sells up to 2000.</p> <p>She was the President of FICCI Ladies Organisation in 2010-11 and heads the India chapter of Women Corporate Directors, USA.</p> <p>She did her graduation in Economic Honours from Lady Shri Ram College and CA training from Price Waterhouse Coopers.</p> <p>Mrs. Agarwal is life trustee in her own family welfare trusts working in the field of health, education and welfare of handicapped persons</p>
Qualification	Graduation in Economic Honours and CA
Directorship held in other Companies	<ol style="list-style-type: none"> 1. KDDL Limited; 2. ICRA Limited; 3. ICRA Analytics Limited; 4. URGO Capital Limited; 5. RBL Bank Limited; and 6. Joyville Shapoorji Housing Pvt. Limited.
Chairman/Member of the Committee of the Board of Directors of the Company	<p>Audit Committee-Member</p> <p>Nomination and Remuneration Committee-Member</p> <p>Corporate Social Responsibility Committee-Member</p>
Chairman/Member of the Committee of the Board of Directors of other Company in which she is Director	<p>KDDL Limited:</p> <p>Audit Committee-Member</p> <p>Nomination and Remuneration Committee-Member</p> <p>Corporate Social Responsibility Committee-Member</p> <p>ICRA Limited:</p> <p>Audit Committee-Chairperson</p> <p>Corporate Responsibility Committee-Chairperson</p> <p>Nomination and Remuneration Committee-Member</p> <p>Buy Back Committee-Member</p> <p>Risk Management Committee-Member</p> <p>Stakeholders Relationship Committee-Member</p> <p>Investment and Real Estate Committee-Chairperson</p> <p>ICRA Analytics Limited:</p> <p>Corporate Social Responsibility Committee-Chairperson</p> <p>URGO Capital Limited:</p> <p>Nomination and Remuneration Committee-Chairperson</p> <p>Audit Committee-Member</p> <p>Corporate Social Responsibility Committee-Member</p> <p>Risk Management Committee-Member</p> <p>Assets Liability Committee-Member</p> <p>RBL Bank Limited:</p> <p>Audit Committee-Member</p> <p>Board Investment and Credit Committee-Member</p> <p>Corporate Social Responsibility Committee-Member</p> <p>Joyville Shapoorji Housing Pvt. Limited:</p> <p>Audit Committee-Member</p>
No of Equity Shares held in the Company	Nil
No of Board Meeting attended during the Financial year 2019-20	4
Relationship of the Director Manager and other KMP of the Company	None

3. Independent Director – Mr. Dhanendra Kumar (DIN: 05019411)	
Name of Director	Mr. Dhanendra Kumar
Father's Name	Shri Amar Nath Singhal
Age and date of birth	74, 6th June 1946
Date of first Appointment	14th February 2020
Brief Profile	<p>Mr. Dhanendra Kumar is the first Chairperson of Competition Commission of India (February, 2009 - June, 2011) and was responsible for initiating right from inception the enforcement of Competition Law and roll out of M&A Regulations, putting in place the systems and procedures, recruitment of professionals, capacity building and bilateral agreements with other jurisdictions. Over the years, CCI has come to be globally respected as a mature market regulator</p> <p>Post June 2011, he chaired the Government's Committee for framing the National Competition Policy and formulating needed amendments in the Act. He also separately chaired the Committee for Reforms in Housing and Real Estate Sector.</p> <p>Earlier, he was India's Executive Director at the World Bank/IFC at Washington DC (2005-09). He also represented besides India, Sri Lanka, Bangladesh and Bhutan. While on the World Bank Board, he was on several sub-committees of the Board.</p> <p>He is the Founder Chairman of Competition Advisory Services (India) LLP, a niche consultancy and advisory service in Competition Law (www.compad.in) and Investment related matters (set up in 2011).</p> <p>He is also currently associated with Indian Institute of Corporate Affairs (Ministry of Corporate Affairs) as a Distinguished Fellow, and was earlier a member of Union Minister's Committee on E-Commerce, and later the Competition Law Review Committee</p>
Qualification	Master of Science (MSC, Physics) with a major in Electronics and is a veteran IAS Officer
Directorship held in other Companies	<ol style="list-style-type: none"> Jay Bharat Maruti Limited; and Ginni International Limited.
Chairman/Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee-Chairman Audit Committee-Member Nomination and Remuneration Committee-Member Share Allotment and Transfer Committee-Member
Chairman/Member of the Committee of the Board of Directors of other Company in which he is director	Jay Bharat Maruti Limited: Nomination and Remuneration Committee-Chairman Stakeholders Relationship Committee-Member Corporate Social Responsibility Committee-Member
No of Equity Shares held in the Company	Nil
No of Board Meeting attended during the financial year 2019-20	1
Relationship of the Director Manager and other KMP of the Company	None

Directors' Report

To the Members,

Your Directors hereby presents their 34th Annual Report on the business and operations of the Company along with the audited financial statements for the year ended March 31, 2020.

1. Financial Highlights

The financial performance of the Company for the year ended 31st March, 2020 is summarised below:

Particulars	(₹ In Crores)		
	Standalone		Consolidated
	Year Ended		Year Ended*
	31 March 2020	31 March 2019	31 March 2020
Total Income	2,127.94	1,699.37	2,127.95
Profit before Financial Costs, Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBIDTA)	0.66	(88.58)	0.22
Finance Costs	92.31	131.32	92.31
Profit/(loss) before Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBIDTA)	(91.65)	(219.90)	(92.09)
Depreciation	86.00	83.04	86.00
Foreign exchange fluctuation Loss / (Gain).	2.35	3.53	2.35
Profit / (Loss) before Exceptional items and Tax	(180.00)	(306.47)	(180.44)
Exceptional Items		115.19	
Profit / (Loss) before Tax	(180.00)	(421.66)	(180.44)
Tax Charge /(Credit)	136.10	(150.60)	136.10
Profit / (Loss) after Tax from continuing operations	(316.10)	(271.06)	(316.54)
Other comprehensive income/(expense) (net of tax)	(1.46)	0.73	(1.46)
Total comprehensive income / (expense) after tax	(317.56)	(270.33)	(318.00)
Profit / (Loss) brought forward from previous year	(247.20)	23.13	(247.20)
Profits / (Loss) available for Appropriation	(564.76)	(247.20)	(565.20)
Surplus/(Deficit) carried to Balance Sheet	(564.76)	(247.20)	(565.20)

* Wholly Owned Subsidiary was incorporated on 16th August, 2019.

2. Operational results and the state of Company's affairs

On standalone basis, during the year 2019-20, we achieved revenue from operations of ₹2,122.05 Crores as against ₹1,694.56 Crores in 2018-19 due to focused marketing efforts and better outreach to customers nationally and internationally. The Company could achieve positive EBIDTA of ₹0.66 Crores as against EBIDTA loss of ₹88.58 Crores previous year. Our Loss before Tax for the year is ₹180.00 Crores as against ₹421.66 Crores in 2018-19.

The Company has reassessed the carrying value of deferred taxes and made appropriate adjustment by ₹136.10 Crores in the carrying value of deferred tax assets based on prudence. The management is confident about the achievement of its long-term business plan and

availability of sufficient future taxable profits against which deferred tax is fully recoverable.

On consolidated basis, during the year 2019-20, we achieved revenue from operations of ₹2,122.05 Crores. Our net loss for the year is of ₹318.00 Crores. There is no comparable consolidated figures for the year 2018-19, since Wholly Owned Subsidiary, Indorama Yarns Private Limited, was incorporated on 16th August, 2019.

3. Dividend

In view of loss suffered by the Company, your Directors do not recommend any dividend for the year under review.

4. Transfer to Reserve

No amount is proposed to be transferred to Reserves.

5. Change in the Nature of Business

There was no change in the nature of the business of the Company, during the year.

6. Share Capital

During the year under review, the authorised share capital of the Company is ₹275,00,00,000/- (Indian Rupees Two Hundred Seventy Five Crore only) divided into 27,50,00,000 (Twenty Seven Crore Fifty Lakhs) Equity Shares of ₹10/- each and Issued Subscribed and Paid-up Share Capital has been increased to ₹261,11,31,510/- (Indian Rupees Two Hundred Sixty One Crore Eleven Lakhs Thirty One Thousand Five Hundred Ten only) divided into 26,11,13,151 (Twenty Six Crore Eleven Lakhs Thirteen Thousand One Hundred Fifty One) Equity Shares of ₹10/- each from ₹178,11,31,510/- (Indian Rupees One Hundred Seventy Eight Crore Eleven Lakhs Thirty one Thousand Five Hundred Ten only) divided into 17,81,13,151 (Seventeen Crore Eighty One Lakhs Thirteen Thousand One Hundred Fifty One) Equity Shares of ₹10/- each.

7. Preferential Issue of Shares and Open Offer

During the year under review, pursuant to the Investment Agreement the Company has allotted 8,30,00,000 (Eight Crore Thirty Lakhs) Equity Shares of face value of ₹10/- (Indian Rupees Ten only) each, at a price of ₹36/- (Indian Rupees Thirty Six only) aggregating amount to ₹298,80,00,000/- (Indian Rupees Two Hundred Ninety Eight Crore and Eighty Lakhs only) to Indorama Netherlands B.V.,(Acquirer) on 3rd April 2019 representing 31.79% of the Emerging Share Capital.

The Acquirer has made mandatory Open Offer in accordance with the Regulation 3 (1) and 4 of SAST Regulations as a result of the direct acquisition of Equity Shares of the Company by way of a preferential issue.

Your Company made post offer public announcement dated 6th June, 2019 informing post open offer increase in the shareholding of the Acquirer to 38.56% from 31.79% on preferential issue basis.

8. Compliance with minimum public shareholding requirements set out in the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations")

On 31st May 2019, with the completion of the preferential issuance and acquisition of shares tendered in the Open Offer, the aggregate promoter shareholding in the Company increased from 74.94% (prior to the Open Offer) to 81.72% (post the Open Offer). Consequentially, the public shareholding in the Company dropped from 25.06% (prior to the Open Offer) to 18.28% (post the Open Offer).

In light of the above regulations, the public shareholding of the Company on dropping to 18.28% (i.e., below 25%) on account of acquisition of equity shares in the Open Offer, required to be increased to a minimum of 25% by 31st May, 2020 (i.e. within 1 year from the date of acquisition of equity shared under the open offer).

The Company plans to comply with SCRR, as per SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated 10th October 2017 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14th May 2020.

9. Pre-mature Delisting of privately placed Debt Securities

During the year under review, the Company has delisted its 19,999 Secured Rated Redeemable Non-Convertible Debentures (NCDs), from BSE Limited, on 19th September, 2019 by prepaying NCDs amount in view of its high cost.

10. Redemption of 20 Crore Unsecured 12% Optionally Convertible Debentures (OCD's)

The Company had allotted 20 (Twenty) unsecured 12% Optionally Convertible Debentures (OCDs) to one of the Promoter of the Company (preferential basis) on 24th January 2018, bearing face value of ₹1,00,00,000/- each at par, the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Company had redeemed fully OCDs on 24th July, 2019, as per the terms of the issuance.

11. Committees of the Board

The Board of Directors has the following Committees:

- i) Audit Committee;
- ii) Nomination and Remuneration Committee;
- iii) Stakeholders Relationship Committee;
- iv) Share Allotment and Transfer Committee;
- v) Corporate Social Responsibility Committee;
- vi) Risk Management Committee;
- vii) Banking and Finance Committee; and
- viii) Business Responsibility Reporting Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

12. Meeting of the Board of Directors

During the year 2019-20, your Company had convened and held (5) five Board Meetings. The Details of the Board Meeting with regard to their dates and attendance of each of the Directors thereat have been provided in the Corporate Governance Report. The intervening gap between the meetings was within the period

prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

13. Directors and Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Mr. Ashok Kumar Ladha and Mr. Suman Jyoti Khaitan were re-appointed as Non-Executive Independent Directors, for further five consecutive years, with effect from 15th May 2019 for a second term.

On the recommendation of the Nomination and remuneration Committee, the Board has appointed Mr. Dhanendra Kumar as an Additional Non-executive Independent Director of the Company with effect from 14th February 2020, who hold office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and is eligible for appointment.

In line with the provisions of Sections 149, 160 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder and Listing Regulations, Mr. Dhanendra Kumar, has been appointed as Non-executive Independent Director of the Company, with effect from 14th February 2020.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors vide Circular Resolution No. 1 which was approved by the Board on 17th May, 2020. Mrs. Ranjana Agarwal (DIN: 03340032) has been re-appointed as Non-Executive Independent Director under Section 149(10) of the Companies Act, 2013 and Listing Regulations to hold office for further 5 (five) consecutive years for a second term with effect from 18th May, 2020 till 17th May, 2025 subject to the approval of the shareholders at the ensuing Annual General Meeting

Mr. Udeypaul Singh Gill, (DIN 00004340), was appointed as an Additional Director of the Company with effect from 3rd April 2019 and he was regularised as Director at the 33rd Annual general Meeting of the Company held on 26th July, 2019.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Udeypaul Singh Gill (DIN: 00004340), Non-executive Non-Independent Director of the Company, will retire by rotation at the ensuing Annual General meeting and being eligible, offers himself for re-appointment.

The Board of Directors of the Company at its meeting held on February 14, 2019 re-appointed Mr. Vishal Lohia (DIN 00206458) as Whole-time Director of the Company for a further period of 3 (three) years with effect from 1st April 2019 to 31st March 2022, subject to approval of the shareholders of the Company. The shareholders

of the Company have approved his re-appointment as the Annual General Meeting of the Company held on 26th July, 2019.

Mr. M. N Sudhindra Rao, (DIN 01820347), was appointed as an Additional Director with effect from 3rd April 2019. Mr. Rao was also appointed as the Executive Director and Chief Executive Officer/Key Managerial Personnel of the Company, for a period of 3 (three) years, with effect from 8th April 2019 to 7th April 2022, subject to approval of the shareholders. The shareholders of the Company at the Annual general Meeting held on 26th July, 2019, approved his appointment.

Mr. Umesh Kumar Agrawal was appointed as Chief Commercial and Chief Financial Officer with effect from 16th April, 2019.

During the year, Mr. Jayant K Sood resigned from the post of CHRO and Company Secretary and Mr. Pawan Kumar Thakur has been appointed as Company Secretary and Compliance Officer of the Company, both, with effect from 6th August 2019.

Mr. Ashok Kumar Ladha resigned on 25th November 2019 from the Board of Directorship due to personal reason and the Board places on records its appreciation towards his invaluable contribution and guidance made by Mr. Ladha during his tenure as Independent Director of the Company.

The SEBI has come out with notifications on 9th May, 2018, amending the existing listing Regulations by issuing the SEBI (Listing Obligations Disclosure Requirements) (Amendment) Regulations 2018. The Regulation is effective from 1st April, 2019 unless any other specific date is provided for a specific Regulation, Regulation 17 is one of the provisions in which the amendments have been made by insertion of new sub-regulation (1A) thereunder and same is applicable with effect from 1st April, 2019. In term of said sub-regulation, a person shall not be eligible to get appointment as a Non-Executive Director or in case of existing Non-Executive Director shall be eligible to continue such directorship, if he/she has attained the age of 75 (seventy five) years unless the approval of the shareholders of the Company is obtained by Special Resolution.

Considering the implication of such amendment, the same shall result in the immediate vacation of such director as the restriction is not imposed only on the appointment but also on the continuation of the existing director. In view of the above, Company is required to take the approval from the shareholders by way of Special Resolution beforehand so that the existing Non-executive Director, who is about to attain / has already attained the age of 75 (seventy five) can continue as a Non- Executive Independent Director.

Mr. Dhanendra Kumar (DIN: 05019411) was appointed as Non-Executive Independent Director of the Company with effect from 14th February 2020 for a period of 5 (five) years from the said date till 13th February 2025, subject to approval of the shareholders at the ensuing Annual General Meeting.

Mr. Dhanendra Kumar (DIN: 05019411) will attain the age of 75 (seventy five) years on 5th June, 2021.

Keeping in view that the aforesaid director possesses requisite qualifications, carry rich and varied experience and also considering his independence, it is desirable to continue to avail his services as Non-executive Directors of the Company, accordingly board recommends continuation of his appointment as Non-Executive Independent Director on attaining his age of 75 (seventy five) years on 5th June, 2021 for his existing term of appointment.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company (KMP) are, Mr. M. N. Sudhindra Rao, Mr. Umesh Kumar Agrawal, Mr. Susheel Kumar Mehrotra and Mr. Pawan Kumar Thakur.

Necessary Resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the notice convening the ensuing AGM and requisite details have been provided in the explanatory statement of the Notice. The Board recommends their appointment/re-appointment.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fee for the purpose of attending the meetings of the Board and committees of the Board.

14. Declaration by Independent Director of the Company

For the Year 2019-20, all the Independent Directors of the Company have given their declaration to the Company that they meet the criteria of independence as laid down under Section 149(7) read with Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations and affirmed compliance with Code of Ethics and Business Principles as required under Regulation 26(3) of SEBI (LODR) Regulations, 2015 (as amended).

The Appointment and Tenure of the Independent Directors, including code for Independent Directors are available on the website of the Company, www.indoramaindia.com.

15. Nomination & Remuneration Policy

The Board of Directors of the Company has adopted on recommendation of the Nomination and Remuneration

Committee, a policy for selection and appointment of Directors, senior management and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in section 178 (3) of the Companies Act, 2013. The said policy has been posted on the website of the Company, www.indoramaindia.com.

16. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulation 17 of Listing Regulations, 2015 the Board has carried out the annual evaluation of its own performance and of the Directors individually, as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration and other Committees. At the meeting of the Board, all the relevant factors that are material for evaluation the performance of individual Directors, the Board and its various Committees, were discussed in detail and structured questionnaire each, for evaluation of the Board, its various Committee and individual Directors, was prepared and recommended to the Board by the Nomination and Remuneration Committee, for doing the required evaluation, after taking into consideration the input received from the Directors, covering various aspect of the Board's functioning, such as adequacy of the composition of the Board and its Committee, execution and performance of specific duties, obligations and governance, etc.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who was evaluated on the parameters such as level of engagement and contribution, Independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and Non-Independent Directors were also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

17. Separate Meeting of Independent Directors

In terms of the requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on 16th March 2020. The Independent Directors at the meeting, inter-alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

18. Familiarisation program for Independent Directors

The familiarisation programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company, www.indoramaindia.com.

19. Secretarial Standards

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

20. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, your Directors state:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed and there are no material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of year and of the Loss of the Company for that period;
- (iii) 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;
- (iv) that the Annual Accounts for the year ended 31st March, 2020 have been prepared on a going concern basis.
- (v) that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively.
- (vi) that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the

Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the year 2019-20.

21. Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed with this Report. However, as per the provision of section 136 of the Act, the Annual Report is being sent to the Members and other entitled thereto, excluding the information on employees' remuneration particulars as required under Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014, shareholders interested in obtaining this information may access the same from the Company website. In accordance with section 136 of the Companies Act, 2013, this exhibit is available for inspection by shareholders through electronic mode.

Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

22. Business Responsibility Report

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Business Responsibility Report, detailing various initiative taken by the Company on Environmental, social, and governance fronts is forming part of this report. The Board of Director has adopted Business Responsibility Policy. The said policy has been disclosed on the Company's website at www.indoramaindia.com/irsl/pdf/Business-Responsibility-Policy.pdf.

23. Information under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under section 4 of the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contain under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

The Policy of the “Prevention of Sexual Harassment of Women at Workplace” of the Company is available on the website of the Company, www.indoramaindia.com.

24. Audit Committee

The Audit Committee of the Board of Directors of the Company consists of Dr. Arvind Pandalai as Chairman and Mr. Vishal Lohia, Mr. M. N. Sudhindra Rao, Mr. Suman Jyoti Khaitan, Mrs. Ranjana Agarwal, Dr. Dhanendra Kumar as its other Members. The Company Secretary is the Secretary of the Committee. The details of terms of reference of Audit Committee, number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the attached Corporate Governance Report. During the year, there were no instances where the Board had not accepted the recommendations of the Audit Committee.

25. Vigil Mechanism / Whistle Blower

The Company has adopted a Whistle Blower policy as per the requirement of Companies Act, 2013 and List Regulations and has established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company Code of conduct. The said policy has been disclosed on the Company's website www.indoramaindia.com.

26. Credit Rating

During the year, India Rating & Research (IND-RA) has assigned your company, a Long-Term Issuer Rating “IND BBB-”. The outlook is stable. The instrument wise rating action are as under:

Instrument Type	Size of Issue (₹ in Crores)	Rating/Outlook	Rating Action
Long-term loan	₹500	IND BBB-/Stable	Assigned
Working Capital Limits	₹900	IND BBB-/stable/ IND A3	Assigned

27. Subsidiary

Presently, your Company has one Wholly Owned Subsidiary, viz.; Indorama Yarns Private Limited, which was incorporated on 16th August 2019.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the Financial Statements of the Company's Subsidiary, Joint Venture and Associate Company (in Form AOC-1) is annexed to this Report.

28. Consolidated Financial Statements

For the period under review, the Company has consolidated the financial Statements of its wholly owned subsidiary namely Indorama Yarns Private Limited.

In accordance with third proviso of section 136 (1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and consolidated financial statements has been placed on the website of the Company www.indoramaindia.com. Further as per fourth proviso of the said section, audited annual accounts of the subsidiary company has also been placed on the website of the Company, www.indoramaindia.com. Shareholders interested in obtaining a copy of the annual audited accounts of the subsidiary Company may write to the Company Secretary at the Company registered office. A statement containing the salient features of subsidiary in AOC-1 is annexed to this Report.

29. Related Party Transactions

There are no material significant related party transactions made by the Company which may have potential conflict with the interest of the Company. Related party transactions that were entered into during the year under review were on the arm's length basis and were in ordinary course of business. The Particulars of material related party transactions, if any, is provided in Form AOC-2 as required under section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed with this Report.

Further, suitable disclosures as required under the Accounting Standards has been made to the notes of the Financial Statements.

The Board has approved a policy of the related party transaction, which has been uploaded on the website of the Company, www.indoramaindia.com.

30. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the Company at its 32 Annual General Meeting appointed, M/s Walker Chandiook & Co LLP (FRN 00/076N/N 500013) as Statutory Auditors of the Company, to hold office for five consecutive years from the conclusion of the 32nd Annual General Meeting of the Company held on 28th July 2018, until the conclusion of 37th Annual General Meeting of the Company to be held in the year 2023. The requirement for the annual rectification of Auditors appointed at the AGM has been omitted pursuant to the Companies (Amendment) Act, 2017, notified on 7th May 2018.

The observations of the Auditors explained wherever necessary in the appropriate Notes on Accounts. The Auditors Report does not contain any qualification, reservation or adverse remarks.

31. Cost Auditors

In compliance with the provisions of the Companies Act, 2013 and relevant rules the Company has been maintain cost Records.

In conformity with the Directives of the Central Government, the Company has appointed R. Krishnan, Cost Accountants, (Membership No.7799) as Cost Auditor under section 148 of the Companies Act, 2013 for audit of Cost Record of the Company to carry out the audit of cost records maintained by the Company for the year 2019-20.

The Company has received consent from R. Krishnan, Cost Accountants, for re-appointment as Cost Auditors for the year 2020-21, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the notice of 34th Annual General Meeting of your Company.

32. Internal Auditor

The Company has appointed M/s S S Kothari Mehta & Company as Internal Auditor under Section 138 of the Companies Act, 2013 and Rules made thereunder. The scope, functioning, periodicity and methodology for conducting internal audit were approved by the Board of Directors and reviewed by the Audit Committee from time to time.

33. Secretarial Auditor

Pursuant to provision of section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board of Directors had appointed Mr. Sanjay Grover, Partner, M/s Sanjay Grover and Associates, Company Secretaries, (Firm Registration No. P2001DE052900), as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for the year 2019-20 and due to his sudden demise, casual vacancy created.

Subsequently, Mr. Pradeep Kathuria, Proprietor, M/s P. Kathuria & Associates, Company Secretaries, (Membership No. 4655), has been appointed as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for the Year 2019-20, to fill-up the casual vacancy.

The Secretarial Audit report of Mr. Pradeep Kathuria, Proprietor, M/s P. Kathuria & Associates, Company Secretaries, in Form MR-3, for the year ended 31st March, 2020 is annexed to this Directors' Report.

34. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars/guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to Stock Exchange within the sixty days of the end of financial year.

35. Response to Secretarial Auditor observations

Your Director wishes to inform you that the observations made by the secretarial Auditor are self-explanatory, need no further clarification except the following:

1. It has been observed by the Secretarial Auditor that Some of the e-forms have been filed beyond the due date with MCA with the payment of additional fees.

In response to same, Directors would like to submit that all efforts are taken to file the forms within the stipulated dates. However, sometimes some delay occurs due to various technical reasons, like non-functioning of MCA portal, etc. beyond the control of the Company. However, all such forms have been submitted by paying requisite additional fee and no form is pending for filing as on date

2. It has been observed by the Secretarial Auditor that Company has not completely complied this regulation for the quarter April, 2019 to June, 2019, trading restriction period started by the Company from 30.07.2019 instead it should be started from 01.07.2019 till 48 hours after the declaration of the financial results.

In response to same, Directors would like to submit that Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 vide its amendment in Schedule B to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 suggested trading restriction period for the listed entities which can be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The said amendment became effective from April 1, 2019 and hence any compliance in this regard was deemed to be applicable for the quarter ending falling on or after April 1, 2019 only. Further, the trading window closure period was suggestive in nature and was not made mandatory as the Companies were free to fix its trading restriction period according to their Insider Trading Code. However, with subsequent

amendment vide Securities and Exchange Board of India (Prohibition of Insider Trading) (Second Amendment) Regulations, 2019 effective from July 25, 2019, the provisions were subsequently amended, and the trading restriction period were made mandatory. In light of the above, there is no violation of any of the provisions of the Insider Trading Regulations as reported,

3. It has been observed by the Secretarial Auditor that as the date publication of the financial results for the quarter ended 31.03.2019 on 16.05.2019 but the disclosures of the related party transactions on a consolidated basis for the half year started from 01.10.2018 to 31.03.2019 sent to the stock exchange on 13.08.2019 instead it should be submitted on or before 15.06.2019 (i.e. within 30 days from the date of publication of financial results).

In response to same Directors would like to submit that your company made disclosure to Stock Exchange on 13th June, 2020 but due to some technical reason it was not being reflected at BSE and NSE Portal and the same was again submitted by the Company on 13th August, 2019. Director state that there is no non-compliance/delay on the part of the Company in this regard.

4. It has been observed by the Secretarial Auditor that Company has dispatched the notice of Annual General Meeting to the shareholders on 1st July 2019 as mentioned in the newspaper advertisement in respect of the Notice of General Meeting but Annual Report submitted to the stock exchange on 4th July 2019 instead it should be submitted on or before 1st July 2019.

In response to same Directors would like to submit that as per the requirement Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company needs to submit Annual Report to Stock Exchanges simultaneously with dispatch of Annual report to shareholders. The Company submitted its Annual Report on Stock Exchange well within the time, in view of AGM held on 26th July, 2019. Director state that there is no non-compliance/delay on the part of the Company in this regard

36. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to

conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to this Report.

37. Public Deposits

During the year 2019-20, the Company did not invite or accept any deposit from the Public.

38. Significant and Material Orders passed by the Regulators/courts/Tribunal impacting the going concern status and the Company's operation in future

As such there is no significant and material orders passed by regulators/ courts or tribunals impacting the going concern status and Company's operations in future.

39. Application for Condonation of Delay with Central Government

The Company had filed an application for Condonation of Delay with the Central Government with regard non filling of MGT-14 within stipulated period for the appointment of Mr. Rajendra Kumar Gupta as Chief Financial Officer of the Company for the period from 28th May 2018 to 17th October 2018. The Central Government (Regional Director) has approved the Form CG 1 for Condonation of Delay on 20.03.2020 vide SRN R21669395.

40. Internal Control Systems and their Adequacy

As per the provision of section 134 (5) (e) of the Companies Act, 2013, Company has in place Internal Control System designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Internal Audit has been conducted throughout the organisation by qualified outside Internal Auditor. The findings of the Internal Audit Report are reviewed by the Management and by the Audit Committee of the Board and proper follow-up actions are ensured wherever required. The Statutory Auditors have evaluated the internal financial controls framework of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

41. Particulars of Loans, Guarantee or Investments

There are no Loans, Guarantees and Investments made by the Company during the year 2019-20.

42. Insurance

All the properties including buildings, plant and machinery and stocks have been adequately insured.

43. Particulars of Loans/Advances/Investments as required under Schedule V of the Listing Regulations.

The details of the related party disclosures with respect to loans/advance/investment at the year end maximum outstanding amount thereof during the year as required under part A of Schedule V of the Listing Regulations have been provided in the Notes to the Financial Statements of the Company. Further, there was no transaction with the person/entity belonging to the Promoter and Promoter Group, which holds 10% or more shareholding in the Company as per Para 2A of the aforesaid schedule.

44. Risk Management Policy

The Board of Directors has constituted Risk Management Committee to identify elements of risk in different areas of operations and develop policy for actions associated to mitigate the risks. It regularly analyses and takes corrective actions for managing/mitigating the same. Your Company's Risk Management framework ensures compliance with the provisions of the Listing Regulations.

Your Company has institutionalised the process for identifying, minimising and mitigating risks which is periodically reviewed. Some of the risks identified and acted upon by your Company are Securing critical resources; ensuring sustainable plant operations; ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

45. Corporate Social Responsibility (CSR) Committee

Your Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability, an organisation based not only on financial factors, but also on social and environmental consequences.

As required under Section 135 of the Companies Act, 2013, the CSR Committee comprises of Mr. Om Prakash Lohia as the Chairman, Mr. Vishal Lohia, Mr. M. N. Sudhindra Rao, Mr. Udeypaul Singh Gill, Dr. Arvind Pandalai and Mrs. Ranjana Agarwal as Members. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility. The CSR Policy includes any activity that may be prescribed as CSR activity as per the Rules of the Companies Act, 2013.

The CSR Committee met once during the year to review the Corporate Social Responsibility Policy and due to the average net profit for the last three years being negative, your Company did not allocated / is not required to spend any amount on the CSR activities during the year under review.

The detailed CSR policy of the Company is also available on the website of the Company, www.indoramaindia.com.

46. Listing

The shares of your Company are listed at BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the year 2020-21 have been paid.

47. Corporate Governance

Corporate Governance Report along with Practicing Company Secretary Certificate complying with the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been annexed as a part of this Annual Report.

48. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations with the Stock Exchanges, is presented in a separate chapter forming part of this Annual Report.

49. Transfer of Unclaimed Dividend/Equity Shares to Investor Education and Protection Fund (IEPF) Authority

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts, which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (IEPF) Authority.

Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 26th July 2019 (date of last Annual General Meeting) on the website of the Company, www.indoramaindia.com and also on the Ministry of Corporate Affairs' website, www.mca.gov.in.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has transferred 28,162 (Twenty Eight Thousand One Hundred Sixty Two) equity shares of ₹10/- each of the Company held by various Investors, physical as well as dematerialised form, whose dividend amount is unclaimed/unpaid for seven years to Suspense Account of the Investor Education and Protection Fund (IEPF) Authority, during the year 2019-20 and the details thereof uploaded on the website of the Company, www.indoramaindia.com.

50. Industrial Relations / Human Resources

Your Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under

report. Your Company firmly believes that a dedicated workforce constitutes the primary source of sustainable competitive advantage. Accordingly, human resource development continues to receive focused attention. Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the staff and workforce of your Company.

51. Extract of Annual Return

As required under section 92(3) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this report.

52. Material Changes and Commitments

No material changes and commitment affecting the financial position of the Company have occurred after the end of the year 31st March, 2020 and till the date of this report.

53. Fraud Reporting

There was no fraud reported by the Auditors of the Company under sub-section 12 of Section 143 of the Companies Act, 2013, to the Audit Committee or Board of Directors during the year under review.

54. Disclosures with respect to Demat Suspense Account/Unclaimed Suspend Account

The relevant details in this regards have been provided in the Corporate Governance Report annexed to this Report.

55. CEO and CFO certification.

Pursuant to the Listing Regulations, Executive Director & CEO and CFO Certification is attached with Annual

Report. Executive Director & CEO and CFO also provide quarterly certification on financial results, while placing the financial results before the Board in terms of the Listing Regulations.

56. Code of Conduct for the Directors and Senior Management Personnel

The Code of Conduct for the Directors and Senior Management Personnel is posted on the website of the Company. The Chairman and Managing Director of the Company has given a declaration that all the Directors and Senior Management Personnel concerned, affirmed compliance with the Code of Conduct with reference to year ended 31st March, 2020 and a declaration is attached with the Annual Report.

57. Nodal Officer

During the year under review, Mr. Pawan Kumar Thakur, Company Secretary has been appointed as Nodal Officer of the Company under the provisions of IEPF and details of Nodal Officer are available on the website of the Company, www.indoramaindia.com.

58. Acknowledgements

Your Directors would like to express their appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

Place: New Delhi
Date: 24th June 2020

ANNEXURES TO DIRECTORS' REPORT

Particulars required under 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 financial year ended 31st March, 2020.

A. Conservation of Energy:

Energy Saving measures taken and proposals under implementation.

S. No.	Steps taken	Impact (Annualised Savings)
(a)	Electricity	In Lacs (KWh)
(i)	VFD installation in Dow Circulation Pump, Hot Condensate transfer pump and Air handling unit.	3.68
(ii)	Installation of detuned reactor for power factor improvement	54.75
(iii)	Optimisation of quench temperature	16
(b)	Steam	(in KT)
(iv)	Optimise Spinning Quench temperatures to save energy	30

FORM – A

Form for disclosure of particulars with respect to Conservation of Energy.

PARTICULARS	Current Year 31 March 2020	Previous Year 31 March 2019
(A) POWER & FUEL CONSUMPTION		
1) ELECTRICAL		
a) Purchases from MSEDCL & Other		
Units (kwh in '000)	68,691	9,811
Total Amount (₹ in '000)	290,613	49,248
Rate / kwh (in ₹)	4.23	5.02
b) Generation for own consumption (Net of power sale including auxiliary consumption)		
i) Through DG (FO Based)		
Units (kwh in '000)	5,336	522
Units / Ltr of FO	3.90	3.90
Cost / Unit (₹/Unit)	7.89	8.28
ii) Through STG (Coal based)		
Units (kwh in '000)	209,803	172,206
Units / kg of Coal	1.05	1.01
Cost / Unit (₹/Unit)	4.01	3.09
3) COAL		
Quantity in MT	327,445	268,118
Total Cost (₹ in '000)	1,378,667	892,503
Average Rate (₹ / MT)	4,210	3,329
3) FURNACE OIL		
Quantity (KL)	1,819	424
Total Cost (₹ in '000)	56,050	13,704
Average Rate (₹ / Lt)	30.81	32.32
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Production of Polymer products (Fresh) - MT*	362,214	218,345
Electricity / Kg (in kwh)	0.78	0.84

*includes POY consumed for captive use 105,857 MT (PY 56,016 MT)

B. Technology Absorption:

1. Implementation of Advanced Quality Control facilities;
 - Latest generation Gas Chromatography
 - HTHP Dyeing machine
 - Hand held Spin Finish measurement at line.
2. PTA Blend recipe optimisation.
3. Modification of polymer pump control logic

Form for disclosure of particulars with respect to technology absorption (Form-B).

Research & Development

1. Specific Areas in which R & D carried out by the Company:

(Product Development & Process Improvement Areas)

- (i) PSF machine modification at draw bath, crimper and quench.
- (ii) Modification at draw line to ensure no metal contamination.
- (iii) Development of differential products.
- (iv) Installation of automation for stable polymerisation process.

2. Benefit derived as a result of above Product development and process improvement::

Enhanced product portfolio to cater new applications.

3. Import Substitution:

Development of indigenous vendors to substitute import of:

a) Equipment and Assemblies :

- Spares for Draw Line - Thermosetting Unit, godet roll, intermediate shaft, brake liner.
- Spares for Spin finish Bracket, Winder Touch Rolls, Automation, Quench Chamber -Accenture.
- Classifier special imported vibrating motor.
- PGP Power flex 730 Inverter cooling fans.

b) Services:

- Repair of DRR gear box, Agitator gear box, Stag controller with latest technology PLC & HMI

4. Future Plan of Action (2020-2021):

Technology Upgradation:

- (i) PSF, Draw Line - Dryer Heating Coil.
- (ii) Inverters & Rectifier for draw-lines and other applications to be upgraded.
- (iii) Servers and PLC, Drives, Encoders, etc. of POY automation to be upgraded.
- (iv) DCS to be replaced/ upgraded.

Reliability :

- (i) Installation of additional Capacitor banks and SVG at 33KV & 6.6 KV bus for unity power factor due to KVAH billing.

- (ii) Installation of 220 KV 70/85 MVA Trafo parallel to existing 50 MVA Trafo for redundancy and reliability in power infrastructure.

Retrofitting :

- (i) Procurement of New technology attachment to produce specialty products.

5. Expenditure on Research & Development:

- Capital (₹ in '000)	- Nil
- Recurring	- Nil
- Total	- Nil
- Total R & D expenditure as % of Turnover	- Nil

6. Technology Absorption, Adoption and Innovation: Company:

- (i) Modification of TA Spray System for reduced spin finish consumption.
- (ii) Modification of inverter control system of critical pumps.
- (iii) Developed advanced EMS.

7. Benefits derived as a result of above efforts:

- (i) Specialty products development.
- (ii) Improved reliability of the process.
- (iii) Optimised manufacturing cost and improved product quality.
- (iv) Improved human and asset safety.

C. Foreign Exchange Earnings and Outgo of the Company:

Earnings in Foreign Currency (accrual basis)

Particulars	₹ In Crores	
	2019-20	2018-19
F.O.B. value of exports	501.71	255.95
Others	0.38	-
Total	502.09	255.95

CIF value of imports

Particulars	₹ In Crores	
	2019-20	2018-19
Raw materials	434.51	25.19
Stores and spares	6.54	3.41
Capital goods	0.80	0.02
Total	441.85	28.62

Expenditure in Foreign Currency (accrual basis)

Particulars	₹ In Crores	
	2019-20	2018-19
Travelling	0.57	0.56
Commission	2.56	1.05
Others	0.51	1.56
Total	3.64	3.17

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

Place: New Delhi
Date: 24.06.2020

FORM NO. AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Justification for entering into contracts/ arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting (u/s 188)
Not Applicable								

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

Sl. No.	Name(s) of the Related Party and nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of the Contracts/ Arrangements/ Transactions	Main terms of the Contracts/ Arrangements/ Transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(₹ In Crores)						
1	Indorama Petrochem Limited, Relative	Buying PTA	General	5.75	06-Aug-19	-
2	TPT Petrochemicals Public Co Ltd., Relative	Buying PTA	General	6.04	06-Aug-19	-
Sub-Total (A)				11.79		
3	PT Indorama Polychem Indonesia, Relative	Buying Poy	General	0.10	05-Nov-19	
Sub-Total (B)				0.10		
4	Indorama Industries Limited, Relative	Buying of Spandex	General	3.75	06-Aug-19	-
5	Indorama Industries Limited, Relative	Buying of Spandex	General	3.51	05-Nov-19	-
6	Indorama Industries Limited, Relative	Buying of Spandex	General	1.67	14-Feb-20	-
7	Indorama Industries Limited, Relative	Buying of Spandex	General	2.91	24-Jun-20	-
Sub-Total (C)				11.84		
8	Starpet USA, Relative	Buying Spares	General	0.59		
Sub-Total (D)				0.59		
9	Indorama Industries Limited, Relative	Sale of PSF	General	5.62	06-Aug-19	
10	Indorama Industries Limited, Relative	Sale of PSF	General	2.83	05-Nov-19	
11	Indorama Industries Limited, Relative	Sale of PSF	General	2.51	14-Feb-20	
12	Indorama Industries Limited, Relative	Sale of PSF	General	1.57	24-Jun-20	
Sub-Total (E)				12.53		
13	Indorama Polyester Industries Public Co. Ltd., Relative	Advance PSF	General	21.41	05-Nov-19	
Sub-Total (F)				21.41		
14	Indorama Polyester Industries Public Co. Ltd., Relative	Advance PSF & DTY	General	35.38	14-Feb-20	
Sub-Total (G)				35.38		
Grand Total (A+B+C+D+E+F+G)				93.64		

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place: New Delhi
Date :24th June, 2020

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended 31st March, 2020

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

I. REGISTRATION & OTHER DETAILS	
i) CIN	L17124MH1986PLC166615
ii) Registration Date	28th April, 1986
iii) Name of the Company	Indo Rama Synthetics (India) Limited
iv) Category / Sub-category of the Company	Public Company / Limited by shares
v) Address of the Registered Office and contact details	A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India. Tel.: 07104-663000/01 Fax: 07104-663200
vi) Whether Listed Company	Yes
vii) Name, Address and contact details of the Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110 020, India Tel.: 011-4140 6149-52 Fax No.: 011-4170 9881
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
All the business activities contributing 10% or more of the total turnover of the Company shall be stated	As per Attachment - A
III. PARTICULARS OF HOLDING, SUBSIDIARY INCLUDING SUBSIDIARIES OF SUBSIDIARIES AND ASSOCIATE COMPANIES	
	As per Attachment - B
IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)	
i) Category-wise Shareholding	As per Attachment - C
ii) Shareholding of Promoters	As per Attachment - D
iii) Change in Promoters' Shareholding	As per Attachment - E
iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - F
v) Shareholding of Directors and Key Managerial Personnel	As per Attachment - G
V. INDEBTEDNESS	
Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	
A. Remuneration to Managing Director, Whole-time Directors and/ or Manager	As per Attachment - I
B. Remuneration to other Directors	As per Attachment - J
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment - K
VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES	
	As per Attachment - L

Attachment - A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company #
1	Polyester Staple Fibre	55032000	42.63%
2	Polyester Filament Yarn	54024200	10.20%
3	Draw Texturised Yarn	54023300	45.75%

Products contributing 10% or more of Gross Turnover.

Attachment - B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary / Associate	% of Share held	Applicable Section
1	Indorama Yarns Private Limited A-31, MIDC Industrial Area, Butibori, Nagpur - 441122, Maharashtra, India. Tel.: 07104-663000/01	U17299MH2019PTC329375	Subsidiary	100	2(87)(ii)

Attachment - C

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)			No. of Shares held at the end of the year (As on 31st March, 2020)			% Change during the year	
	Demat	Physical	Total % of Total Shares	Demat	Physical	Total % of Total Shares		
A. Promoter								
(1) Indian								
a) Individual/ HUF	59013663	-	59013663 33.13%	59013663	-	59013663 22.60%	-10.53%	
b) Central Govt.	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	
Sub Total A(1)	59013663	-	59013663 33.13%	59013663	-	59013663 22.60%	-10.53%	
(2) Foreign								
a) NRIs - Individuals	99200	-	99200 0.06%	99200	-	99200 0.04%	-0.02%	
b) Other - Individuals	-	-	-	-	-	-	-	
c) Bodies Corp.	53564057	-	53564057 30.07%	154260645	-	154260645 59.08%	29.01%	
d) Banks/FI	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	
Sub-Total A(2)	53663257	-	53663257 30.13%	154359845	-	154359845 59.12%	28.99%	
Total Shareholding of Promoter A=A(1)+A(2)	112676920	-	112676920 63.26%	213373508	-	213373508 81.72%	18.46%	
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	10043507	3100	10046607 5.64%	9096945	3100	9100045 3.49%	-2.16%	
b) Banks / FI	17070	144	17214 0.01%	6762	144	6906 0.00%	-0.01%	
c) Central Govt.	245907	-	245907 0.14%	270659	-	270659 0.10%	-0.03%	
d) State Govt(s)	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	
f) Insurance Companies	4006850	-	4006850 2.25%	4006850	-	4006850 1.53%	(0.72%)	

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FII's	14035074	4300	14039374	7.88%	1038	4300	5338	0.00%	(7.88%)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	28348408	7544	28355952	15.92%	13382254	7544	13389798	5.13%	(10.79%)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3954999	17206971	21161970	11.88%	19965637	4447	19970084	7.65%	(4.23%)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹2 Lakh	7923891	546645	8470536	4.76%	7142629	506752	7649381	2.93%	(1.83%)
ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakh	6374303	-	6374303	3.58%	5612873	-	5612873	2.15%	(1.43%)
c) Others (specify) NBFC	25000	0	25000	0.01%	10404	0	10404	0.00%	(0.01%)
Non Resident Indians	1048470	0	1048470	0.59%	1107103	0	1107103	0.42%	(0.16%)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	19326663	17753616	37080279	20.82%	33838646	511199	34349845	13.16%	(7.66%)
Total Public Shareholding (B)=(B) (1) + (B) (2)	47675071	17761160	65436231	36.74%	47220900	518743	47739643	18.28%	(18.46%)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	160351991	17761160	178113151	100.00%	260594408	518743	261113151	100.00%	0.00%

Attachment - D

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2019)			Shareholding at the end of the year (As on 31st March, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1	Brookgrange Investments Ltd.	5,35,64,057	30.07	0.00	5,35,64,057	20.51	0.00	-9.56
2	Indorama Netherlands B.V.	-	-	-	10,06,96,588	38.56	0.00	38.56
3	Mr. Om Prakash Lohia	3,84,73,369	21.60	98.73	3,84,73,369	14.73	0.00	(6.87)
4	Mrs. Urmila Lohia	1,81,84,518	10.21	68.07	1,81,84,518	6.96	0.00	(3.25)
6	Mr. Alope Lohia	99,200	0.06	0.00	99,200	0.04	0.00	(0.02)
7	Mr. Devang Kumar	4,14,796	0.23	0.00	4,14,796	0.16	0.00	(0.07)
8	Mr. Vishal Lohia	11,37,896	0.64	0.00	11,37,896	0.44	0.00	(0.20)
9	Ms. Aradhna Lohia	3,13,256	0.18	0.00	3,13,256	0.12	0.00	(0.06)
10	Mrs. Rimple Lohia	2,39,940	0.13	0.00	2,39,940	0.09	0.00	(0.04)
11	Mr. Yashovardhan Lohia	2,49,888	0.14	0.00	2,49,888	0.10	0.00	(0.04)
	Total	11,26,76,920	63.26	44.70	21,33,73,508	81.72	0.00	18.46

Attachment - E

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2019)		Cumulative Shareholding during the year (1st April, 2019 to 31st March, 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	11,26,76,920	63.26		
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.): #			#	
3	At the end of the year			21,33,73,508	81.72 *

Increase in the percentage of total equity shares of the Promoters from 63.26% to 81.72%, due to increase in Paid-up Share Capital from 17,81,13,151 Equity Shares to 26,11,13,151 Equity Shares upon allotment of 8,30,00,000 Equity Shares on preferential basis to Indorama Netherlands B.V. on 3rd April, 2019 and its acquisition of 1,76,96,588 Equity shares through Open Offer on 31st May, 2019

The details of equity shares allotted/acquired through Open Offer, during the year under review.

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of the total shares of the Company				No. of Shares	% of total shares of the Company
1	Indorama Netherlands B.V.	-	-	1-Apr-19				
				3-Apr-19	83000000	Allotment	8,30,00,000	31.79
				30-May-19	17696588	Open Offer	10,06,96,588	38.56
		10,06,96,588	38.56	31-Mar-20				

Attachment - F

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of the total shares of the Company				No. of Shares	% of total shares of the Company
1	Siam Stock Holdings Limited	1,72,00,000	9.65	1st April, 2019		Nil movement during the year		
		1,72,00,000	6.59	31-Mar-20			1,72,00,000	6.59
2	Edelweiss India Special Situations Fund-II	43,09,091	2.42	1-Apr-19				
				13-Dec-19	79,486	Market Purchase	43,88,577	1.68
				20-Dec-19	4,74,150			
		48,62,727	1.86	31-Mar-20			48,62,727	1.86
3	EC Special Situations Fund	31,81,818	1.77	1-Apr-19		Nil movement during the year		
		31,81,818	1.22	31-Mar-20			31,81,818	1.22
4	Life Insurance Corporation of India	30,05,152	1.67	1st April, 2019		Nil movement during the year		
		30,05,152	1.55	31-Mar-20			30,05,152	1.55
5	Edelweiss India Special Situations Fund - EISAF II Onshore Fund	16,00,000	0.90	1-Apr-19				
				20-Dec-19	-4,74,150	Market Sale	11,25,850	
				31-Dec-19	-79,486			
		10,46,364	0.40	31-Mar-20			10,46,364	0.40
6	Monica Burman	10,00,000	0.56	1-Apr-19		Nil movement during the year		
		10,00,000	0.38	31-Mar-20			10,00,000	0.38

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)		
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of the total shares of the Company				No. of Shares	% of total shares of the Company	
7	Chowdry Associates	0	0	1-Apr-19					
				21-Jun-19	47286			47,286	0.02
				12-Jul-19	15251			62,537	0.02
				2-Aug-19	43089			1,05,626	0.04
				30-Aug-19	94559			2,00,185	0.08
				13-Sep-19	236764			4,36,949	0.17
				27-Sep-19	22195			4,59,144	0.18
				4-Oct-19	10000			4,69,144	0.18
				11-Oct-19	5000			4,74,144	0.18
				18-Oct-19	32199		Market Purchase	5,06,343	0.19
				1-Nov-19	2000	5,08,343		0.19	
				17-Jan-20	25000	5,33,343		0.20	
				24-Jan-20	27500	5,60,843		0.21	
				31-Jan-20	16972	5,77,815		0.22	
				21-Feb-20	4500	5,82,315		0.22	
				28-Feb-20	5000	5,87,315		0.22	
				6-Mar-20	18373	6,05,688		0.23	
		13-Mar-20	10004	6,15,692	0.24				
		27-Mar-20	20000	6,35,692	0.24				
		6,35,692	0.24	31-Mar-20					
8	United India Insurance Company Ltd.	6,13,536	0.34	1-Apr-19		Nil movement during the year			
		6,13,536	0.23	31-Mar-20			6,13,536	0.23	
9	Pacific Management Pvt. Ltd.	5,59,923	0.31	1-Apr-19		Nil movement during the year			
		5,59,923	0.21	31-Mar-20			5,59,923	0.21	
10	Lal Tolani	4,83,118	0.27	1-Apr-19		Nil movement during the year			
		4,83,118	0.19	31-Mar-20			4,83,118	0.19	

Attachment - G

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of the total shares of the Company				No. of Shares	% of total shares of the Company
A DIRECTORS:								
1	Mr. Om Prakash Lohia Chairman & Managing Director	3,84,73,369	21.60	1-Apr-19		Nil movement during the year		
		3,84,73,369	14.73	31-Mar-20			3,84,73,369	14.73
2	Mr. Vishal Lohia Whole-time Director	11,37,896	0.64	1-Apr-19		Nil movement during the year		
		11,37,896	0.44	31-Mar-20			11,37,896	0.44
3	Mr. M. N. Sudhindra Rao Executive Director & CEO	0	0	1-Apr-19		Nil Holding during the year		
		0	0	31-Mar-20			0	0
4	Mr. Udeypaul Singh Gill Non-Executive Non-Independent Director	0	0	1-Apr-19		Nil Holding during the year		
		0	0	31-Mar-20			0	0

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19) / end of the year (31-03-20)	% of the total shares of the Company				No. of Shares	% of total shares of the Company
5	Dr. Arvind Pandalai Independent Director	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year		
6	Mr. Suman Jyoti Khaitan Independent Director	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
7	Mrs. Ranjana Agarwal Independent Director	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
8	Mr. Dhanendra Kumar Independent Director (Appointed on 14-Feb-20 as Additional Director)	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
B Key Managerial Personnel								
1	Mr. M. N. Sudhindra Rao Chief Executive Officer	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
2	Mr. Umesh Kumar Agrawal Chief Commercial and Financial Officer	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
3	Mr. Susheel Kumar Mehrotra Chief Financial Officer	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year		
4	Mr. Jayant k Sood Company Secretary (upto 31/08/2019)	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year	0	0
5	Mr. Pawan Kumar Thakur Company Secretary (from 01-08-2019 to 31-03-2020)	0 0	0 0	1-Apr-19 31-Mar-20		Nil Holding during the year		

Attachment - H

V. INDEBTEDNESS

v) Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
(₹ in Crores)				
Indebtedness at the beginning of the financial year (01/04/19)				
i) Principal Amount	379.04	195.00		574.04
ii) Interest due but not paid		1.08		1.08
iii) Interest accrued but not due	20.90			20.90
TOTAL (i+ii+iii)	399.94	196.08	-	596.02
Change in Indebtedness during the financial year				
Addition	447.41	-		447.41
Reduction	368.61	196.08		564.69
Exchange Difference loss	3.00	-		3.00
Net Change	81.80	(196.08)		(114.28)
Indebtedness at the end of the financial year (31/03/20)				
i) Principal Amount	471.37			471.37
ii) Interest due but not paid	0.10			0.10
iii) Interest accrued but not due	10.27			10.27
TOTAL (i+ii+iii)	481.74	-		481.74

Attachment - I

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/ or Manager**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Om Prakash Lohia	Vishal Lohia	M.N. Sudhindra Rao	
		CMD	WTD	ED & CEO	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	2.03	1.22	1.90	5.15
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.45	0.69	0.00	1.14
	(c) Profits in lieu of salary under Section 17 (3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	2.48	1.91	1.91	6.30
	Ceiling as per the Act				*As per the Provisions of the Companies Act, 2013

Note : Above payments includes perquisite value as defined under Income Tax Act 1961 for various payment made during the period.

Attachment - J

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Non-executive Non-Independent Director	Non-executive Independent Directors					Total Amount	
			Udeypaul Singh Gill	Ashok Kumar Ladha	Arvind Pandalai	Suman Jyoti Khaitan	Ranjana Agarwal		Dhanendra Kumar
			1	Independent Directors					
	- Fee for attending Board / Committee meetings	-	0.04	0.05	0.04	0.03	0.01	0.17	
	- Commission	-	-	-	-	-	-	-	
	- Others, please specify	-	-	-	-	-	-	-	
	Total (1)	-	0.04	0.05	0.04	0.03	0.01	0.17	
2	Other Non-Executive Directors								
	- Fee for attending Board / Committee meetings	-	-	-	-	-	-	-	
	- Commission	-	-	-	-	-	-	-	
	- Others, please specify	-	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	-	
	Total (B) = (1+2)	-	0.04	0.05	0.04	0.03	0.01	0.17	
	Total Managerial Remuneration (A) + (B)							6.47	
	Overall Ceiling as per the Act							No Remuneration, only Sitting Fee	

Attachment - K

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Crores)

Sr. No.	Particulars of Remuneration	CCFO		CFO		Company Secretary		Total Amount
		Umesh Kumar Agrawal	Susheel Kumar Mehrotra	Jayant k Sood (Upto 31/08/2019)	Pawan Kumar Thakur (01/08/2019 to 31/03/2020)			
1	Gross Salary							
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	0.87	0.75	0.49	0.14			2.25
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.01	0.00	0.00	-			0.01
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961							
2	Stock Option							
3	Sweat Equity							
4	Commission							
	- as % of profit							
	- others, specify							
5	Others, please specify							
	Total	0.88	0.75	0.49	0.14			2.26

Note: Above payments includes perquisite value as defined under Income Tax Act 1961 for various payment made and retiral benefits given during the period.

Attachment - L

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place: New Delhi
Date: 24th June 2020

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

DISCLOSURE IN THE DIRECTORS' REPORTS' UNDER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required under section 197 of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given below:

- (a) The Ratio of remuneration of each Director to the median Remuneration of the employees of the Company for the financial year 2019-20 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2019-20.

Sr. No	Name of Director/KMP and Designation	Remuneration of Director /KMP for Financial Year 2019-20 (₹in Crores)	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration in the Financial year 2019-20
1	Mr. Om Prakash Lohia Chairman and Managing Director	2.48	64.11	Nil
2	Mr. Vishal Lohia (Whole-time Director)	1.91	49.34	Nil
3	Mr. M. N. Sudhindra Rao* (ED & CEO)	1.91	49.25	1.13
4	Mr. Udeypaul Singh Gill* Non-executive Non-Independent Director	-	-	-
5	Mr. Umesh Kumar Agrawal ** Chief Commercial and Financial Officer	0.87	22.52	NA
6	Mr. Susheel Kumar Mehrotra Chief Financial Officer	0.76	19.51	Nil
7	Mr. Jayant K Sood, CHRO & CS ***	0.49	12.58	Nil
8	Mr. Pawan Kumar Thakur **** Company Secretary	0.14	3.68	NA

Note: Non-executive Independent Directors are only receiving fees for attending the meetings.

* Appointed with effect from 03.04.2019

** Appointed with effect from 16.04.2019

*** Ceased to be in employment with effect from 06.08.2019

**** Appointed with effect from 06.08.2019

- b) The ratio of the remuneration of each director to the median remuneration of the Company for the Financial Year:**

The median remuneration of employees of the Company during the financial year was 0.0387 Crore and ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the above tables.

- (c) Percentage increase in the median remuneration of employees in the financial year 2019-20:**

In the Financial Year 2019-20, there was 13.17% increase in the median remuneration of employees.

- (d) The number of permanent employees on the rolls of the Company:**

There were 1,457 permanent employees on the rolls of the Company as on 31st March, 2020.

- (e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year average percentage increase in the salary of employees of the Company other than the managerial personnel in the Financial year 2019-20 was 6.65%, whereas percentage increase in the managerial remuneration in the Financial year 2019-20 was insignificant.

The Board of Directors of the Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Mr. Om Prakash Lohia
Chairman and Managing Director
(DIN 00206807)

Place: New Delhi
Date: : 24th June, 2020

Management Discussion and Analysis

Global economy

The global economy faced several challenges during the year 2019. Trade tensions between various nations, impending Brexit deal, risks of global recession, volatility in the crude oil market and various other geopolitical risks have negatively impacted world trade.

The rise in uncertainty because of these events has affected demand and therefore business sentiments. Investor confidence has fallen to a great extent, thereby shrinking investments in various sectors.

The struggling global economy was further worsened by the COVID-19 pandemic breakout and the economic shut down in advanced economies and other parts of the world have disrupted billions of lives and are jeopardising decades of development progress.

The baseline forecast by World Bank envisions a 5.2% contraction in global GDP in 2020 – the deepest in eight decades. The global recession would be deeper, if bringing the pandemic under control took longer than expected, or if financial stress triggered cascading defaults. Adding fuel to the fire, an unprecedented collapse in oil demand, surge in oil inventories and steepest one month decline in oil prices have further escalated the economic distress. The fall in oil prices to some extent might help mitigate the misery of the emerging market and developing economies in their recovery path.

India's growth pattern (%)

	2017	2018	2019E	2020F	2021F
World	3.3	3.0	2.4	-5.2	4.2
EMDE	4.5	4.3	3.5	-2.5	4.6
India	7.0	6.1	4.2	-3.2	2.8

Indian economy

The Indian economy continued its growth trajectory by achieving 4.2% in 2019 though lower than estimated. A country-wide lock down was enforced by the government in late March 2020 due to the COVID-19 pandemic. The economic impact of this has been so devastating that manufacturing and services activity came to a grinding halt, resulting in demand falling to unprecedented lows that fed into PMI indices going into a free fall. The country is now faced with enormous job losses, migration of labour, increased expenses in medical and health infrastructure, lower tax collections and high fiscal deficit.

The Government of India has responded to this economic fallout by announcing two stimulus packages and liquidity easing measures to fuel the economic activity. The lockdown is being removed in a phased manner and efforts are being made to revive the manufacturing, services and other productive activities. However, with the resurgence of COVID-19 in China, New Zealand and the United States, with no cure or vaccine being found as yet, we are looking at uncertain and challenging times ahead.

Indian textile industry

India's textile industry is one of the largest and most important sectors of the country's economy in terms of output, exports/foreign exchange earnings and employment (~45 million people, second highest after agriculture). The textile sector has a 2% share in the GDP and 12.5 % share in the Indian manufacturing GDP.

With the ensuing lockdowns worldwide and in India, the impact has increased manifold. Even before COVID-19, India's textile exports and companies were grappling with muted growth; with the lockdowns, the situation has worsened.

The economy as a whole and the textile industry in particular are staring at lower domestic and international demand due to anticipation of recession and job losses, falling exports, shortage of workmen due to migration and impact on margins.

In all this gloom, we also see a silver lining for the Indian textile industry.

1. Post the pandemic, many countries and companies are likely to expand their supply nations rather than relying on a few countries. India can gain out of this if it manages to stay competitive.
2. The man-made fibre and cotton fibre ratio globally is 70:30 whereas in India it 30:70. A focus on man-made fibre will increase consumption and also gain market share.
3. The Government of India in the Union Budget announced in February 2020 gave a fillip to this by meeting a long-standing demand of the industry by removing anti-dumping duty on PTA, a basic raw material required for the manufacture of man-made fibre. The textile industry is also suffering from inverted duty structure of Goods and Service Tax (GST), which the government is actively considering neutralising. The government is also

formulating a new textile policy which is expected to help the textile industry grow at double digit rates.

- India is the largest producer of cotton in the world and also there is abundance of other raw materials required. The country has manufacturing and production capabilities across the entire value chain, competitive manufacturing costs, availability of skilled manpower, large and growing domestic market, rising per capita income, and a growing middle-class urban population creating demand for the apparel market.

Indo Rama Synthetics (India) Limited

Indo Rama Synthetics Ltd. is India's largest dedicated polyester manufacturer, incorporated in 1986. It has an integrated production facility in Butibori, near Nagpur, Maharashtra. Our large product gamut comprises Polyester Stable Fibre (PSF), Polyester Filament Yarn (PFY), Draw Texturised Yarn (DTY), Fully Drawn Yarn and Textile Grade Chips.

We have an annual production capacity of supreme quality products at 610,050 tonnes. Our presence is prominent and growing across major global geographies like the US, France, Germany, Turkey, Russia and Japan, among others.

Our core strengths

- Over three decades of rich industry experience
- Centrally located plant in India to cater demand throughout India.
- One of India's most cost-efficient polyester manufacturers
- Well-defined quality and process management system
- Technological excellence
- Global presence
- Enduring and stable relationship with clients
- Strong technical, financial and operational support with management control by Indorama Ventures Public Company Limited (IVL), a world leader in fibre segment.

Production and sales performance

Particulars	FY 2019-20	FY 2018-19
Total revenue from operations (₹ in Crores)	2,122	1,695
Total exports (₹ in Crores)	564	328
Electrical power (MWPH)	24.49	19.72
Polyester Staple Fibre (TPA)	117,255	83,285
Polyester Filament Yarn (TPA)	134,187	77,263
Draw Texturised Yarn (TPA)	107,868	56,810
Polyester Chips (TPA)	2,904	987

Financial performance

Particulars	(₹ in Crores)	
	FY 2019-20	FY 2018-19
Total income	2,127.94	1,699.37
EBIDTA	0.66	(88.58)
PBT	(180.00)	(421.66)
PAT	(317.56)	(270.33)
Book value per share (₹)	8.52	13.54
Earnings per share (₹)	(12.13)	(17.01)

Raw material dynamics

For the Polyester industry, the main raw materials are Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG). These are derivatives of petrochemical industry. Any change in crude oil price affects the prices of feedstocks PTA and MEG.

Oil prices have been very volatile during the last financial year varying between US\$33 and US\$ per 77 per barrel. The COVID-19 pandemic added further to the volatility in March 2020, with oil prices crashing to historic lows due to negligible demand as a result of the lockdowns imposed globally.

Purified Terephthalic Acid (PTA)

There are only three suppliers of PTA in the country and the demand supply balance is matched with around 10% of imports. Prices are based on import parity and it varied between US\$488 to US\$846 PMT due to the volatility of oil prices indicated above.

There are also three suppliers of MEG in the country and the demand supply balance is matched with around 30% of imports. The MEG price varied between US\$455 PMT to US\$598 PMT. The MEG - Ethylene Delta varied between US\$20 PMT to US\$162 PMT, with an average of US\$89 PMT as against the average of US\$165 PMT in the previous year. Significant decrease in price of MEG as well as MEG - Ethylene Delta took place due to over supply in MEG market caused by commissioning of new MEG capacity in various parts of the world, which resulted in fierce competition.

Power generation

Indo Rama's Captive Power Plant (CPP), complete with coal-based thermal power of 40 MW capacity and 31.08 MW FO-based DG capacity, is sufficient to meet the Company's demand. The coal-based thermal power source enables an uninterrupted power supply for processes and production. The DG-based power sets are used sparingly to meet contingencies and emergencies.

The Thermal Power Plant (TPP) also caters to the demand of processed DM water and steam, through extraction from turbines in production facilities. Power by open access on available opportunities during ASD of power boilers and TG sets as well as in off-peak hours.

The Company continues to monitor its power use, internally and externally, to find out avenues for reducing cost of power in polyester production, thereby contributing to core business profitability.

During FY 2019-20, the Company had to mainly source coal from spot auction of WCL as LOI for the linkage coal is still awaited, Hence, during the year coal cost was higher as compared to last year.

The Company is availing power from the state grid from 11th June 2020. This will help in reducing carbon emission and also reduce the cost of power to the Company due to the state government subsidies in power to encourage textile industry.

People at Indo Rama

Our people are the heart of our business and a critical lever for our growth. We implement a systematic performance management strategy, while investing heavily in human resource initiatives to attract and retain the best talent. In order to maximise employee satisfaction, we provide comprehensive learning opportunities and good long-term

prospects. We ensure free flow of knowledge across all tiers of the management in an endeavour to maintain transparency and a collaborative spirit. Total number of employees, including contract labour are 3,111 as on 31st March, 2020.

Risk management

A comprehensive risk management process is indispensable for survival in today's capricious business world. With rising globalisation, we continuously evolve our risk management system. It is enabling our business to achieve its strategic objectives; and deliver sustainable, long-term growth and a commitment to responsible business practices. Our risk management system is prudently decentralised to facilitate risk mitigation at transaction levels.

We have classified various risks and their mitigation process:

Risks	Mitigation measures
Cost Risk Cost of raw materials fluctuate as polyester making raw materials are crude oil price sensitive	<ul style="list-style-type: none"> The Company procures its major raw material, PTA mainly locally with minimum effect of price fluctuations due to crude sensitivity in view of lesser transit time Renegotiating with vendors and alternative sourcing of raw materials has helped the Company to optimise cost of raw materials Prices are linked with published price Index of various raw materials
Quality Risk A drop in quality of products may impair the Company's image	<ul style="list-style-type: none"> The Company has stout quality measures in place Our strong technology backup helps in maintaining the quality The Company enjoys quality certification – ISO-9001:2008 Our fully equipped quality-control laboratory with contemporary equipment and software ensures continuous supply of high-standard products
Employee Risk Inability to attract and retain skilled workforce can have a negative impact on our growth	<ul style="list-style-type: none"> Indo Rama follows a uniform and merit-based recruitment process. It is sustained by a structured and precise selection procedure to avoid discrimination Impartial assessment process and unbiased performance appraisal help retain skilled workforce The Company encourages people with rewards and recognitions Arranging employee engagement activities to strengthen relationships and develop a pleasant work environment
Technological Risk Technological obsolescence may hurt our operational performance	<ul style="list-style-type: none"> We have several technical collaborations with technology leaders in Japan, Germany and the US Re-engineering and improvisation help the organisation in optimisation Continuous investment in technology up-gradations has enabled us to stay at the cutting-edge A strong team monitors the entire process to ensure stability
Customer Risk Inability to reach demand pockets and not catering to evolving needs may have a detrimental effect	<ul style="list-style-type: none"> We maintain a strong sales and marketing team to increase market penetration Indo Rama takes various measures to increase customer satisfaction The marketing department tries to maintain long-term relations with customers to ensure repeat business Market trends are analysed to derive demand trends for customers
Competition Risk Competition from other players might affect business	<ul style="list-style-type: none"> We are widening customer base and catering to specific needs to gain customer trust With an expanded value-added product portfolio, we now can address a broader client base
Forex Risk Volatility in global currencies can impact profit margins	<ul style="list-style-type: none"> Maintaining an equilibrium between exports receipts and import payments create a natural hedge against currency fluctuations effect To safeguard against currency volatility, forward contracts are taken on need- and assessment-based approach

Safety, Health and Environment

At Indo Rama, we believe that organisations' sustainability is directly proportional to the safety, health and environment management. We endeavour to demonstrate environmental and social responsibility at every step.

We are devoted to benefit communities – workforce, public and environment. Our safety, health and environment objectives include complying with all applicable laws relevant to the industry. The Management believes in sharing responsibility throughout the hierarchy in conforming to the existing laws.

During FY 2019-20, the Company got the ISO: 45001:2018 certification to further strengthen the Management's commitment to occupational health and safety.

Fire & Safety

- We abide by all statutory compliance as per Factories Act 1948, Maharashtra Factories Rules 1963 and Maharashtra Fire Prevention and Life Safety Measures Rules
- ISO: 45001:2018 certificate received from M/s Societe Generale de Surveillance in the month of December 2019
- There is a continuous effort from the Management for creating awareness on fire and safety among employees, including their family members and contractor workers
- No major fire incidents took place in 2019-20
- No fatality took place in 2019-20
- Occupational Health and Safety Audit as per IS: 14489 was conducted during the month of July, 2019 as per statutory requirement of Maharashtra Factory Rule, 1963
- Fire Audits (form B) were conducted during the month of January and July 2019 as per statutory requirement of Maharashtra Fire Protection and Life Safety Measures Act
- Well-defined and updated on-site Emergency Management Plan to tackle any major emergency inside and outside plant premises
- Conducted mock drills on various emergency scenarios to ensure emergency preparedness
- Conducted awareness programmes for family members of Company employees on LPG Safety, Home Safety, Road Safety and other relevant topics
- Celebrated safety month (4 February to 4 March-2020) to create safety awareness among employees, including their family members and contractor workers. Around 600 participants participated in various 14 competitions directly
- Help extended to nearby industries in coordination with government organisation during fire emergencies in their plant by providing fire tender to extinguish the fire during FY 2019-20
- Fire hydrant system was kept in working condition round the clock to cater to fire emergency

Health

- Diagnostic and treatment camp conducted by Seven Star Hospital, Nagpur. ECG, blood sugar and physician check-up done. Total 95 persons took the advantage of this camp
- Blood donation camp conducted by Jeevan Jyoti Blood Bank, Nagpur. Total 93 persons donated blood voluntarily
- Ira International School yearly Medical Examination done – VI to X Standard total 375 students covered.
- Lecture on Adolescence given to VII-VIII Standard students of Ira International School
- Awareness lecture on Hypertension and Dengue conducted for colony residents
- Awareness lecture on diet conducted for employees by a Dietician Doctor from Nagpur
- Awareness lecture on Cancer and its prevention conducted on the occasion of 'World No Tobacco Day' by expert doctor from Nagpur
- Total nine lectures taken on First Aid and CPR and more than 175 persons educated
- World Aids Day celebrated and organised four camps on HIV/AIDS for voluntary testing (270 tests done) under ELM project throughout the year with help of Sahyadri Foundation, Nagpur
- Awareness lecture programmes on Tobacco – 27 programmes conducted, more than 600 employees and contract labours educated
- More than 25 awareness workshops on COVID-19 conducted covering 700 employees and we are continuing these workshops on a regular basis
- Dos and Don'ts of COVID-19 prevention pamphlets; 5,000 distributed to all employees, contract labourers and to nearby residents through PHC Takalghat
- Corona Pocket Booklet of Indo Rama; 5,000 distributed in a similar way
- Board announced preventive measures for COVID-19 displayed in both residential colonies and plant premises
- Sanitisation done in colonies and plant premises and is repeated at regular intervals
- Thermal screening of all colony residents done twice in April and May
- Thermal screening and sanitisation are being done at each entrance gate on regular basis

Environment

At Indo Rama, we adopt several measures to maintain ecological balance in and around our production facilities – particularly with regard to solid hazardous waste management. Polymer and fibre wastes are sold to authorised parties for reuse and we ensure that hazardous wastes reach the registered recyclers. We sustained our various efforts to protect the environment.

Information technology (IT)

Due to obsolescence in technology of IBM server which was hosting ERP SAP, a new server from IBM P8-S824 was purchased by IRSL, and installed in the Data Center - Butibori. All historical data of SAP was also migrated to these IBM servers.

Internal controls and their adequacy

Indo Rama has a robust internal control system in place, designed to achieve efficacy of systems, processes and controls. Internal audit is carried out by an independent agency and internal enterprise risk management team. All the major areas and processes are covered in the review plan, drawn in consultation with the Management. Standard operating procedure compliance and Management-approved policies are reviewed and areas of improvement, if any, are identified. Internal audit process verifies whether all systems and processes are commensurate with the business size and structure. Adequate internal control systems safeguard the assets of the Company with timely identification and intervention to assuage risks. The internal audit report is discussed with the Management and members of the Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

Statutory compliance

Mr. Pawan Kumar Thakur, Company Secretary and Compliance Officer makes a declaration at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation from all the units of the Company. He also ensures compliance accordance to SEBI regulations

and Companies Act, 2013 and rules thereof and all other applicable statutes.

The Company has identified the following ratios as key financial ratios:

Sr. No.	Particulars	FY 2019-20	FY 2018-19
1	Debtors Turnover Ratio (times)	22 .40	26.74
2	Inventory Turnover Ratio (times)	17 .08	19 .29
3	Interest Coverage Ratio (times)	(1.23)	-2.74
4	Current Ratio (times)	0.75	0.53
5	Debt Equity Ratio (times)	1.70	1.17
6	Operating Profit Margin (%)	0.0003%	(12.82%)
7	Net Profit Margin (%)	(15.43%)	(17.05%)
8	Return on Net Worth (%)	(156%)	(123%)

Cautionary statement

The Management of Indo Rama has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India. Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its current expectations and projections about future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs which may cause actual results to differ materially. The Management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the financial year ended 31st March, 2020, in terms of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

1. COMPANY PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Indo Rama Synthetics (India) Limited (the "Company") has complied with the principles and practices of good Corporate Governance. The Company's philosophy is to attain transparency and accountability in its relationship with employees, shareholders, creditors, consumers, dealers and lenders, ensuring a high degree of regulatory compliance. Your Company firmly believes that a good governance process represents the foundation of corporate excellence. Our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. We have adopted various codes and policies to carry out our duties and responsibilities in ethical and transparent manner.

2. BOARD OF DIRECTORS

A) Composition:

The Board of the Company is comprised of Executive and Non- Executive Directors including Independent Directors. As on 31st March, 2020, the composition of

the Board is as under which is headed by Chairman & Managing Director.

Sl. No.	Category	No. of Directors	% of total no. of Directors
	Executive Director-Promoter	2	25.00
	Executive Director & CEO	1	12.50
	Non- Executive Non-Independent Director	1	12.50
	Non- Executive Independent Directors (Including one women Director)	4	50.00
	Total	8	100.00

None of the Directors on the Board holds directorship in more than ten public companies. None of the Independent Director serves as an Independent Director of more than seven listed entities. Necessary disclosures regarding committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Director is related to each other except Mr. Om Prakash Lohia and Mr. Vishal Lohia

B) Chart matrix setting out the skills/expertise/ competence of the Board of Directors:

The Board has identified the following core skills, expertise, competencies as required in the context of business of the Company and the sector in which Company is operating.

Sl. No	Skills / Expertise / Competence identified by the Board	Mr. Om Prakash Lohia	Mr. Vishal Lohia	Mr. M N Sudhindra Rao	Mr. Udeypaul Singh Gill	Dr. Arvind Pandalai	Mr. Suman Jyoti Khaitan	Mrs. Ranjana Agarwal	Mr. Dhanendra Kumar
1	Knowledge/Understanding of the Business of the Company, the industry/ sector to which it relates with respect to relevant, rules, regulations and status of compliances thereof, best corporate governance practice, business ethics, and structures to manage risk and crisis	√	√	√	√	√			
2	Strategic expertise, strategic planning and implementation with clear vision and incorporation of necessary changes required due to existence of dynamic global environment.	√	√	√	√	√	√	√	√
3	Behavioral competencies/ personal attributes displaying i) Integrity and ethical standard ii) Mentoring ability	√	√	√	√	√	√	√	√

Sl. No	Skills / Expertise / Competence identified by the Board	Mr. Om Prakash Lohia	Mr. Vishal Lohia	Mr. M N Sudhindra Rao	Mr. Udeypaul Singh Gill	Dr. Arvind Pandalai	Mr. Suman Jyoti Khaitan	Mrs. Ranjana Agarwal	Mr. Dhanendra Kumar
4	Mind- set or Attitude: i) Possession of ethical mindset; ii) Carrying of professional attitude; iii) Performance oriented	√	√	√	√	√	√	√	√
5	Finance and technical skill: i) Ability to interpret financial statements and accounts and to assess the financial viability of the projects ii) Gauging potential business opportunities iii) Assessing importance of information technology of the Company or other specific skills	√	√	√	√	√	√	√	√
6	Risk oversight / management i) Ability to identify key risks ii) Possession of Risk Management skill	√	√	√	√	√	√	√	√

C) Board Meeting & Attendance:

During 2019-20, 5 (five) Board Meetings were held, i.e., 15th May, 2019, 20th July, 2019, 6th August, 2019, 5th November, 2019 and 14th February, 2020. The necessary quorum was present in all the meetings.

The attendance of Directors at the Board Meetings during 2019-20 and the last Annual General Meeting held on 26th July, 2019, is as under:

Name of Directors and Directors Identification Number	Date of Appointment	Date of appointment in the Current term	Category of Directorship	No of Board meeting held	No of Board Meeting attended	Attendance at the last AGM
Mr. Om Prakash Lohia (DIN:00206807)	28.04.1986	26.12.2017	Executive Director - Promoter	5	3	No
Mr. Vishal Lohia (DIN: 00206458)	16.04.2002	01.04.2019	Executive Director - Promoter	5	5	Yes
Mr. M.N. Sudhindra Rao (DIN: 01820347)	03.04.2019	NA	Executive Director & CEO	5	5	Yes
Mr. Udeypaul Singh Gill (DIN: 00004340)	03.04.2019	NA	Non-executive - Non Independent Director	5	3	No
Mr. Suman Jyoti Khaitan (DIN: 00023370)	30.01.2013	15.05.2019	Non- Executive Independent Director	5	4	No
Mrs. Ranjana Agarwal (DIN: 03340032)	18.05.2015	18.05.2020	Non- Executive Independent Director	5	4	No
Dr. Arvind Pandalai (DIN: 00352809)	31.08.2016	NA	Non- Executive Independent Director	5	5	Yes
Mr. Ashok Kumar Ladha* (DIN : 00089360)	14.06.1995	15.05.2019	Non- Executive Independent Director	4	3	No
Dhanendra Kumar** (DIN: 05019411)	14.02.2020	NA	Non- Executive Independent Director	1	1	NA

* Ceased to be Director, with effect from 25th November, 2019.

** Appointed as Non- Executive Independent Director, with effect from 14th February, 2020.

D) Outside Directorships, Committee Membership(s)/Chairmanship(s):

The number of other Board and Board Committee in which the Directors of the Company are holding the position of Member/Chairperson, as on 31st March, 2020.

Name of the Director and Director Identification No.	No of Outside Directorship held			No of Outside Committees		Name of other Listed Company and Category of Directorship
	Public Co./ Listed / Unlisted	Private Co.	Other Co.	Member*	Chairman#	
Mr. Om Prakash Lohia (DIN: 00206807)	2	2	1	Nil	Nil	GFL Limited - Non- Executive Independent Director Gujarat Fluorochemicals Limited - Non- Executive Independent Director
Mr. Vishal Lohia (DIN: 00206458)	Nil	1	Nil	Nil	Nil	None
Mr. M.N. Sudhindra Rao (DIN: 01820347)	1	3	NIL	1	Nil	Everest Kanto Cylinder Limited- Non- Executive Independent Director
Mr. Udeypaul Singh Gill (DIN: 00004340)	Nil	Nil	10 ##	Nil	Nil	None
Mr. Suman Jyoti Khaitan (DIN: 00023370)	2	1	1	2	2	Oriental Carbon Chemical Limited- Non- Executive Independent Director Jindal Stainless Limited- Non- Executive Independent Director
Mrs. Ranjana Agarwal (DIN: 03340032)	5	1	1	5	1	KDDL Limited- Non- Executive Independent Director ICRA Limited- Non- Executive Independent Director UGRO Capital Limited- Non- Executive Independent Director ICRA Analytics Limited Non- Executive Independent Director RBL Bank Limited- Non- Executive Independent Director
Dr. Arvind Pandalai (DIN: 00352809)	Nil	Nil	Nil	Nil	Nil	None
Mr. Dhanendra Kumar (DIN: 05019411)	2	Nil	1	1	Nil	Jay Bharat Maruti Limited- Non- Executive Independent Director

* All committee including Chairmanship and Membership of Audit Committee and the Stakeholders Relationship Committee have been considered.

Including Chairmanship.

Foreign Companies Directorships

The number of Directorships, Committee Memberships Chairmanships of all Directors is within respective Limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.

E) The Board periodically reviews, the Compliance Report of all laws applicable to the Company.

Regulation 16(1)(b) of the List Regulations and that they are independent of the Management.

F) Independent Director confirmations by the Board:

Independent Directors are Non- Executive Director as defined under Regulation 16 (1) (b) of the SEBI Listing Regulations read with section 149 (6) of the Companies Act, 2013 along with rules framed there under. In terms of Regulation 25 (8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declaration received from Independent Directors, the Board of Directors have confirmed that they met the criteria of Independence as mentioned under

G) Detailed reason for the Resignation of Independent Director:

Mr. Ashok Kumar Ladha, Non- Executive Independent Director, resigned from the Directorship of the Company with effect from 25th November 2019, due to personal reason and he confirmed that there is no other material reason other than those provided in the resignation letter.

H) Information supplied to the Board of Directors:

During 2019-20, all necessary information as required under the applicable provisions of the Companies Act, 2013, Listing Regulations and other applicable laws and rules were placed and discussed at the Board Meeting.

I) During the year following resolutions were passed by the circulation:

Sl. No	Agenda	Date of Resolution passed by the Board / Committee
i)	To approve Cost Auditors Report for the financial year 2018-19.	25th September, 2019
ii)	Acceptance of Resignation of Mr. Ashok Kumar Ladha (DIN: 00089360) from Directorship (Non-Executive Independent Director) of the Company.	25th November, 2019
iii)	To consider and give No Objection Certificate for using the premises situated at the Metropolitan, 6th floor, C-26/27, Bandra Kurla Complex, Bandra East, Mumbai-400051, Maharashtra, by Indorama Ventures Global Shared Services Pvt. Ltd., as its Registered Office.	2nd January, 2020

J) Disclosure of relationship between Director, inter-se:

Name of the Director	Category of Directorship	Relationship between Directors
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director - Promoter	Mr. Vishal Lohia (Son)
Mr. Vishal Lohia (DIN: 00206458)	Executive Director - Promoter	Mr. Om Prakash Lohia (Father)
Mr. M.N. Sudhindra Rao (DIN: 01820347)	Executive Director	None
Mr. Udeypaul Singh Gill (DIN: 00004340)	Non- Executive Non- Independent Director	None
Mr. Suman Jyoti Khaitan (DIN: 00023370)	Non- Executive Independent Director	None
Mrs. Ranjana Agarwal (DIN: 03340032)	Non- Executive Independent Director	None
Dr. Arvind Pandalai (DIN: 00352809)	Non- Executive Independent Director	None
Mr. Dhanendra Kumar (DIN: 05019411)	Non- Executive Independent Director	None

K) Separate Meeting of Independent Directors:

During the year under review, a separate meeting of the Independent Directors of the Company was convened on 16th March, 2020, inter- alia, to perform the following:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The following Independent Directors were present at the Meeting:

- Mr. Suman Jyoti Khaitan;
- Mrs. Ranjana Agarwal;
- Mr. Dhanendra Kumar; and
- Dr. Arvind Pandalai.

L) Familiarisation programme for Independent Directors:

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the Independent Directors through various programs about the Company.

At the time of appointing an Independent Director, a formal letter of appointment is given to him, which inter-alia explain the role, function, duties and responsibilities expected from him as an Independent Director of the Company. The Independent Director is also explained in details the compliance required from him under Companies Act, 2013, Listing Regulations and other various other statutes and an affirmation is required.

Periodic presentations are made at the Board and Board Committee Meetings, on the business and performance updates of the Company. The details of the familiarisation programme have been disclosed on the website of the Company at the following web-link, <https://www.indoramaindia.com/pdf/policies/Familiarisation-Programme-IDs-REVISED.pdf>.

M) Evaluation of the Board's Performance:

As per the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board has to carry out evaluation of its performance, Committees of the Board and individual Directors of the Company based on the criteria laid down by the Nomination and Remuneration Committee. Feedback was sought by way of structured questionnaires covering various aspects of the Board's functioning/ effectiveness, such as Board Structure, Business Excellence, Managing Stakeholders, Business Performance Evaluation, Compliance, Internal Control, Audit Function, Risk Management and the evaluation was carried out based on responses received from the Directors.

N) Code of Conduct:

The Code of Conduct for Board Members and Senior Management of the Company is available on the Company's website, <http://www.indoramaindia.com>. Annual declaration by the Chairman and Managing Director of the Company pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance with the code by all the Directors and Senior Management is attached with the Annual Report.

O) Terms and conditions of appointment of Independent Directors:

The terms and conditions of appointment of Independent Directors have been placed on the website of the Company. The same is available on the Company's website, <https://www.indoramaindia.com/pdf/policies/Terms-and-Conditions-of-Independent-Directors.pdf>.

3. COMMITTEES OF THE BOARD

There are eight Committees of the Board, viz; the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Allotment and Transfer Committee, Corporate Social Responsibility Committee, Risk Management Committee, Business Responsibility Reporting Committee and Banking and Finance Committee.

I) Audit Committee

A) Composition:

As on 31st March, 2020, the Company's Audit Committee comprises of four Non- Executive Independent Directors, one Executive-Promoter Director and one Executive Director.

The Company Secretary acts as the Secretary to the Audit Committee. The composition is as under:

- (i) Dr. Arvind Pandalai (DIN: 00352809), Non- Executive Independent Director, Chairman;
- (ii) Mr. Suman Jyoti Khaitan (DIN: 0023370), Non- Executive Independent Director, Member;
- (iii) Mrs. Ranjana Agarwal (DIN: 03340032), Non- Executive Independent Director Member;
- (iv) Mr. Dhanendra Kumar (DIN: 05019411), Non- Executive Independent Director, Member
- (v) Mr. Vishal Lohia (DIN: 00206458), Executive Director, Promoter, Member; and
- (vi) Mr. M.N. Sudhindra Rao (DIN: 01820347), Executive Director, Member.

All Members of the Committee are financially literate and most of them have accounting and/or related financial management expertise.

B) Terms of Reference:

Powers and Role of the Audit Committee:

(a) Powers:

The powers of Audit Committee include the following:

- (1) To investigate any activity within its terms of reference;

- (2) To seek information required from any employee;
- (3) To obtain outside legal or other professional advice; and
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Role:

The role of the Audit Committee includes the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors except those which are specifically prohibited;
- (4) Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - 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 management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any Related Party Transactions;
 - g) Modified opinion(s) in the draft audit report.
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the company with related parties and scrutiny of the method used to determine the arm's length price of any transaction;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) 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;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the Whistle Blower mechanism;
- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
- (21) Reviewing the compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
- (22) Carrying out any other function as may be delegated by the Board of Directors from time to time or as may be required by applicable law or as is mentioned in the terms of reference of the audit committee.

**C) Review of information by the Audit Committee:
The Audit Committee mandatorily review the following information:**

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulations 32(1); and
 - (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 31(1).

D) Meeting & Attendance:

During 2019-20, 4 (four) Meetings of the Audit Committee were held, i.e., 15th May, 2019, 6th August, 2019, 5th November, 2019 and 14th February, 2020 and attendance of Members Directors, are as follows:

Name of Members	Category	No. of Meetings	
		Held under tenure	Attended
Dr. Arvind Pandalai (DIN: 00352809)	Non- Executive Independent Director	4	4
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non- Executive Independent Director	4	4
Mrs. Ranjana Agarwal DIN: 03340032	Non- Executive Independent Director	4	3
Mr. Dhanendra Kumar ** (DIN: 05019411)	Non- Executive Independent Director	1	1
Mr. Ashok Kumar Ladha* (DIN: 00089360)	Non- Executive Independent Director	3	3
Mr. Vishal Lohia (DIN: 00206458)	Executive Director- Promoter	4	4
Mr. M N Sudhindra Rao (DIN: 01820347)	Executive Director	2	2

* Ceased to be Director with effect from 25th November 2019.

** Appointed as Non- Executive Independent Director with effect from 14th February 2020.

II. Nomination and Remuneration Committee

A. Composition:

As on 31st March, 2020, Company's Nomination and Remuneration Committee comprises (4) four Non-Executive Independent Directors and one Non- Executive Non-independent Director.

The Company Secretary acts as Secretary to the Nomination and Remuneration Committee. The Composition is as under:

- (i) Mr. Suman Jyoti Khaitan (DIN: 0023370), Non-Executive Independent Director, Chairman;
- (ii) Dr. Arvind Pandalai (DIN: 00352809), Non- Executive Independent Director, Member;
- (iii) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non Independent Director, Member;
- (iv) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member; and
- (v) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Member.

B. Term of reference:

The Nomination and Remuneration Committee is responsible for, among other things, as may be required by the Company from time to time, the following:

(a) To formulate criteria for:

- (i) determining qualifications, positive attributes and independence of a director; and
- (ii) evaluation of performance of independent directors and the Board of Directors.

(b) To devise the following policies on:

- (i) remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of the Company; and
- (ii) Board diversity laying out an optimum mix of executive, independent and non- independent directors keeping in mind the needs of the Company.

(c) To identify persons who are qualified to:

- (i) become directors in accordance with the criteria laid down, and recommend to the Board the appointment and removal of directors; and
- (ii) be appointed in senior management in accordance with the policies of the Company and recommend their appointment or removal to the HR Department and to the Board.
- (d) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (e) To carry out evaluation of the performance of every director of the Company;
- (f) To express opinion to the Board that a director possesses the requisite qualification(s) for the practice of the profession in case the services to be rendered by a director are of professional nature.

C. Meeting & Attendance:

During the financial year 2019-20, the Nomination and Remuneration Committee of the Company met (4) four times on 15th May 2019; 6th August 2019; 5th November 2019; and 14th February 2020. The attendance of the Member Director, is as follows:

Name of Members	Category	No. of Meetings	
		Held under tenure	Attended
Dr. Arvind Pandalai (DIN: 00352809)	Non- Executive Independent Director	4	4
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non- Executive Independent Director	4	4
Mrs. Ranjana Agarwal (DIN: 03340032)	Non- Executive Independent Director	4	3
Mr. Ashok Kumar Ladha* (DIN: 00089360)	Non- Executive Independent Director	3	3
Mr. Dhanendra Kumar ** (DIN: 05019411)	Non- Executive Independent Director	NA	NA
Mr. Udeypaul Singh Gill (DIN: 00004340)	Non- Executive Non- Independent Director	2	1

* Ceased to be Director with effect from 25th November 2019.

** Appointed as Non- Executive Independent Director with effect from 14th February 2020.

D. Remuneration policy, details of remuneration and other terms of appointment of Directors:

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, as amended from time to time, this policy on nomination and remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The Nomination and Remuneration Policy

is available on the website of the Company. The web link is, <https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf>.

E. Remuneration to Directors:

Subject to the approval of the Board of Directors and subsequent approval by the Shareholders at the ensuing General Meeting and such other authorities as the case may be the remuneration of the Managing Director, Whole-time Director and ED & CEO of the Company is fixed by the Nomination and Remuneration Committee. The remuneration is determined considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, commission linked to profits, wherever applicable, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 2013.

The Non- Executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them. The Company does not have a stock option scheme for its Directors.

The remuneration paid or payable to the Directors of the Company, during the year ended 31st March, 2020, is as under:

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits (PF and Gratuity)	Commission	Sitting Fees for Board and Committee Meetings	Total
							(₹ in Crores)
Mr. Om Prakash Lohia (DIN: 00206807) Executive Director- Promoter	Father of Mr. Vishal Lohia	1.74	0.45	0.29	-	-	2.48
Mr. Vishal Lohia (DIN: 00206458) Executive Director- Promoter	Son of Mr. Om Prakash Lohia	1.08	0.69	0.14	-	-	1.91
Mr. M.N Sudhindra Rao (DIN: 01820347) Executive Director & CEO	None	1.81	0.01	0.09	-	-	1.91
Mr. Udeypaul Singh Gill (DIN: 00004340) Non- Executive Non- Independent Director	None	-	-	-	-	-	-
Mr. Ashok Kumar Ladha * (DIN: 00089360) Non- Executive Independent Director	None	-	-	-	-	0.04	0.04
Dr. Arvind Pandalai (DIN: 00352809) Non- Executive Independent Director	None	-	-	-	-	0.05	0.05

(₹ in Crores)

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits (PF and Gratuity)	Commission	Sitting Fees for Board and Committee Meetings	Total
Mr. Suman Jyoti Khaitan (DIN: 00023370) Non- Executive Independent Director	None	-	-	-	-	0.04	0.04
Mrs. Ranjana Agarwal (DIN: 03340032) Non- Executive Independent Director	None	-	-	-	-	0.03	0.03
Dhanendra Kumar ** (DIN: 05019411) Non- Executive Independent Director	None	-	-	-	-	0.01	0.01
Total		4.63	1.15	0.52	-	0.17	6.47

* Ceased to be Director with effect from 25th November 2019.

** Appointed as Non- Executive Independent Director with effect from 14th February 2020.

Further, there is no notice period and severance fee for Non- Executive Directors. The provisions of the Companies Act, 2013 and appointment letter issued with respect to appointment of Executive Director(s) govern their service contracts and other terms and conditions (including notice period and severance fee) of appointment.

There are no pecuniary relationships or transactions between the Non- Executive Directors (including independent directors) and the Company, except for sitting fees drawn by them for attending the meeting of the Board and Committee(s) thereof.

All the Non- Executive Directors shall give notice of their resignation/ termination to the Company as per the applicable provisions of the Companies Act, 2013 and they will not be entitled to any severance pay from the Company.

The Company has not granted any stock option to its Directors.

The details of shares/convertible instruments held by the Executive and Non- Executive Directors of the Company as on 31st March, 2020, are as follows:

Name of Director	Category	No of Equity Shares	No of Convertible instruments
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	38,473,369	Nil
Mr. Vishal Lohia (DIN: 00206458)	Executive Director-Promoter	11,37,896	Nil
Mr. M N Sudhindra Rao (DIN: 01820347)	Executive Director & CEO	Nil	Nil
Mr. Udeypaul Singh Gill (DIN: 00004340)	Non- Executive Non-Independent Director	Nil	Nil
Mr. Suman Jyoti Khaitan (DIN: 00023370)	Non- Executive Independent Director	Nil	Nil
Mrs. Ranjana Agarwal (DIN: 03340032)	Non- Executive Independent Director	Nil	Nil
Dr. Arvind Pandalai (DIN: 00352809)	Non- Executive Independent Director	Nil	Nil
Mr. Ashok Kumar Ladha* (DIN: 00089360)	Non- Executive Independent Director	Nil	Nil
Dhanendra Kumar** (DIN: 05019411)	Non- Executive Independent Director	Nil	Nil

* Ceased to be Director with effect from 25th November 2019.

** Appointed as Non- Executive Independent Director with effect from 14th February 2020

F. Criteria for making payment to Non- Executive Directors:

The Company has formulated criteria for making payment to Non- Executive Directors, which has been uploaded on the Company's website, <https://www.indoramaindia.com>.

G. Criteria for Performance Evaluation of all the Directors (including Independent Directors):

The Nomination and Remuneration Committee has duly formulated the performance evaluation criteria for all the directors (including Independent Directors) of the Company. The said criteria is disclosed in the Directors' Report forming part of the Annual report of the Company.

III. Stakeholders Relationship Committee

A. Composition:

As on 31st March, 2020, the Company's Stakeholders Relationship Committee comprises (1) one Non- Executive Independent Director, one Non- Executive Non-Independent Director, two Executive Director-Promoter and one Executive Director, as under:

- (i) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Chairman, w.e.f 14th February, 2020;
- (ii) Mr. Ashok Kumar Ladha (DIN: 00089360), Non-Executive Independent Director, Chairman, up to 25th November, 2019;
- (iii) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member;
- (iv) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Member;
- (v) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member; and
- (vi) Mr. M.N.Sudhindra Rao (DIN: 01820347), Executive Director & CEO, Member.

Mr. Pawan Kumar Thakur, Company Secretary, acts as the Secretary to the Committee and Compliance Officer of the Company.

B. Terms of Reference for the Committee:

The Stakeholders Relationship Committee is responsible for, among other things, as may be required by the Company from time to time, the following:

- (a) To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:

- 1) Transfer/transmission of Shares;
 - 2) Non-receipt of annual reports; and
 - 3) Non-receipt of declared dividends.
- (b) All such complaints directly concerning the shareholders of the Company;
 - (c) Any such matters that may be considered necessary in relation to shareholders of the Company;
 - (d) Reviewing the measures taken for effective exercise of voting rights by shareholders;
 - (e) Reviewing the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
 - (f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
 - (g) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from the shareholders from time to time;
 - (h) To review and / or approve applications for transfer, transmission, transposition and mutilation of share certificates including issue of duplicate certificates and new certificates on split/sub-division/ consolidation / renewal and to deal with all related matters as may be permissible under applicable law;
 - (i) To review and/or approve requests of dematerialisation and rematerialisation of securities of the Company and such other related matters;
 - (j) Appointment and fixing of remuneration of RTA and overseeing their performance;
 - (k) Review the status of the litigation(s) filed by/ against the security holders of the Company;
 - (l) Review the status of claims received for unclaimed shares;
 - (m) Recommending measures for overall improvement in the quality of investor services;
 - (n) Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;

- (o) Such other matters as per the directions of the Board of Directors of the Company and/ or as required under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time; and
- (p) To carry out such other business as may be required by applicable law or delegated by the Board of Directors of the Company or considered appropriate in view of its terms of reference

The table gives the number of complaints received, resolved and pending during the year 2019-20:

Unresolved at the beginning of the year	Received during the year	Resolved during the year	Not solved to the satisfaction of the shareholders	Pending at the end of the year
Nil	4	4	Nil	Nil

Meeting and attendance:

During the financial year 2019-20, the Stakeholders Relationship Committee of the Company met two times on 29th June, 2019 and 30th September, 2019. The attendance of the Member Director is as follows:

Name of Members	Category	No. of Meetings	
		Held under tenure	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	2	2
Mr. Vishal Lohia (DIN: 00206458)	Executive Director-Promoter	2	1
Mr. Udeypaul Singh Gill (DIN: 00004340)	Non- Executive Non-Independent Director	NIL	NIL
Mr. M.N Sudhindra Rao (DIN: 01820347)	Executive Director	NIL	NIL
Mr. Ashok Kumar Ladha* (DIN: 00089360)	Non- Executive Independent Director	2	2
Mr. Dhanendra Kumar** (DIN: 05019411)	Non- Executive Independent Director	NIL	NIL

* Ceased to be Director with effect from 25th November 2019.

** Appointed as Non- Executive Independent Director with effect from 14th February 2020.

IV. Corporate Social Responsibility Committee

A. Composition:

As on 31st March, 2020, the Company's Corporate Social Responsibility Committee comprises two Non- Executive Independent Directors, one Non- Executive Non-Independent Director, two Executive Directors-Promoter and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr. M.N Sudhindra Rao ((DIN: 01820347), Executive Director & CEO, Member;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member;
- (v) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member; and
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non- Executive Independent Director, Member.

B. Terms of Reference

Terms of reference of CSR Committee is as follows:

- (a) 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 Companies Act, 2013;
- (b) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- (c) Recommend the amount of expenditure to be incurred on the CSR activities;
- (d) Prepare a transparent monitoring mechanism for ensuring implementation of the project/programmes/activities proposed to be undertaken by the Company;
- (e) To review the Company's disclosure of CSR matters;
- (f) To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed;
- (g) To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.

The Company formulated CSR Policy, which is available on the website of the Company, i.e., [https://www.indoramaindia.com/pdf/policies/CSR- Policy-REVISED.pdf](https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf).

During the financial year 2019-20, the Corporate Social Committee of the Company met (1) one time on 15th May, 2019. The attendance of the Member Director is as follows:

Name of Members	Category	No. of Meetings	
		Held under tenure	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	1	1
Mr. Vishal Lohia (DIN: 00206458)	Executive Director-Promoter	1	1
Mr. Udeypaul Singh Gill (DIN: 00004340)	Non- Executive Non-Independent Director	NIL	NIL
Mr. M.N Sudhindra Rao (DIN: 01820347)	Executive Director	NIL	NIL
Mrs. Ranjana Agarwal (DIN:03340032)	Non- Executive Independent Director	1	1
Dr. Arvind Pandalai (DIN:00352809)	Non- Executive Independent Director	1	1

V. Share Allotment and Transfer Committee

As on 31st March, 2020, the Company's Share Allotment and Transfer Committee comprises two Non- Executive Independent Director, one Non- Executive Non-Independent Director, two Executive Directors-Promoter and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr M.N Sudhindra Rao (DIN: 01820347), Executive Director, Member;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non- Executive Non-Independent Director, Member;
- (v) Mr. Dhanendra Kumar (DIN: 05019411), Non- Executive Independent Director, Member; and
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non- Executive Independent Director, Member.

During 2019-20, the Share Allotment and Transfer Committee met 7 (seven) times on 3rd April 2019; 16th April 2019; 13th June 2019; 19th July 2019; 7th October 2019; 5th November 2019; and 7th February 2020.

Terms of Reference

Terms of reference of Share Allotment and Transfer Committee is as follows:

- To approve transfer of shares and issue of duplicate/split/consolidation/sub-division/ allotment of share certificates;
- To note Dematerialisation/Rematerialisation of shares;
- To fix record date/closure of Share Transfer books of the Company from time to time; and
- To appoint representatives to attend the General Meeting of other Companies in which the Company is holding shares.

VI. Risk Management Committee

As on 31st March, 2020, the Company's Risk Management Committee comprises, one Non- Executive Independent Director, one Non- Executive Non-Independent Director, Two Executive Director-Promoter and One Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr M.N Sudhindra Rao (DIN: 01820347), Executive Director, Member;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non- Executive Non-Independent Director, Member; and
- (v) Dr. Arvind Pandalai (DIN: 00352809), Non- Executive Independent Director, Member.

VII. Banking & Finance Committee

As on 31st March, 2020, the Company's Banking & Finance Committee comprises one Non- Executive Independent Director, one Non- Executive Non-Independent Director, two Executive Director-Promoter and one Executive Director. The Composition is as under:

- (i) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Chairman;
- (ii) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (iii) Mr M.N Sudhindra Rao (DIN: 01820347), Executive Director, Member;

- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member; and
- (v) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member.

During the financial year 2019-20, the Banking & Finance Committee met 11 (eleven) times on 19th April 2019; 2nd May 2019; 21st May 2019; 13th June 2019; 29th June 2019; 5th July 2019; 27th August 2019; 17th October 2019; 19th November 2019; 16th December 2019; and 20th February 2020.

Terms of Reference

Terms of reference of Banking & Finance Committee is as follows:

- The Committee is authorised to decide and oversee matters relating to banking operations and to decide the investment strategy with regard to the available short term surplus funds with the Company as well as the borrowings from banks and financial institutions;
- The Committee enjoys the delegation of the Board in matters relating to the borrowings/ placement of funds in normal and routine course of business and to change the signatories for availment of various facility from Banks/Financial Institutions, opening/modification of operation and closing of Bank accounts, grant of special/general Power of Attorney in favour of Employees of the Company from time to time in connection with the conduct of the business of the Company particularly with State/ Central Government and Quasi-Government, Bank/ financial Institutions, etc., and to grant authority to execute and sign foreign exchange contract and derivative transactions and to carry out any other duties that may be delegated to the Committee by the Board of Directors from time to time; and
- The other terms of reference, inter-alia, include review of capital structure, financial policies, treasury and foreign exchange risk management.

VIII. BUSINESS RESPONSIBILITY REPORTING COMMITTEE

The Board of Directors at its meeting held on 24th June, 2020 constituted the Business Responsibility Reporting Committee. The Composition is as under:

- (i) Mr. Om Prakash Lohia, Chairman and Managing Director;
- (ii) Mr. Vishal Lohia, Whole-time Director; and

- (iii) Mr. M. N. Sudhindra Rao, Executive Director and CEO.

Mr. Om Prakash Lohia is Chairman of the said Committee. He has also been designated as the Business Responsibility Head.

Mr. M. N. Sudhindra Rao, Executive Director and CEO is responsible for implementation of BR Policy as directed by the Business Responsibility Reporting Committee (BRRC).

The Company Secretary would act as Secretary of the Committee.

4. GENERAL BODY MEETINGS:

- I) The details of last three Annual General Meetings of the Shareholders are as follows:

Financial year ended	Date of AGM	Venue	Time	No of Special Resolution(s) passed
31st March, 2019	Friday, 26th July, 2019	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	Nil
31st March, 2018	Friday, 28th July, 2018	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	
31st March, 2017	Friday, 19th September, 2017	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	

II) Special Resolutions passed at the last three Annual General Meetings, are as follows:

- (a) **At the 33rd Annual General Meeting held on Friday, 26th July, 2019:**
 - Appointment of Mr. M.N Sudhindra Rao (DIN: 01820347) as an Executive Director and Chief Executive Officer of the Company, for a period of 3 (three) years, commencing from 8th April 2019 up to 7th April 2022;
 - Re-appointment of Mr. Vishal Lohia (DIN: 00206458) as Whole-time Director of the Company, for a further period of 3 (three) years commencing from 1st April 2019 to 31st March 2022;
 - Re-appointment of Mr. Ashok Kumar Ladha as an Independent Director of the Company, for a second term;
 - Re-appointment of Mr. Suman Jyoti Khaitan as an Independent Director of the Company, for a second term;

- To increase Borrowing Limits of the Company under section 180(1)(c) of the Companies Act, 2013, so that the monies already borrowed by the Company, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, and outstanding at any point of time shall not exceed ₹3,000 Crores (Indian Rupees Three Thousand Crores only);
- Creation of Charge / Mortgage on the Assets of the Company; and
- To enter into Related Party Transactions for an aggregating maximum amount not exceeding during the financial year by ₹1,500 Crores (Indian Rupees One Thousand Five Hundred Crore only) with related parties as mentioned therein.

(b) At the 32nd Annual General Meeting held on Saturday, 28th July, 2018:

- Issuance of 90,90,909 Equity Shares on preferential basis on Private Placement basis;

S. No.	Name of the Proposed Allottees	No. of Equity Shares allotted
1	EC Special Situations Fund	31,81,818
2	Edelweiss India Special Situations Fund-II	43,09,091
3	Edelweiss India Special Situations Fund- EISAF-II Onshore Fund	16,00,000

- To enter into Related Party Transactions for an aggregating maximum amount not exceeding during the financial year by ₹1,000 Crore (Rupees One Thousand Crore only) with related parties as mentioned therein;

(c) At the 31st Annual General Meeting held on, Tuesday, 19th September, 2017:

- To enter into Related Party Transactions for an aggregating maximum amount not exceeding during the financial year by ₹1,000 Crore (Rupees One Thousand Crore only) with related parties as mentioned therein;

III) Resolutions passed by way of Postal Ballot:

Resolutions passed during the financial year 2019-20: Pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company had conducted the following by way of through Postal Ballot (including Remote e-Voting) and sent the postal ballot

form to the shareholders. The resolutions passed through postal ballot and voting pattern are as under:

(a) Details of resolutions passed by way of Postal Ballot for the financial year 2019-20:

Last Date of Dispatch of Postal Ballot Forms	Item approved by the Shareholders	Date of passing of Resolution	Ordinary / Special Resolution
29-Aug-2019	Leasing Out DTY Machines to Wholly Owned Subsidiary of the Company, Indorama Yarns Private Limited.	28-Sep-2019	Nil

(b) Details of Voting Pattern of the Special Resolution passed by way of Postal Ballot on 28th September 2019:

Particulars	No. of PBF/ E-voting	No. of Shares Voted
Postal Ballot Form (PBF) received	2	429
e-Voting confirmations	63	11,98,74,085
Total	65	11,98,74,514
Less: Invalid Postal Ballot Form /e-Voting Confirmations	-	-
Net valid Postal Ballot Forms / e-Voting for the Resolutions	65	11,98,74,514
Postal Ballot Forms / e-Voting cast in favour of the Resolutions	61	11,98,73,884
Postal Ballot Forms / e-Voting cast against the Resolutions	4	630

Mr. Sanjay Grover, Managing Partner, M/s Sanjay Grover & Associates, Company Secretaries, (Membership No. FCS 4223 and CP No. 3850), New Delhi, was appointed as the Scrutinizer to conduct the postal ballot exercise in a fair and transparent manner.

(c) Procedure for Postal Ballot:

Where a Company is required or decides to pass any resolution by way of postal ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot because postal ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice. Your Company has followed the aforesaid procedure stipulated in the Companies Act, 2013 and Listing Regulations and has carried out Postal Ballot for the item(s) mentioned above.

(d) e-Voting:

To widen the participation of shareholders in the Company decisions pursuant to provisions of Section 108 of Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014 as amended, the Company has provided e-Voting facility to its shareholders, in respect of all shareholders resolutions to be passed at general meeting.

5. SUBSIDIARY:

Details of the Subsidiary of the Company and its business activities are provided in the Directors Report forming part of the Annual Report of the Company. The Company has formulated a policy for determining "material" subsidiaries pursuant to the provisions of the Listing Regulations as amended from time to time. The Policy was revised in line with the amendments made to the Listing Regulations and the same is displayed on the website of the Company. The web link is <https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf>.

6. OTHER DISCLOSURES:

a) Related Party Transaction

The Company has not entered into any materially significant transactions with related parties during the financial year, which may have potential conflict with the interest of the Company at large. Suitable disclosure as required by the Ind AS 24 has been made in the notes to the Financial Statements. The details of the transactions with related parties are placed before the Audit Committee from time to time. The Board of Directors has formulated a policy on related party transaction and also on dealing with related party transactions pursuant to provisions of the Companies Act, 2013 and listing Regulations, which has been uploaded on the Company's website. The web-link as required under listing Regulation is as under <https://www.indoramaindia.com/pdf/policies-/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf>.

b) Compliance

There has been no non-compliance, penalties or strictures imposed on the Company by Stock Exchanges and/or SEBI and/or any other Statutory Authorities, on any matter related to capital markets during the last three years.

c) Vigil mechanism

As per the requirement of the Companies Act, 2013 and Listing Regulations, the Company has framed and implemented 'Whistle Blower Policy' to establish vigil mechanism for directors and employees to report genuine concerns. This policy provides a process to disclose information confidentially and without fear of victimisation, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company or violation of the Company's Code of Conduct or ethical policy. The whistle

blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistle blowers from victimisation, harassment or disciplinary proceedings. The Whistle Blower Policy is available on the website of the Company and the web link of the same is as under <https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>.

The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm and unfair treatment. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

d) Details of Compliance with Mandatory requirements and adoption of Non-mandatory requirements:

(i) Mandatory requirements:

Your Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the Listing Regulations to the extent applicable to the Company. The Company also complied with the notified secretarial standards on the Board and General Meetings as issued by the Institute of Company Secretaries of India. The Certificate regarding Compliance of the conditions of Corporate Governance received from Pramod Kothari & Co, Practicing company secretary is annexed to this Report.

(ii) Discretionary or Non-mandatory requirements as specified in Part E of Schedule II of SEBI Listing Regulations:

- 1) Office for Non- Executive Chairman at Company's expense: Not applicable to the Company since the Chairman of the Company is executive Director
- 2) Half-yearly declaration of financial performance including summary of the significant events in last six-months to each household of shareholders: Not adopted
- 3) Modified opinion(s) in audit report: The Auditors of the Company have issued an unmodified report on financial statements for FY 2019-20;
- 4) Separate posts of Chairman and Chief Executive Officer: Not applicable
- 5) Reporting of Internal Auditors directly to the Audit Committee: Complied

e) Policy for determining “material” Subsidiaries:

The Company has framed the policy for determining ‘material’ subsidiaries and the same has been placed on the website of the Company and web-link to the same is as under: <https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf>.

f) Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

g) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

During the year 2019-20, Company has raised 8,30,00,000 Equity Shares of the Company to the promoter group on preferential basis. The object of the preferential issue was to finance growth and long term working capital finance of the Company and to meet the funding requirements of the Company as well as expansion of business activities.

Further, The Company has not raised any funds through qualified institutions placement.

- h) The Certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- i) During the financial year 2019-20, there was no recommendation of any committee of the Board of Company which is mandatorily required and is not accepted by the Board of the Company.
- j) During the financial year 2019-20, total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the Statutory Auditor of the Company and all entities in the network firm/parties below:

Particulars	Amount in (Crores)
Statutory Audit Fee	0.47
Other Services	0.01
Out of pocket expenses	0.06

k) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of

the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Details of complaints received and redressed during the financial year 2019-20, as under:

- (i) Number of complaints filed during the financial year : Nil
- (ii) number of complaints disposed of during the financial year : Nil
- (iii) number of complaints pending as on end of the financial year : Nil

l) Code of Conduct for Prevention of Insider Trading:

The Company has adopted a Code of Conduct to regulate monitor and report trading by designated person code of practices and procedures for fair disclosures of unpublished price sensitive information (Code) in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and any statutory amendment(s)/ Modification(s) thereof.

In Compliance with SEBI (Prohibition of Insider Trading (Amendment) Regulations, 2018 Company has amended the Code. The Code is applicable to Directors, employees, designated persons, and other connected persons of the Company.

- m) in addition to Directors Report, a Management Discussion and Analysis Report forms part of the Annual Report to the shareholders.
- n) All members of the Board, Key Managerial Personnel and senior Management has confirmed that they do not have material, financial and commercial in any transaction with the Company that may have potential conflict with the interest of the Company at Large.
- o) All details relating to financial or commercial transaction where directors may have a pecuniary detail provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.
- p) Shareholding of Non- Executive Director: None of the Non- Executive Director hold any shares in the Company.

q) Unclaimed Dividend:

Pursuant to the provisions of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of seven years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Financial Year ended	Date of Declaration of Dividend	Due date of transfer to IEPF
2012-13	4th July, 2013	3rd August, 2020
2013-14	1st August, 2014	31st August, 2021
2014-15	30th July, 2015	29th August, 2022
2015-16	30th September, 2016	29th October, 2023

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th July 2019 (date of previous Annual General Meeting) on the Company's website, https://www.indoramaindia.com/dividend_amount.php and on the website of the Ministry of Corporate Affairs.

Members who have not encashed their dividend warrants for the above financial years may approach to the Company at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurugram-122002, Haryana.

r) Demat Suspense Account/Unclaimed Suspense Account:

The disclosure as required to be given under Regulation 34(3) read with Clause F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as follows:

Sl. No.	Particulars	No. of Shareholders	Outstanding shares
1	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year;	2,144	2,45,907
2	Number of shareholders who approached listed entity for transfer of shares from Suspense Account during the year;	01	192
3	Number of shareholders to whom shares were transferred from Suspense Account during the year;	01	192
4	Aggregate number of shareholders and the outstanding shares transferred to Suspense Account during the year;	181	28,162
5	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year;	2,324	2,73,877
6	That the voting Rights on these shares shall remain frozen till the rightful owners of such shares claim the shares.	2,324	2,73,877

s) Transfer of equity shares corresponding to the dividend, which has remained unclaimed for consecutive seven years and transfer to IEPF:

During the year under review, the Company has transferred 28,162 (Twenty Eight Thousand One Hundred Sixty Two) equity shares of ₹10/- each of the Company held by various investors, physical as well dematerialised form, whose dividend amount is unclaimed/unpaid for seven years to suspense account of the Investor Education and Protection Fund (IEPF) Authority, during the financial year 2019-20 and the details thereof uploaded on the Company's website, www.indoramaindia.com, under the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended.

The Company will publish appropriate notice in newspaper, as and when required to those shareholders, whose shares are eligible to be transferred to IEPF.

t) The Financial Statements have been made in accordance with Accounting Standard so as to represent a true and fair view of the state of the affairs of the Company.

u) The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Companies Act, 2013.

v) Executive Director & CEO and CFO Certifications:
Executive Director & CEO and the CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying, inter-alia, that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

7. DETAILS ABOUT MEANS OF COMMUNICATIONS:

Recommendations	Compliance
Quarterly/Annual Results	Published in leading Newspapers
Newspapers wherein results are normally published	Loksatta (Marathi) - Daily (Nagpur) The Indian Express - English Daily
Any website, where displayed	www.indoramaindia.com
Whether it also displays official news releases and presentation made to institutional investors or to the analysts	Yes

8. GENERAL SHAREHOLDER INFORMATION:

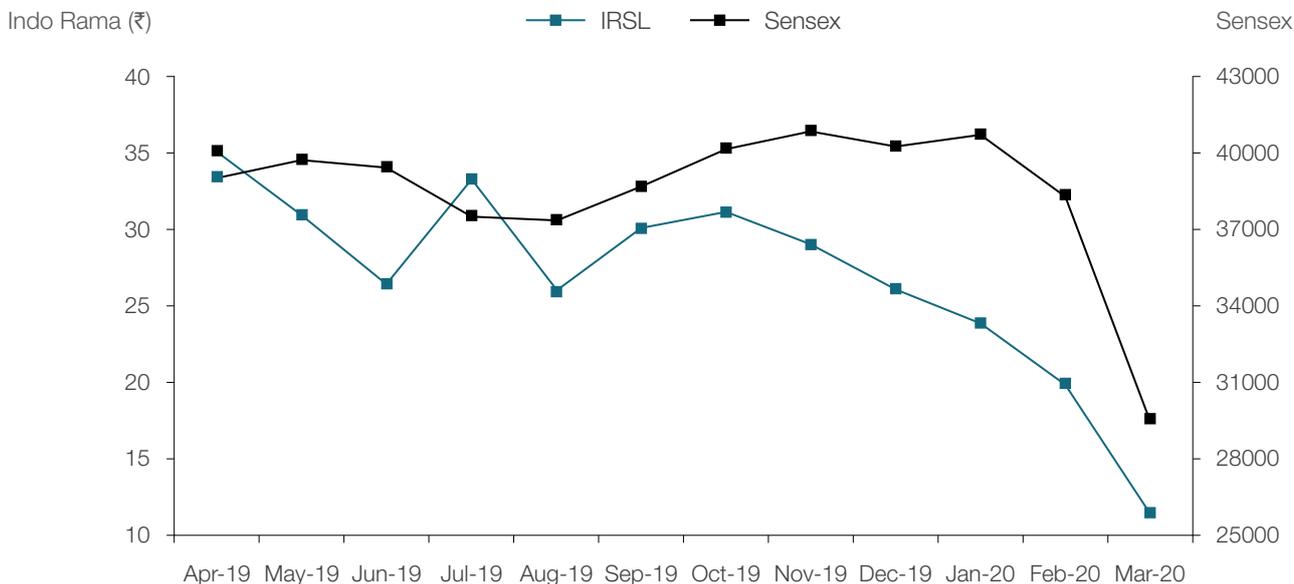
Sl. No.	Particulars	No. of Shareholders
(a)	Date, time and venue of the Annual General Meeting	Wednesday, 26th August, 2020, at 11:30 AM Venue: through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
(b)	Financial Year	Financial year of the Company is from April 01 to March 31. Publication of results for the financial year 2020-21 (tentative and subject to change) First quarter Results: On or before August 14, 2020 Second quarter and half year Results: On or before November 14, 2020 Third quarter results: On or before February 14, 2021 Fourth quarter results and results for the year ending 31st March, 2020: On or before May 30, 2021
(c)	Dates of book closure	From Thursday, 20th August 2020 to Wednesday, 26th August, 2020 (both days inclusive)
(d)	Dividend payment date	No dividend has been recommended for the Financial Year 2019-20, by the Board of Directors of the Company.
(e)	Listing of Equity Shares at Stock Exchanges and payment of Annual Listing fees:	(i) BSE Limited (BSE) P. J. Towers, 1st Floor Dalal Street, Mumbai-400 001 Tel.: +91 22 22721233-34 Fax: +91 22 22721919 Email: corp.relations@bseindia.com (ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400 051 Tel.: +91 22 26598100-14 Fax: +91 22 26598120 Email: cmlist@nse.co.in The Company has paid Annual Listing fees to both the Stock Exchanges.
(f)	Stock Code / Symbol	BSE Limited : 500207 National Stock Exchange of India Limited : INDORAMA
(g)	The ISIN number for Equity Shares of the Company on both the NSDL and CDSL is	INE 156A 01020.
(h)	Market Price Data for the Financial Year 2019-20:	

Monthly high and low quotations of shared traded at the BSE & NSE

Month	BSE Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	37.00	34.65	37.00	34.75
May 2019	35.85	30.50	35.95	30.45
June 2019	31.90	24.75	31.10	24.50
July 2019	34.50	24.75	35.00	24.80
August 2019	33.00	25.15	33.65	25.10
September 2019	35.00	25.25	35.00	25.55
October 2019	34.00	25.60	32.80	25.15
November 2019	34.00	24.50	33.20	24.25
December 2019	33.70	25.50	30.45	25.55
January 2020	26.70	22.95	27.40	23.50
February 2020	26.80	19.00	25.90	19.45
March 2020	21.00	8.35	21.85	8.25

i) Email ID for the Investor: investor-relations@indorama-ind.com

j) Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index among others Indo Rama shares performance:



Note: Based on Monthly closing share price on BSE (April, 2019 to March, 2020)

k) Registrar and Share Transfer Agent:

MCS Share Transfer Agent Limited
 F-65, First Floor, Okhla Industrial Area, Phase-1
 New Delhi - 110 020.
 Tel. No.: +91-11-4140 6149-52 | Fax No.:
 +91-11-4170 9881
 E-mail : helpdeskdelhi@mcsregistrars.com /
 admin@mcsregistrars.com

l) Share Transfer System:

The transfer of shares in physical form is processed and completed by Registrar and Share Transfer Agent within a period of 15 (fifteen) days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) through respective Depository Participants.

m) Table below gives the position of shares held in electronic form as on 31st March, 2020:

The shares of the Company are in compulsory dematerialised segment and are available for trading system of both NSDL and CDSL. The details of the number of shares held in Dematerialised form as on 31st March, 2020 are as follows:

No. of Shares Dematerialised	26,05,94,408	99.80% of total share capital
No. of shareholders in Demat Form	13,593	81.09% of the total no. of shareholders

n) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Company Secretary in practice conducts the Reconciliation of Share Capital Audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and the total issued and listed capital of the Company.

The Company Secretary in practice conducts such audit in every quarter and issues a Reconciliation of Share Capital Audit Certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed and is also placed before the Board.

o) Electronic Clearing Service (ECS) Mandate:

All the shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

p) Shareholding Pattern and Distribution of Shareholding as on 31st March, 2020:

Below Tables give the pattern of shareholding by ownership and share class respectively:

(i) Pattern of Shareholding by ownership as on 31st March, 2020

Particulars	No. of Equity Shares	Shareholding (%)
A. PROMOTERS' HOLDING	21,33,73,508	81.72
B. NON-PROMOTERS' HOLDING		
Banks, Financial Institutions, Insurance Companies, Central / State Govt. Institutions, Non-government Institutions	40,13,492	1.54
Foreign Institutional Investors (FIIs)	5,338	0.00
Foreign Direct Investment (FDI)	-	-
Mutual Funds (including UTI)	91,00,045	3.49
NBFC	10,404	0.00
Bodies Corporate	27,70,084	1.06
NRIs / OBCs	1,89,19,393	7.25
Central Government/State Government	2,73,877	0.10
Indian Public	1,26,47,010	4.84
Grand Total	26,11,13,151	100.00

(q) Pattern of shareholding by share class as on 31st March, 2020:

Shareholding class	Number of shareholders	Number of shares held	Shareholding %
Up to 500	13,465	21,34,995	0.82
501 to 1,000	1,602	13,04,358	0.50
1,001 to 5,000	1,285	29,92,946	1.15
5,001 to 10,000	188	14,45,233	0.55
10,001 to 50,000	163	35,19,078	1.35
50,001 to 100,000	24	16,97,105	0.65
100,001 and above	35	24,80,19,436	94.98
Total	16,762	26,11,13,151	100.00

r) Web link for various documents/policies:

The Company's website contains a separate dedicated section "Investor Relations", where shareholders' information is available and the following documents/information are linked with the website of the Company, i.e., www.indoramaindia.com.

Particulars	Web link
Code of Practices and Procedures and Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Fair Disclosure of Unpublished Price Sensitive Information	https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading-REVISED.pdf
Policy on Preservation of Documents	https://www.indoramaindia.com/pdf/policies/Policy-on-Preservation-of-Documents-REVISED.pdf
Policy for determining "material" Subsidiaries	https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf
Code of Conduct for Directors and Senior Management	https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf
Code for Independent Directors	https://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf
Nomination and Remuneration Policy	https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf
Policy on Diversity of Board of Directors	https://www.indoramaindia.com/pdf/policies/Policy-on-Diversity-of-Board-REVISED.pdf
Whistle Blower / Vigil Mechanism Policy	https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf
Policy on Materiality of Related Party Transactions	https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf
Familiarisation Programmes for Independent Directors	https://www.indoramaindia.com/pdf/policies/Familiarisation-Programme-IDs-REVISED.pdf
Business Responsibility Policy	https://www.indoramaindia.com/pdf/policies/Business-Responsibility-Policy.pdf

Particulars	Web link
Policy on determination of Materiality of Events or Information	https://www.indoramaindia.com/pdf/policies/Policy-for-Determination-of-Materiality-REVISED.pdf
Policy on Archival of Documents	https://www.indoramaindia.com/pdf/policies/Policy-on-Archival-REVISED.pdf
CSR Policy	https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf
Performance Evaluation Policy	https://www.indoramaindia.com/pdf/policies/Performance-Evaluation-Policy-REVISED.pdf
Policy on Preservation on Sexual Harassment	https://www.indoramaindia.com/pdf/policies/POSH-IRSL-REVISED.pdf
Risk Management Policy	https://www.indoramaindia.com/pdf/policies/Risk-Management-Policy.pdf
Contact details of Key Managerial Personnel	https://www.indoramaindia.com/pdf/Contact-Details-of-KMP-Revised.pdf
Unpaid and Unclaimed Dividend Amount	https://www.indoramaindia.com/dividend_amount.php
Notices/Intimations to Stock Exchanges	https://www.indoramaindia.com/notices.php
Quarterly/Annual Financial Results	https://www.indoramaindia.com/financial_results.php
Annual Report	https://www.indoramaindia.com/annual_reports.php

s) Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity: Not Applicable.

t) Corporate Identification Number (CIN): L17124MH1986PLC166615

u) Commodity price risks and Commodity hedging activities:

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

v) Plant Location:

The Company has its manufacturing and operating complex at:
A-31, MIDC Industrial Area, Butibori,
Nagpur-441 122
Maharashtra, India
Tel. : +91-7104-663000-01
Fax. : +91-7104-663200

w) Compliance Officer for Investor Redressal/ Address for Correspondence:

Mr. Pawan Kumar Thakur
Company Secretary and Compliance Officer
Indo Rama Synthetics (India) Limited
20th Floor, DLF Square, DLF Phase-II, NH-8,
Gurugram-122002, Haryana, India.
Tel No. +91-124-4997000; Fax: +91-124-4997070
E-mail ID: investor-relations@indorama-ind.com

x) Address for Correspondence:

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Indo Rama Synthetics (India) Limited A-31, MIDC, Industrial Area Butibori, Nagpur-441122 Maharashtra, India Tel. No.:+91-7104-663000-01 Fax No.: +91-7104-663200 Website: www.indoramaindia.com	Indo Rama Synthetics (India) Limited 20th Floor, DLF Square DLF Phase - II, NH-8 Gurugram-122 002, Haryana, India. Tel. No.:+91-124-4997000 Fax No.: +91-124-4997070 E-Mail: investor-relations@indorama-ind.com	MCS Share Transfer Agent Limited F-65, First Floor Okhla Industrial Area, Phase-1 New Delhi-110 020, India Tel. No.:+91-11-4140 6149-52 Fax No.:+91-11-4170 9881 E-mail: helpdeskdelhi@mcsregistrars.com

y) Nodal Officer (IEPF):

Mr. Pawan Kumar Thakur
Company Secretary & Compliance Officer
20th Floor, DLF Square, DLF Phase-II, NH-8
Gurugram-122 020, Haryana
Tel. No.: +91-124-4997000,
Fax No.: +91-124-4997070

z) Deputy Nodal Officer (IEPF):

Mr. B. S. Rana
Assistant General Manager
20th Floor, DLF Square, DLF Phase-II, NH-8
Gurugram-122 020, Haryana
Tel. No.: +91-124-4997000,
Fax No.: +91-124-4997070

z)(a) List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilisation of funds, whether in India or abroad:

India Rating and Research (Ind-Ra) has assigned Indo Rama Synthetics (India) Limited a long term issuer rating of "IND BBB-". The Outlook is stable. The Instrument wise rating action is as follows:

Instrument Type	Size of issue (Billion)	Rating/outlook	Rating action
Long term Loan	₹5	IND BBB-/Stable	Assigned
Working Capital Limit	₹9	IND BBB-/Stable/IND A3	Assigned

z)(b) Green Initiative:

By Virtue of Ministry of Corporate Affairs (MCA) circular No. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively read with Rule 11 of the Companies (Accounts) Rules, 2014, service of documents may be made to shareholders by electronic mode.

We therefore appeal to members to be part of said "Green initiatives" and request the members to register their name in getting the said documents in electronic mode by sending an email by giving their registered folio no and/or DP ID/Client ID at admin@mcsregistrars.com.

The Members, who want the above documents in physical form, Send a email at the email ID: admin@mcsregistrars.com by giving their registered folio No. and/or DPID/ Client ID.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place: New Delhi
Date: 24th June 2020

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

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

To,
The Members
Indo Rama Synthetics (India) Limited
31-A, MIDC Industrial Area
Butibori, Maharashtra-441122

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Indo Rama Synthetics (India) Limited having CIN L17124MH1986PLC166615 and having registered office at 31-A, MIDC Industrial Area, Butibori, Maharashtra-441122 (hereinafter referred to as the 'Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulations 34(3) read with Schedule V Para – C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Om Prakash Lohia, Chairman & Managing Director	00206807	28.04.1986
2	Mr. Vishal Lohia, Executive Director	00206458	16.04.2002
3	Mr. M. N. Sudhindra Rao, Executive Director & CEO	01820347	03.04.2019
4	Mr. Udeypaul Singh Gill, Non-Executive Non -Independent Director	00004340	03.04.2019
5	Mr. Suman Jyoti Khaitan, Non-Executive Independent Director	00023370	30.01.2013
6	Dr. Arvind Pandalai, Non-Executive Independent Director	00352809	31.08.2016
7	Mrs. Ranjana Agarwal, Non-Executive Independent Director	03340032	18.05.2015
8	Mr. Dhanendra Kumar, Non-Executive Independent Director	05019411	14.02.2020

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

Thanking You,

For, **PRAKASH CHANDER & ASSOCIATES**
Company Secretary

(PRAKASH CHANDER)

Place: Delhi
Date: June 2, 2020

M. No.: F8990
C.P. No. 18534
UDIN: F008990B000309202

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR PURSUANT TO SCHEDULE
V (PART D) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS 2015 REGARDING COMPLIANCE WITH CODE OF CONDUCT

To
The Board of Directors
Indo Rama Synthetics (India) Limited

I, Om Prakash Lohia, (DIN 00206807), Chairman and Managing Director of Indo Rama Synthetics (India) Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them, for the year ended 31st March, 2020.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Place : New Delhi
Date : 24th June 2020

Om Prakash Lohia
Chairman & Managing Director
(DIN: 00206807)

Certificate by Executive Director & CEO and Chief Financial Officer pursuant to sub-regulation 8 of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Indo Rama Synthetics (India) Limited

We, M. N. Sudhindra Rao (DIN 01820347), Executive Director & CEO and Susheel Kumar Mehrotra (ICAI M. No. 085483), Chief Financial Officer of Indo Rama Synthetics (India) Limited, hereby certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- (d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

M. N. Sudhindra Rao
Executive Director & CEO
(DIN: 01820347)

Place : Mumbai
Date : 24 June 2020

Susheel Kumar Mehrotra
Chief Financial Officer
(ICAI M. No.: 085483)

Place : Gurugram
Date : 24 June 2020

Practising Company Secretary Certificate on Corporate Governance Report

To
The Members of
Indo Rama Synthetics (India) Limited,

We have examined the compliance of the conditions of Corporate Governance by Indo Rama Synthetics (India) Limited ('The Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

.

For, **For Pramod Kothari & Co.**
Company Secretary

(Pramod Kothari)
Proprietor
C.P. No. 11532

UDIN No. F007091B000306654

Place: Noida
Date: 01.06.2020

Business Responsibility Report

[Regulation 34 (2) (f)]

Pursuant to Regulation 32(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Business Responsibility Report of the Company, for the financial year 2019-20.

The reporting frame work is based on the National Voluntary Guidelines (NVGs) on Social Environment and Economic Responsibility, released by Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 (nine) Principal and Core Elements of each of 9 (nine) Principal.

SECTION - A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Particulars	Details								
1	Corporate Identity Number (CIN) of the Company	L17124MH1986PLC166615								
2	Name of the Company	Indo Rama Synthetics (India) Limited								
3	Registered Address	A-31, MIDC Industrial Area, Butibori-441122, Nagpur, Maharashtra, India								
4	Website	www.indoramaindia.com								
5	Email ID	pawank.thakur@indorama-ind.com								
6	Financial Year reported	1st April, 2019 to 31st March, 2020								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer of Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn and Polyester Chips								
8	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	<table border="1"> <thead> <tr> <th>Product</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Polyester Staple Fibre</td> <td>55032000</td> </tr> <tr> <td>Polyester Filament Yarn</td> <td>54024200</td> </tr> <tr> <td>Draw Texturised Yarn</td> <td>54023300</td> </tr> </tbody> </table>	Product	NIC Code	Polyester Staple Fibre	55032000	Polyester Filament Yarn	54024200	Draw Texturised Yarn	54023300
Product	NIC Code									
Polyester Staple Fibre	55032000									
Polyester Filament Yarn	54024200									
Draw Texturised Yarn	54023300									
9	Total number of locations, where business activity is undertaken by the Company	The Company has one manufacturing unit situated at Butibori, Nagpur, Maharashtra., India.								
	Number of International Locations (Provide details of major 5)	None								
	Number of National Locations:	The Company has its Corporate Office at Gurugram and 6 (six) Marketing Offices, situated across India								
10	Markets served by the Company - Local/ State / National / International	National as well as International								

SECTION - B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Details
1	Paid-up Capital (Amount in ₹ Crores)	261.11
2	Total Turnover (Amount in ₹ Crores)	2048.93
3	Total Profit after Taxes (Amount in ₹ Crores)	(316.10)
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	The average Net Profit of last three years is negative, thus the Company is not required to spend any amount on CSR.
5	List of activities in which expenditure in (4) above has been incurred	Not Applicable

SECTION - C: OTHER DETAILS

Sl. No.	Particulars	Details
1	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has one Wholly Owned Subsidiary (WOS), Indorama Yarns Private Limited.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s).	WOS was incorporated on 16th day of August, 2019 and is managed by its own Board of Directors. WOS does not participate in the BR initiatives of the Parent Company.

Sl. No.	Particulars	Details
3	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].	No

SECTION - D: BR INFORMATION

Sl. No.	Particulars	Details
1.	Details of Director/Directors responsible for BR	
(a)	Details of the Director/ Director responsible for implementation of the BR Policy/ Policies:	1. DIN : 01820347 2. Name : Mr. M. N. Sudhindra Rao 3. Designation : ED & CEO
(b)	Details of the BR Head:	1. DIN : 00206807 2. Name : Mr. Om Prakash Lohia 3. Designation : Chairman and Managing Director 4. Telephone No. : 91-124-4997000 5. E-Mail ID : omprakash.lohia@indorama-ind.com
	Principle-wise (as per NVGs) BR Policy / Policies	
2.	(a) Details of Compliance (Reply in Y/N):	
No.	Questions	P1 P2 P3 P4 P5 P6 P7 P8 P9
1	Do you have a Policy/ Policies for Various Principles	Y Y Y Y Y Y Y Y Y Y
2	Has the policy being formulated in consultation with the relevant stakeholders	All the policies have been formulated or modified in consultation with the Management of the Company and is approved by the Board. The policies have been framed or modified considering the best interest of the stakeholders.
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the policies are based on "National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business".
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ by CEO/ appropriate Board Director?	Yes, Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and signed by the Company Secretary on behalf of the Board of Directors of the Company.
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has, Audit Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and also has adequate internal control system to oversee the implementation of policies.
6	Indicate the link for the policy to be viewed online?	The links to view the public policies online are given herein below*.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted in the Company's website and communicated to all internal stakeholders, wherever applicable.
8	Does the company have in-house structure to implement the policy/policies.	Y Y Y Y Y Y Y Y Y Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y Y Y Y Y Y Y Y Y Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)	Not applicable
	Links to Company's Policies:	
	• Code of Conduct for Employees : https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf	
	• CSR Policy : - https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf	
	• Whistle Blower Policy : https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf	
	• Policy for Prevention of Sexual Harassment : https://www.indoramaindia.com/pdf/policies/POSH-IRSL-REVISED.pdf	
	• Business Responsibility Policy : https://www.indoramaindia.com/pdf/policies/Businessresponsibility policy.pdf	

3	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	Annually
(b)	Does the Company publish a BR or Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Fifth Amendment Regulations,) 2019 substituted Regulation 34 (2)(f) for its applicability for top 1000 listed entities in place of top 500 listed entities based on market capitalisation, with effect from December 26, 2019 and accordingly to include in Business Responsibility Report in the Annual Report., It is applicable first time for the Company and will be published annually and can be accessed at https://www.indoramaindia.com/annual_reports.php .

SECTION - E: PRINCIPLE-WISE PERFORMANCE

Sl. No.	Particulars	Details
Principle 1:		
1	Does the Policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	<p>The Company has a Policy on the Code of Business Conduct/Ethics, which applies to all directors, officers and employees of the Company. This Code is intended to (a) focus on areas of ethical risk; (b) set forth basic standards of ethical and legal behavior; (c) to provide guidance to directors to help them recognise and deal with ethical issues; (d) provide reporting mechanisms for known or suspected unethical conduct and/or legal violations; (e) help foster a culture of honesty and accountability. The Company has its Vigil Mechanism Policy which provides mechanism for employees and Directors of the Company to approach the Chairman of the Audit Committee or Managing Director of the Company for reporting genuine concerns. The executive directors and employees of the Company strictly adheres to the provisions of the Code with regard to their association with any professional, trade, legislative, political or public body.</p> <p>The Company has also in place Anti-Sexual Harassment Policy to maintain a work environment free from any form of conduct which can be considered as harassing, coercive or disruptive.</p>
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During 2019-20, no complaint was received from the shareholder.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company is in the Business of manufacture of Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn and Polyester Chips. Our robust commitment to ensure compliance with relevant standards of health and safety commences at the design stage, wherein appropriate health and safety elements across manufacturing/construction activities, delivery and consumption are identified and evaluated. Environment, health and safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

1. Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/or opportunities?
 - a) List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As an environmental conscious Company, the Company continues to innovate and use efficient technologies to bring down strain on ecology for all of its products namely Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn and Polyester Chips.

Company has incorporated following initiatives:

- 1) Installed RO Plant to enable recycling of 35% of total effluent;
- 2) Added effluent storage capacity of 7500 M³ to meet any exigency;
- 3) Installed water sprinklers around coal handling plant to suppress the coal dust;
- 4) Installed online effluent quality monitoring device with connectivity to CPCB & MPCB;

- 5) Installed online Ambient Air Quality Monitoring System (AAQMS) with online connectivity with statutory authorities;
- 6) Installed air curtains in Coal fired Boiler to reduce air pollution; and
- 7) Phasing out diesel operated forklifts & replacing them with battery operated forklifts.
- 8) For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).

Details of conservation of energy are given in Annexure to the Directors' Report.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company strives to integrate social, ethical and environmental factors across the entire supply chain.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Significant part of the spares & consumables are procured from local /indigenous suppliers. The Company also extensively works with local suppliers to develop vendors' capabilities for import substitutions on ongoing basis.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of cycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company recycles packaging materials, -paper tubes, and wooden pallets. Packaging materials are also collected from customers for recycling/ reuse.

Principle 3: Businesses should promote the wellbeing of all employees.

Indo Rama, as a Company ensures its development and growth by investing in the satisfaction and well-being of its employees. The Company takes seriously its responsibility to provide a safe working environment and recognise that employees are more productive when they are healthy, feel

good & work safely. Wellness programs of Company raise awareness of health issues by encouraging its employees to adopt a healthy lifestyle. The Company also tailors its safety programs to minimise hazards at workplace.

1. Please indicate the total number of employees - **1457**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - Daily Deployment - **1854**
3. Please indicate the Number of permanent women employees - **13**
4. Please indicate the Number of permanent employees with disabilities - **02**
5. Do you have an employee association that is recognised by management - **No**
6. What percentage of your permanent employees is members of this recognised employee association? **NA**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Sr. No.	Category	No of complaints filed during the financial year
1	Permanent Employees	76%
2	Permanent Women Employees	100%
3	Casual/Temporary/Contractual Employees	100%
4	Employees with Disabilities	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

The Company aims to meet the expectations of its stakeholders that include shareholders, consumers, employees, suppliers and various service providers. The Company understands the needs of its stakeholders and develops action plans to fulfill them while achieving its business goals.

The Company also has in place investor grievance redressal system, consumer complaint redressal system and various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance and other statutory information on the website of the Company to ensure effective stakeholders engagement.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.

As per our understanding and knowledge, there are no disadvantaged, vulnerable and marginalised stakeholders)

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Not Applicable.

Principle 5: Businesses should respect and promote human rights.

The Company firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Anti - Sexual Harassment Policy

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The policy stated in our code and policies which include respect of human rights and dignity of all stakeholders, extend to group, suppliers and all those who works with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints from any stakeholders.

Principle 6: Business should respect, protect and make efforts to restore the environment.

The Company understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation and use of clean fuels continue to be a priority area of the Company. A focused energy program has been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation.

The Company has internal guidelines for environment, which is followed strictly.

During FY 2019-20, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure to the Directors' Report.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy applicable to Company only.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company is continuously implementing process improvements to reduce emissions and wastes.

3. Does the Company identify and assess potential environmental risks? Y/N

Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Practices. The Company follows sound environmental management practices at its manufacturing unit.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company has not identified any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc., Y/N. If yes, please give hyperlink for web page. etc.

6. The Company has already availed power supply from the grid as major initiatives on clean technology and energy efficiency as against power generation using coal based power plant captively. It will reduce carbon emission substantially and foster clean energy.

7. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all applicable statutory requirements with respect to emissions/ waste are complied with and emission / waste generated by the company are within the permissible limit given by SPCB.

8. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31 March, 2020, there is no pending show cause or legal notice received from CPCB or SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Name of Various Associations of which Company is member:

- i) BUTIBORI MANUFACTURERS' ASSOCIATION;
- ii) CONFEDERATION OF INDIAN INDUSTRY
- iii) CONFEDERATION OF INDIAN TEXTILE INDUSTRY;
- iv) FICCI;
- v) FEDERATION OF INDIAN EXPORT ORGANISATION;
- vi) NORTHERN INDIA TEXTILE MILLS ASSOCIATION;
- vii) THE SYNTHETICS & RAYON TEXTILES EXPORT PROMOTION COUNCIL; and
- viii) VIDARBHA INDUSTRIES ASSOCIATION

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
- No.

Principle 8: Businesses should support inclusive growth and equitable development.

The Company supports the principle of inclusive growth and equitable development through its core business.

1. Does the Company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company is providing initiative for local employment as well as local vendors to the extent possible.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

Programmes are being undertaken through in-house team.

3. Have you done any impact assessment of your initiative?
- No.

What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The company is a loss making for the past many years and hence no community development projects have been taken up.

4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Not Applicable.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company has established itself as a high quality product suppliers to its customers both nationally and internationally.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Company's products being industrial products do not require any mandated display of product information. Nevertheless, all basic product information is displayed on the product packaging. Product quality certificate containing all necessary specifications are provided to customers.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

No.

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Om Prakash Lohia
Chairman & Managing Director
(DIN 00206807)

Place: New Delhi
Date: 24th June, 2020

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Indo Rama Synthetics (India) Limited
(CIN: L17124MH1986PLC166615)
Regd. Office.:31-A, MIDC Industrial Area, Butibori, MH-441122

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indo Rama Synthetics (India) Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2020 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 (the Act) and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): | <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999-Not Applicable as the Company has not granted any Options to its employees during the financial year under review. (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable as the Company has not get delisted its equity shares from the stock exchange during the financial year under review. (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-Not Applicable as the Company has not bought back any of its securities during the financial year under review. (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (vi) Other law applicable specifically to the Company, as identified and on the basis of representation given by the management: |
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- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal Act, 2013).
- The Indian Electricity Act, 2003 and Rules/Regulations made thereunder; and
- Indian Boilers Act, 1923 and Rules/Regulations made thereunder, and
- Indian Explosive Act, 1884 and Rules/Regulations made thereunder;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified and effective from 1st July, 2015 and the revised version effective from October 1st, 2017).
- (ii) The SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

1. Some of the e-forms have been filed beyond the due date with MCA with the payment of additional fees.
2. As per SEBI (Prohibition of Insider Trading) Regulations, 2015, Trading Restriction period starts from the end of every quarter till 48 hours after the declaration of financial results.

The Company has not completely complied this regulation for the quarter April, 2019 to June, 2019, trading restriction period started by the Company from 30.07.2019 instead it should be started from 01.07.2019 till 48 hours after the declaration of the financial results.

3. As per Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the listed entity shall submit within 30 days from the date of publication of its financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on the website.

As the date of the publication of the financial results for the quarter ended 31.03.2019 on 16.05.2019 but the disclosures of the related party transactions on a consolidated basis for the half year started

from 01.10.2018 to 31.03.2019 sent to the stock exchange on 13.08.2019 instead it should be submitted on or before 15.06.2019 (i.e. within 30 days from the date of publication of financial results).

4. As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the listed entity shall submit to the stock exchange and publish on its website a copy of the Annual Report sent to the shareholders along with the notice of Annual General Meeting not later than the day of commencement of dispatch to its shareholders.

Company has dispatched the notice of Annual General Meeting to the shareholders on 01.07.2019 as mentioned in the newspaper advertisement in respect of the Notice of General Meeting but Annual Report submitted to the stock exchange on 04.07.2019 instead it should be submitted on or before 01.07.2019.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of this Act.

Normally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings were carried out with majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. There was no dissenting vote for any matter.

I further report that I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Therefore, I am of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the following material events occurred during the audit period:

1. The Company has made the partially redemption of the face value of Secured Rated Redeemable Non-Convertible Debentures (NCDs) on 07.05.2019

of an amount of ₹137 Crores to the holders of NCDs and accordingly face value has been reduced to ₹31,496.57 per debenture in place of ₹1,00,000/- per NCD which has been issued during the Financial year 2018-2019 on private placement basis aggregating to ₹199.99 Crores (19999 Secured Rated Redeemable Non-Convertible Debentures of ₹1,00,000 each).

Further, on 03.07.2019 the Company has fully redeemed the principal amount of NCDs i.e. an aggregate amount of ₹62.99 Crores. Hence, the 19999 Secured Rated Redeemable Non-Convertible Debentures (NCDs) are no longer tradable.

2. Pursuant to the provisions of Section 42, 62(1)(c) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, on 03.04.2019 the Board has given their consent for the allotment of 8,30,00,000 Equity Shares of ₹10/- each at a premium of ₹26/- aggregating to ₹298,80,00,000/- to the Promoters Group i.e. Indorama Netherlands B.V. by way of preferential issue on private placement basis.
3. The Company had refunded on 23.07.2019 the full consideration of 20 Unsecured Optionally Convertible Debentures (OCDs) issued earlier on preferential basis to Promoter of the Company, Mr. Om Prakash Lohia bearing face value of ₹1,00,00,000 per OCD for an aggregating amount upto ₹20,00,00,000 along with interest thereon.

4. The Company has incorporated on 16.08.2019 its Wholly Owned Subsidiary i.e. Indorama Yarns Private Limited having CIN U17299MH2019PTC329375.
5. Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members has given their consent by passing of Special Resolution by way of postal ballot dated 28.09.2019 for leasing out DTY Machines of the Company along with the land appurtenant to the shed in which such machineries are installed at A-31, MIDC Industrial Area, Butibori, Nagpur-441122, Maharashtra, India, with all the supporting accessories and facilities required to Wholly Owned Subsidiary of the Company, Indorama Yarns Private Limited together with the use of all the licenses, permits, consent and approvals by entering into the Lease Agreement.
6. The Company has filed an application for Condonation of Delay with the Central Government with regard to the appointment of Mr. Rajendra Kumar Gupta as Chief Financial Officer of the Company for the financial year 2018-2019. The Central Government (Regional Director) has approved the Form CG 1 for Condonation of Delay on 20.03.2020 vide SRN R21669395.

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

For, **P. KATHURIA & ASSOCIATES.**
Company Secretaries

(PRADEEP KATHURIA)
FCS 4655
CP 3086
UDIN: F004655B000374101

Place: New Delhi
Date: 24th June, 2020

'Annexure A'

To
The Members,
Indo Rama Synthetics (India) Limited (CIN: L17124MH1986PLC166615)
Regd. Office: 31-A, MIDC Industrial Area, Butibori, MH - 441122

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial record and Books of Accounts of the company since the same have been subject to review by Statutory Auditor.
4. Where ever required, I have obtained the Management Representation Letter 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, regulations, standards is the responsibility of management. My 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 efficiency or effectiveness with which the management has conducted the affairs of the company.

For, **P. KATHURIA & ASSOCIATES.**
Company Secretaries

(PRADEEP KATHURIA)

FCS 4655

CP 3086

UDIN: F004655B000374101

Place: New Delhi
Date: 24th June, 2020

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company has already constituted a Corporate Social Responsibility (“CSR”) Committee, and has aligned its CSR Policy in accordance with the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to make it compliant with the provisions of the Act and the Rules made thereunder and to undertake the admissible CSR activities notified by the Ministry of Corporate Affairs in Schedule VII to the Act.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

1) A brief outline of the Company’s CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder.

2) The Composition of the CSR Committee:

- Mr. Om Prakash Lohia (Chairman)
- Mr. Mr. Vishal Lohia -Member
- Mr. M. N. Sudhindra Rao-Member
- Mr. Udeypaul Singh Gill- Member
- Mrs. Ranjana Agarwal -Member
- Dr. Arvind Pandalai- Member

3) Average Net Profit of the Company for last three financial years (2016-17, 2017-18 & 2018-19):

The average profit for the last three financial years is negative.

4) Prescribed CSR expenditure (two percent of the Amount as in item 3 above) (2019-20):

Not required

5) Details of CSR spend during the financial Year 2019-20:

As the average profit for the last three financial years was negative so there was no spending on CSR.

(a) Manner in which the Amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (₹)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (₹)	Amount spent: directly or through implementing agency (₹)
					Direct expenditure on programme or projects (₹)	Over-heads (₹)		
Not Applicable								

6) In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Directors’ report:

Not Applicable

7) The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company

Not Applicable

For and on behalf of the Board of Directors of
Indo Rama Synthetics (India) Limited

Om Prakash Lohia
Chairman and Managing Director
(DIN 00206807)

Place: New Delhi
Date: 24.06.2020

Independent Auditor's Report

To the Members of Indo Rama Synthetics (India) Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indo Rama Synthetics (India) Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Emphasis of Matter - Uncertainties related to Covid-19

4. We draw attention to Note 44 to the accompanying standalone financial statements, which describes management's assessment of uncertainties relating to the effects of the COVID-19 pandemic on the Company's operations. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matter	How the matter was addressed in the audit
<p>Recognition of deferred tax assets (Refer note 8(b) to the accompanying standalone financial statements)</p> <p>As detailed in note 8(b) to the accompanying standalone financial statements, the Company has deferred tax assets (net) aggregating to ₹110.01 crores as at 31 March 2020.</p> <p>During the current year, the Company has recognised deferred tax assets amounting to ₹15.90 crores and has reversed ₹152.00 crores based on taxable profit as per revised projections.</p> <p>The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends on the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses can be adjusted against the taxable profits as governed by the Income-tax Act, 1961.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors. • Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, increased utilization of plants, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions.

Key audit matter	How the matter was addressed in the audit
<p>The projected cash flows involve key assumptions such as future growth rate and market conditions including considering impact of COVID-19 pandemic. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies, materialization of the Company's expansion plans.</p> <p>We have identified the recoverability of deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter for the current year audit considering the materiality of the amounts, complexities and significant judgments involved, as described above.</p> <p>We also consider the uncertainty relating to availability of sufficient future taxable profits estimated by the management as a matter fundamental to the understanding of the users of the accompanying financial statements.</p>	<ul style="list-style-type: none"> • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of possible variations in key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the derecognition of deferred tax assets in absence of expected sufficient future taxable profits. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of deferred tax assets in accordance with applicable accounting standards.
<p>Going concern basis of accounting (Refer Note 44 to the accompanying standalone financial statements)</p> <p>During the year ended 31 March 2020, the Company has incurred losses before tax of ₹180.00 crores for the year ended 31 March 2020 and has had negative cash flow from its operations. Also, as at 31 March 2020, the current liabilities exceed its current assets by ₹279.93 crores.</p> <p>Further, due to outbreak of COVID 19 pandemic and lock-down imposed by the Government, manufacturing plants of the Company were shut down till end of May 2020 and have partially resumed operations from June 2020 and company expects to normal production by August 2020. This is also likely to impact the profitability and cashflows of the Company for the subsequent periods.</p> <p>While the above indicates doubt about the company's ability to continue as a going concern and as detailed in aforesaid note to the accompanying standalone financial statements, the Company has taken into consideration the following mitigating factors in its assessment of appropriateness of using the going concern basis of accounting:</p> <ul style="list-style-type: none"> • Company has been sanctioned credit limits, which it is yet to avail; • Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies; • Increased capacity utilization of plants; • Expected additional benefit of GST refund on increased future sales within the state of Maharashtra; and • Improved margins due to reduction in raw material prices. <p>Management has prepared future cash flow forecasts taking into cognizance the above developments and performed sensitivity analysis of the key assumptions such as future growth rate and market conditions including impact of COVID-19 pandemic, therein to assess whether the Company would be able operate as a going concern for a period of at least 12 months from the date of financial statements, and concluded that the going concern basis of accounting used for preparation of the accompanying standalone financial statements is appropriate with no material uncertainty over going concern.</p>	<p>Our audit procedures included, but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identifying all events or conditions that could impact the company's ability to continue as a going concern, and the process followed to assess the mitigating factors existing for such events or conditions. • Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management. • Reconciled the cash flow projections to future business plans of the Company as approved by the Board of Directors. • In order to corroborate management's future business plans and to identify potential contradictory information we read the board minutes, supervisory board minutes and discussed the business plans with management and the Audit Committee. • Tested the appropriateness of the key assumptions including the impact of COVID 19 pandemic on such assumptions, that had the most material impact including the growth rates, increased utilization of plants and reduced raw material cost. In challenging these assumptions, we considered our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of variation in the key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Inspected the approved unutilized loan sanction letter and evidence of support given by the promoter group company in favour of the Company. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of going concern.

Key audit matter	How the matter was addressed in the audit
<p>We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the standalone financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and the overall conclusion.</p> <p>Provisions and contingent liabilities relating to litigations (Refer note 32 to the accompanying standalone financial statements)</p> <p>As detailed in note 32 to the standalone financial statements, the Company is exposed to a large number of litigations including matters pertaining to income tax and prior years' matters pertaining to excise, customs, sales tax, value added tax, service tax, etc., which could have a significant impact on the financial position of the Company, if the potential exposures were to materialize.</p> <p>Provision for such litigations amounts to ₹54.02 crores as at 31 March 2020 based on its estimate of the likelihood of such liability devolving upon the Company.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The key judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.</p> <p>Considering the significant judgments, materiality of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to the assessment of litigations and provisions included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Company, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved. • Evaluated the design and tested the operating effectiveness of key controls around above process including for completeness and accuracy of the list of litigations outstanding against the Company. • Obtained understanding of the developments during the year in each existing litigation, and understanding of the new litigations initiated against the Company during the year by inquiry with the management, inspection of case related documents such as notices, orders, etc. and correspondence of the Company with their external counsels handling such matters on behalf of the Company. • Conducted a critical review of the assessment done by the management with the help of its legal and tax experts for the likelihood and potential impact of each litigation, examining the available supporting documents. Tested the independence, objectivity and competence of such external experts involved. • Exercised our professional judgment to assess the management's assessment of the potential likelihood of liability devolving upon the Company with respect to each legal case. • Involved auditor's experts to assess the Company's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates made in relation to uncertain tax positions, taking into account past precedents. • Reviewed significant movements in provision with supporting documents. • Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the standalone financial statements. • Evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
9. 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.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 Standards on Auditing 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.

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

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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.

13. 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.

14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 5 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 June 2020 as per Annexure II expressed unmodified opinion;
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sandeep Mehta

Partner

Membership No.: 099410

UDIN:0099410AAAABC3872

Place: Mohali

Date: 24th June 2020

Annexure I to the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year by engaging the outside expert and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property whose title deed is not available with the Company:

Nature of property	Total number of cases	Whether leasehold / freehold	Gross block as on 31 March 2020 (₹ in crores)	Net block on 31 March 2020 (₹ in crores)	Remarks
Land	1	Freehold	0.01	0.01	Management is in the process of arranging certified copies of the title deeds.

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1962*	Income tax	0.19	-	AY 2002-03	Hon'ble Supreme Court
Income Tax Act, 1962*	Income tax	0.26	0.26	AY 2006-07	Hon'ble High Court, New Delhi
Income Tax Act, 1962*	Income tax	0.23	-	AY 2007-08	Hon'ble High Court, New Delhi
The Central Excise Act, 1944	Duty of excise	11.37	2.00	2006-07	Commissioner (Appeals)
The Central Excise Act, 1944	Duty of excise	1.98	-	September-2005 to April-2007	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	1.37	-	December-2007 to September-2008	Commissioner of Central Excise, Customs & Service Tax, Nagpur
The Central Excise Act, 1944	Duty of excise	1.12	0.83	2005-2007	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	0.43	-	2013-14	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.31	-	January 2013 to November 2013	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.20	-	2015-16	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	10.90	-	2008-09	Joint secretary, Government of India
The Central Excise Act, 1944	Duty of excise	18.93	-	2011-12 to 2015-16	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	1.16	0.08	1996-2000	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.33	-	2001-02	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.31	-	2002-03	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.52	-	2008-09 to 2009-10	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	0.10	-	2000-01	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.38	-	2005-06	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.24	-	December 2008 to June 2010	Commissioner/Assistant Commissioner /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.28	0.02	2004-05 to 2014-15	Assistant /Deputy Commissioner, Nagpur
Customs Act, 1962	Duty of customs	0.04	-	1997-98 to 1998-99	Assistant Commissioner/ Deputy Commissioner, Nagpur
Customs Act, 1962	Duty of customs	6.02	0.45	2006-07	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Duty of customs	3.67	0.15	2014-15 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Duty of customs	214.25	-	2006-07	Supreme Court
Customs Act, 1962	Duty of customs	0.23	-	2017-18	Assistant /Deputy Commissioner, Nagpur
Customs Act, 1962	Duty of customs	0.01	-	2018-19	Assistant /Deputy Commissioner, Nagpur
Bombay Sales Tax Act, 1959/ Central Sales Tax Act, 1956	Sales tax	0.07	0.06	1998-99 to 1999-00	Joint Commissioner Sales Tax (Appeals), Nagpur
Maharashtra Value Added Tax Act, 2002	Value added tax	5.23	0.10	2010-11 to 2014-15	Joint Commissioner Sales Tax (Appeals), Nagpur
Finance Act, 1994	Service tax	0.71	-	2007-08	Commissioner (Appeals), Nagpur
Finance Act, 1994	Service tax	0.08	-	1997-98 and 2000-01	Assistant/ Deputy Commissioner, Nagpur
Finance Act, 1994	Service tax	0.20	-	2002-03 to 2005-06	Commissioner, Nagpur
Finance Act, 1994	Service tax	0.22	0.08	2004-05 to 2009-10	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	0.01	-	2016-17	Assistant/ Deputy Commissioner, Nagpur

*excluding cases where losses/unabsorbed depreciation have been adjusted by the tax authorities without raising any demands, though disputed by the Company. The above amounts are exclusive of interest and penalty, if any, which may be levied on conclusion of the matters at respective forums.

- viii) After receiving the approvals for rescheduling its loan from the bank, the Company has not defaulted in repayment of its loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture-holders during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make private placement of shares/fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
UDIN:0099410AAAABC3872

Place: Mohali
Date: 24th June 2020

Annexure II to the Independent Auditor's Report of even date to the members of Indo Rama Synthetics (India) Limited, on the standalone financial statements for the year ended 31 March 2020

Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Indo Rama Synthetics (India) Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls 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 controls with reference to financial statements include 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

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 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 **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sandeep Mehta

Partner

Membership No.: 099410)

UDIN:0099410AAAABC3872

Place: Mohali

Date: 24th June 2020

Standalone Balance Sheet

as at 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
a) Property, plant and equipment	2	702.75	759.25
b) Capital work-in-progress	3	7.19	2.45
c) Intangible assets	4	0.14	-
d) Financial assets			
i) Investments	5(a)	1.00	-
ii) Loans	6	3.35	3.24
iii) Other financial assets	7	1.53	0.82
e) Non-current tax assets [net]	8(a)	10.54	11.07
f) Deferred tax assets [net]	8(b)	110.01	246.11
g) Other non-current assets	9	16.89	14.84
Total non-current assets		853.40	1,037.78
Current assets			
a) Inventories	10	250.54	183.63
b) Financial assets			
i) Investments	5(b)	0.06	0.38
ii) Trade receivables	11	91.46	59.45
iii) Cash and cash equivalents	12	12.50	4.97
iv) Other bank balances not considered as cash and cash equivalents	13	9.96	53.56
v) Other financial assets	7	4.88	5.83
c) Other current assets	9	260.70	244.63
Total current assets		630.10	552.45
Total assets		1,483.50	1,590.23
Equity And Liabilities			
Equity			
a) Equity share capital	14	261.11	178.11
b) Other equity	15	(38.66)	63.10
Total equity		222.45	241.21
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	306.50	222.00
ii) Other financial liabilities	17	16.99	-
b) Provisions	18	27.53	22.24
Total non-current liabilities		351.02	244.24
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	92.87	292.34
ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		3.25	1.11
- total outstanding dues of creditors other than micro enterprises and small enterprises		548.42	577.74
iii) Other financial liabilities	17	99.24	135.04
b) Other current liabilities	21	109.15	11.66
c) Provisions	18	57.10	86.89
Total current liabilities		910.03	1,104.78
Total equity and liabilities		1,483.50	1,590.23

Notes 1 to 47 forms an integral part of these standalone financial statements

This is the Standalone Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

For **Indo Rama Synthetics (India) Limited**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sandeep Mehta

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I. Income			
Revenue from operations	22	2,122.05	1,694.56
Other income	23	5.89	4.81
Total income		2,127.94	1,699.37
II. Expenses			
Cost of materials consumed	24	1,619.96	1,325.17
Purchases of stock-in-trade	25	0.75	66.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(17.14)	(58.88)
Employee benefits expense	27	90.13	77.97
Other expenses	28	433.58	377.02
		2,127.28	1,787.95
Profit/(loss) before finance costs, depreciation and amortisation expense, foreign exchange fluctuation loss and exceptional items		0.66	(88.58)
Finance costs	29	92.31	131.32
Depreciation and amortisation expense	30	86.00	83.04
Foreign exchange fluctuation loss		2.35	3.53
Total expenses		2,307.94	2,005.84
III. Loss before exceptional items and tax [I-II]		(180.00)	(306.47)
IV. Exceptional items			
Exceptional items	42	-	(115.19)
V. Loss before tax [III-IV]		(180.00)	(421.66)
VI. Tax			
Deferred tax expense/(credit)	8 (b)	136.10	(150.60)
Total tax expenses		136.10	(150.60)
VII. Loss for the year [V-VI]		(316.10)	(271.06)
VIII. Other comprehensive income (OCI)			
Items that will not be reclassified to income			
Re-measurement of defined benefit liability		(1.46)	1.12
Less/(add): Income tax relating to remeasurement of defined benefit liability	8 (b)	-	0.39
Other comprehensive income for the year, net of tax		(1.46)	0.73
IX. Total comprehensive income for the year		(317.56)	(270.33)
X. Earnings/(loss) per equity share [nominal value of equity share ₹10]			
Basic and diluted	31	(12.13)	(17.01)

Notes 1 to 47 forms an integral part of these standalone financial statements

This is the Standalone Statement of Profit and Loss referred to in our report of even date

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited****Sandeep Mehta**

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Standalone Cash Flow Statement

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities:		
Loss before tax	(180.00)	(421.66)
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	(1.46)	1.12
Depreciation and amortisation expense	86.00	83.04
Loss on disposal/discard of property, plant and equipment	0.44	0.02
Finance cost	92.31	131.32
Interest income	(6.19)	(9.69)
Provision for doubtful debts and advances	-	43.28
Provision for insurance claim and interest thereon	-	67.84
Provision for doubtful advances to vendors	-	2.40
Provision for non-moving inventory	-	3.07
Provision for contingencies	-	84.00
Liabilities/provisions no longer required, written back	(17.93)	-
Surrender value of keyman insurance written off	-	7.31
Debts/advances written off	2.12	0.39
Dividend income	-	(0.01)
Fair valuation of investments through profit and loss	(0.07)	0.08
Operating loss before working capital changes	(24.78)	(7.49)
Adjustments for movement in:		
Changes in trade receivables and other receivables	(32.01)	8.34
Changes in financial assets-loans	0.07	0.12
Changes in other financial assets	(0.26)	0.68
Changes in other assets	(18.70)	(109.44)
Changes in inventories	(66.91)	(70.49)
Changes in trade and other payables	(23.66)	(44.97)
Changes in provisions	(10.35)	0.85
Changes in other financial liabilities	(39.91)	37.56
Changes in other liabilities	97.49	(26.93)
Cash used in operating activities	(119.02)	(211.77)
Income tax refund	0.53	0.63
Net cash used in operating activities [A]	(118.49)	(211.14)
B. Cash flow from investing activities:		
Purchase of property, plant and equipment [including capital advances and creditors for capital goods]	(10.77)	(4.97)
Proceeds from sale of investments	0.39	-
Proceeds from sale of property, plant and equipment	-	0.01
Investment in subsidiary	(1.00)	-
Other bank balances not considered as cash and cash equivalents [net]	42.83	14.70
Interest received	7.22	7.39
Dividend received	-	0.01
Net cash generated from investing activities [B]	38.67	17.14

Standalone Cash Flow Statement

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
C. Cash flow from financing activities:		
Repayment of non-current borrowings	(248.51)	(30.40)
Proceeds from non-current borrowings	344.18	199.99
Movement in current borrowings [net]	(199.47)	38.95
Payment of lease liabilities	(6.09)	-
Proceeds from issue of share capital [including premium on allotment of equity shares]	298.80	91.86
Dividend paid	(0.06)	(0.07)
Finance cost paid	(101.50)	(115.00)
Net cash generated from financing activities [C]	87.35	185.33
Net increase/(decrease) in cash and cash equivalents [A+B+C]	7.53	(8.67)
Cash and cash equivalents at the beginning of the year	4.97	13.64
Closing cash and cash equivalents	12.50	4.97
Cash and cash equivalents include:		
Cash on hand	0.22	0.79
Balances with banks	12.28	4.18
Cash and bank balances	12.50	4.97

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.
- Additions to property, plant and equipment and intangible assets includes movement of capital work-in-progress during the year.

Notes 1 to 47 forms an integral part of these standalone financial statements

This is the Standalone Cash Flow Statement referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

Sandeep Mehta

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	As at		As at				
	31 March 2020		31 March 2019				
A. Equity share capital							
Balance at the beginning of the year		178.11		151.82			
Issued during the year		83.00		26.29			
Balance at the end of the year		261.11		178.11			
B. Other equity							
Attributable to the equity holders							
Particulars	Other equity						Total
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings	Other comprehensive income	
Balance at 31 March 2018	20.38	166.22	58.13	-	22.66	0.47	267.86
Loss for the year	-	-	-	-	(271.06)	-	(271.06)
Other comprehensive income for the year [net of tax]	-	-	-	-	-	0.73	0.73
Additions during the year	-	65.57	-	-	-	-	65.57
Transfer to debenture redemption reserve	-	-	-	10.00	-	-	10.00
Transfer from general reserve	-	-	(10.00)	-	-	-	(10.00)
Balance at 31 March 2019	20.38	231.79	48.13	10.00	(248.40)	1.20	63.10
Loss for the year	-	-	-	-	(316.10)	-	(316.10)
Other comprehensive income for the year	-	-	-	-	-	(1.46)	(1.46)
Additions during the year	-	215.80	-	-	-	-	215.80
Transfer from debenture redemption reserve	-	-	-	(10.00)	-	-	(10.00)
Transfer to general reserve	-	-	10.00	-	-	-	10.00
Balance at 31 March 2020	20.38	447.59	58.13	-	(564.50)	(0.26)	(38.66)

Notes 1 to 47 forms an integral part of these standalone financial statements

This is the Standalone Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

Sandeep Mehta

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

1(i) Corporate information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'IRSL') is a Public Company domiciled in India, with its registered office situated at A-31, MIDC Industrial Area, Butibori, Nagpur. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company is a manufacturer of polyester filament yarn (PFY), polyester staple fibre (PSF), draw texturised yarn (DTY), specialty fiber and chips. The Company is also engaged in trading of spun yarn, and also engaged in power generation, which is used primarily for captive consumption.

(ii) Basis of preparation and presentation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores and two decimals thereof, unless otherwise indicated.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these standalone financial statements.

The statement of cash flows have been prepared under indirect method.

The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.

(iii) Significant accounting policies

a. Use of estimates and judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of

accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the standalone financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the standalone financial statements in the period in which changes are made. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognised in the standalone financial statements.

b. Going concern

As detailed in note 44 to the standalone financial statements, going concern basis of accounting used for preparation of the accompanying standalone financial statements is appropriate with no material uncertainty.

c. Current/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 Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the 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 or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

d. Property, plant and equipment

Recognition and measurement

Under the previous GAAP, property, plant and equipment ('PPE') were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward these net block of PPE under previous GAAP as on 31 March 2015 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2015.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

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 Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Foreign currency exchange differences are capitalised as per the policy stated in note 1(i) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Company have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life	Useful life as per Schedule II
Building (factory buildings/ non factory buildings) other than RCC frame structure	28 years	30 years
Building (factory buildings/ non factory buildings) RCC frame structure	58 years	60 years
Plant and equipment (continuous process plant)	18 years/ 6 years	25 years/ 3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipment	20 years	5 years

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets costing less than ₹5,000 are fully depreciated over the period of one year from the date of purchase/ acquisition and such treatment did not have any material impact on standalone financial statements of the Company for the current year.

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

e. Intangible assets

Recognition and measurement

Intangible assets include software, that are acquired by the Company, that are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition 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 and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 3 years. 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.

f. Impairment

(i) Impairment of financial assets

The Company recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying

amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Right-of-use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Transition

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the

Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

h. Inventories

Inventories are measured at the lower of cost and net realisable value.

Raw materials, traded finished goods, packing material and stores and spares: The cost of inventories is calculated on weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Waste: The valuation is done at net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

i. Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences except those relating to long-term monetary foreign currency items are dealt with in the Statement of Profit and Loss. Exchange differences in respect of long-term monetary foreign currency items prior to 1 April 2016, are added to or deducted from the cost of asset and are depreciated over the balance life of the asset.

j. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

k. Revenue

i. Sale of goods

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Where the payment extends beyond normal credit period, interest is recovered separately.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

l. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised

as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements, not to demand payment as a consequence of the breach.

m. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

n. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it

would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding. Additionally, for

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in Statement of Profit and Loss.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. 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 recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

o. Measurement of fair values

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cheques on hand and cash on hand, which are not subject to risk of changes in value. Also, for the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks, cheques on hand and cash on hand.

q. Earnings per share

Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company, and requires interpretation of laws and past legal rulings.

s. Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision

maker. The Company's Chairman and Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., manufacturing of Polyester goods. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 37 for segment information presented.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

2. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Right of use buildings [refer note 5 below]	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
A. Gross carrying value										
Balance as at 31 March 2018	0.16	2.89	106.94	-	1.27	948.25	2.89	4.76	8.45	1,075.61
Additions during the year	-	-	-	-	-	1.27	1.29	-	0.43	2.99
Disposals during the year [refer note 1 below]	-	-	-	-	-	0.39	-	-	0.04	0.43
Balance as at 31 March 2019	0.16	2.89	106.94	-	1.27	949.13	4.18	4.76	8.84	1,078.17
Additions during the year [refer note 2 below]	-	-	-	31.54	-	4.47	0.17	0.32	0.97	37.47
Disposals during the year [refer note 1 below]	-	-	-	7.16	-	1.98	-	0.11	0.08	9.33
Balance as at 31 March 2020	0.16	2.89	106.94	24.38	1.27	951.62	4.35	4.97	9.73	1,106.31
B. Accumulated depreciation										
Balance as at 31 March 2018	-	0.12	11.33	-	1.09	219.10	0.49	1.26	2.50	235.89
Additions during the year	-	0.04	3.73	-	0.18	76.48	0.41	0.52	1.68	83.04
Disposals during the year	-	-	-	-	-	-	-	-	0.01	0.01
Balance as at 31 March 2019	-	0.16	15.06	-	1.27	295.58	0.90	1.78	4.17	318.92
Additions during the year	-	0.04	3.77	5.30	-	75.27	0.44	0.54	0.59	85.95
Disposals during the year	-	-	-	1.15	-	0.07	-	0.06	0.03	1.31
Balance as at 31 March 2020	-	0.20	18.83	4.15	1.27	370.78	1.34	2.26	4.73	403.56
Net carrying value										
As at 31 March 2019	0.16	2.73	91.88	-	-	653.55	3.28	2.98	4.67	759.25
As at 31 March 2020	0.16	2.69	88.11	20.23	-	580.84	3.01	2.71	5.00	702.75

Notes:

1. Disposal to plant and equipment include gain on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipment amounting to nil [previous year : ₹0.39 crores] and capital subsidy under TUF scheme received during the year for purchase of plant and equipment amounting to ₹1.57 crores [previous year : nil].
2. Additions to plant and equipment include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipment amounting to ₹3.00 crores [previous year : nil].
3. Refer note 33 for information on capital commitments for the acquisition of property, plant and equipment.
4. Refer note 34 for information on assets pledged as security by the Company.
5. Refer note 39 for information on assets taken on lease.

3. Capital work-in-progress

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	2.45	2.67
Additions during the year	7.91	2.36
Capitalisation during the year	(3.17)	(2.58)
Balance as at end of the year	7.19	2.45

Note:

1. Capital work-in-progress includes property, plant and equipment under construction, installation and cost of asset not ready for use as at year end.
2. Refer note 34 for information on assets pledged as security by the Company.

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

4. Intangible assets

	As at 31 March 2020	As at 31 March 2019
Software		
A. Gross carrying amount		
Balance at the beginning of the year	0.05	0.05
Additions during the year	0.19	-
Balance as at end of the year	0.24	0.05
B. Accumulated amortisation		
Balance at the beginning of the year	0.05	0.05
Additions during the year	0.05	-
Balance as at end of the year	0.10	0.05
Net carrying value		
As at 31 March 2019	-	-
As at 31 March 2020	0.14	-

5. Investments

	As at 31 March 2020	As at 31 March 2019
5 (a) Non-current investments		
Unquoted equity shares		
Equity shares carried at fair value through profit or loss ['FVTPL']		
Subsidiary [refer note 40 and 41]		
1,000,000 [31 March 2019: nil] equity shares of Indorama Yarns Private Limited [₹10 each, fully paid up]	1.00	-
Others		
1,500,000 [31 March 2019 : 1,500,000] equity shares of Ritspin Synthetics Limited [₹10 each, fully paid up]	1.50	1.50
	2.50	1.50
Less: Provision for impairment in the value of investment	(1.50)	(1.50)
	1.00	-
Aggregate amount of unquoted investments	2.50	1.50
Aggregate provision for diminution in value of investments	1.50	1.50
5 (b) Current investments		
Quoted equity shares		
Equity shares carried at fair value through profit or loss ['FVTPL']		
52,501 [31 March 2019 : 52,501] equity shares of Optel Telecommunications Limited [₹10 each, fully paid up]*	-	-
708,400 [31 March 2019 : 708,400] equity shares of Sanghi Polyesters Limited [₹10 each, fully paid up]*	-	-
20 [31 March 2019 : 20] equity shares of Reliance Industries Limited [₹10 each, fully paid up]**	-	-
72,601 [31 March 2019 : 72,601] equity shares of Balasore Alloys Limited [₹5 each, fully paid up]	0.05	0.17
	0.05	0.17
Quoted preference shares		
56,500 [31 March 2019 : 446,000] 0.01% cumulative redeemable preference of JSW Steel Limited [10 each, fully paid up]	0.01	0.21
	0.01	0.21
	0.06	0.38
Aggregate amount of quoted investments	0.85	1.24
Market value of quoted investments	0.06	0.38

Note:

1. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.

* Fair value of the investments are nil [31 March 2019 : nil]

** ₹22,275 [31 March 2019 : ₹27,265], amount in absolute rupees.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

6. Loans

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
[Unsecured considered good, unless otherwise stated]				
Security deposits	3.35	3.24	-	-
	3.35	3.24	-	-

Note:

1. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.

7. Other financial assets

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Interest accrued on deposits	-	-	0.17	1.38
Non-current bank balances*	1.53	0.82	-	-
Advance to employees	-	-	1.54	1.17
Claims and other receivables	-	-	71.01	71.12
Less : Provision for claims and other receivables [refer note 42]	-	-	(67.84)	(67.84)
	1.53	0.82	4.88	5.83

Note:

1. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.

2. Refer note 34 for information on other financial assets pledged as security by the Company.

* Pledged with banks for credit limits.

8 (a) Non-current tax assets

	As at 31 March 2020	As at 31 March 2019
Advance tax [net of provisions of ₹106.42 crores (31 March 2019: ₹106.42 crores)]	10.54	11.07
	10.54	11.07

8 (b) Deferred tax assets

I. Recognition of deferred tax assets and liabilities

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets/(liabilities)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	-	-	(151.02)	(164.51)	(151.02)	(164.51)
Investment at FVTPL	1.00	1.03	-	-	1.00	1.03
Provision for employee benefits	6.08	5.46	-	-	6.08	5.46
Provision for doubtful debts and advances	44.87	45.00	-	-	44.87	45.00
Brought forward business losses unabsorbed depreciation	189.21	327.71	-	-	189.21	327.71
Provision for contingencies	18.88	29.35	-	-	18.88	29.35
Other items	1.05	2.15	(0.06)	(0.08)	0.99	2.07
	261.09	410.70	(151.08)	(164.59)	110.01	246.11
Offsetting of deferred tax assets and deferred tax liabilities	(151.08)	(164.59)	151.08	164.59	-	-
Net deferred tax assets	110.01	246.11	-	-	110.01	246.11

Note: Based on the current developments as stated in note 45 and business plan, the Company is confident that the deferred tax assets carried at the end of the year is fully recoverable and there will be sufficient future taxable profits to adjust unabsorbed depreciation and carried forward business losses.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

II. Movement in temporary differences

	As at 31 March 2020	As at 31 March 2019
Opening balance of deferred tax asset	246.11	95.90
Tax (expense)/income during the year recognised in the statement of profit or loss*	(136.10)	150.60
Tax expense during the year recognised in other comprehensive income	-	(0.39)
Closing balance of deferred tax asset	110.01	246.11

* Management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence amounting to ₹136.10 crores.

III. Unrecognised deferred tax assets and unrecognised minimum alternate tax credit entitlement

	As at 31 March 2020		As at 31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unrecognised minimum alternate tax credit entitlement*		57.70		57.70
Brought forward business losses and unabsorbed depreciation**	1,060.46	370.57	491.85	171.87

* Minimum alternate tax credit entitlement carried in Income-tax return and not recognised in books.

** Deferred tax assets have not been recognised in respect of above items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

IV. Effective tax rate

	As at 31 March 2020	As at 31 March 2019
Accounting loss before income tax	(181.46)	(420.55)
Enacted tax rate	34.94%	34.94%
Current tax income on profit before tax at the enacted income tax rate in India	63.41	146.96
Deferred tax rate adjustments	-	(3.29)
Derecognition of deferred tax asset*	136.10	-
Deferred tax asset not recognised*	(63.41)	-
Other adjustments	-	0.04
Tax expense/(income) reported in the statement of profit and loss	(136.10)	150.21
Tax expense/(income) during the year recognised in statement of profit or loss	136.10	(150.60)
Tax expense during the year recognised in other comprehensive income	-	0.39
	136.10	(150.21)

* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence. Accordingly, no deferred tax asset has been recognised during the current financial year. Further, management is confident about the achievement of the business plans and availability of sufficient future taxable profits against which deferred tax was recognised in the statement of profit or loss in the earlier year(s).

9. Other assets

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Capital advances	1.54	-	-	-
Claims and other receivables	14.84	14.04	211.36	150.71
GST receivable	-	-	22.52	55.79
Prepaid expenses	-	-	4.73	3.85
National Savings Certificates VI th issue* (pledged with sales tax authorities)	-	-	-	-
Advance rent	0.51	0.80	0.20	0.21
Advances to vendors	5.21	5.40	21.89	34.07
Less : Provision for doubtful advances to vendors [refer note 42]	(5.21)	(5.40)	-	-
	16.89	14.84	260.70	244.63

1. Refer note 34 for information on other assets pledged as security by the Company.

* Non-current includes ₹4,000 [31 March 2019 : ₹4,000], amount in absolute rupees

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to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

10. Inventories

[valued at lower of cost or net realisable value, unless otherwise stated]

	As at 31 March 2020	As at 31 March 2019
Raw materials [include in transit ₹21.13 crores (31 March 2019 : ₹8.66 crores)]*	79.75	30.77
Work-in-progress	5.92	10.29
Finished goods [include in transit ₹12.59 crores (31 March 2019 : ₹21.35 crores)]**	128.56	111.36
Stores and spares [include in transit ₹1.14 crores (31 March 2019 : ₹0.56 crores)]	28.37	26.83
Packing material	2.33	2.44
Waste***	5.56	1.25
Stock-in-trade	0.05	0.69
	250.54	183.63

Note:

1. Refer note 34 for information on inventories pledged as security by the Company.

* The inventories were reduced by nil [31 March 2019 : ₹3.07 crores] on account of net realisable value being lower than the cost [refer note 42].

** The inventories were reduced by ₹2.58 crores [31 March 2019 : ₹3.38 crores] on account of net realisable value being lower than the cost.

*** valued at net realisable value.

11. Trade receivables

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	91.46	59.45
Credit impaired	55.36	55.54
	146.82	114.99
Less : Provision for expected credit loss [refer note 28 and 42]	(55.36)	(55.54)
	91.46	59.45

Notes:

1. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 10 days for all customer categories. In case of delay beyond 10 days, the interest is generally recovered at the rate of 18% upto 30 days from the date of invoice and if the delay is beyond 30 days, it is recovered at the rate of 24% from the date of invoice. Average recovery rate of interest from overdue trade receivables in past years was 12-14%.

2. The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 38.

3. Refer note 34 for information on trade receivables pledged as security by the Company.

12. Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks	12.28	4.18
Cash on hand	0.22	0.79
	12.50	4.97

13. Other bank balances

	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity more than three months but remaining maturity of less than twelve months	9.66	53.20
Unpaid dividend	0.30	0.36
	9.96	53.56

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

14. Equity share capital

	As at 31 March 2020	As at 31 March 2019
Authorised		
275,000,000 equity shares of ₹10 each [31 March 2019 : 275,000,000]	275.00	275.00
	275.00	275.00
Issued, subscribed and fully paid up		
261,113,151 equity shares of ₹10 each fully paid-up [31 March 2019: 178,113,151]	261.11	178.11
	261.11	178.11

Notes:

i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	17,81,13,151	178.11	15,18,22,242	151.82
Add: Issued during the year	8,30,00,000	83.00	2,62,90,909	26.29
Balance at the end of the year	26,11,13,151	261.11	17,81,13,151	178.11

ii) The Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, 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.

iii) Shares in the Company held by each shareholder holding more than 5% are as under:

Names of shareholders	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Brookgrange Investments Limited	5,35,64,057	20.51	5,35,64,057	30.07
Mr. Om Prakash Lohia [Chairman and Managing Director]	3,84,73,369	14.73	3,84,73,369	21.60
Mrs. Urmila Lohia	1,81,84,518	6.96	1,81,84,518	10.21
Siam Stock Holding Limited	1,72,00,000	6.59	1,72,00,000	9.66
APMS Investment Fund Limited	-	-	1,26,52,175	7.10
Indorama Netherlands B.V. [controlling Company, refer note vi]	10,06,96,588	38.56	-	-
	22,81,18,532	87.35	14,00,74,119	78.64

iv) Shares in the Company held by controlling Company are as under:

Names of shareholders	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company, refer note vi]	10,06,96,588	38.56	-	-
	10,06,96,588	38.56	-	-

v) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

vi) During the year ended 31 March 2020 and pursuant to the decision of the Board of Directors and Shareholders to raise additional equity by way of preferential allotment, the Company has issued 8.30 crores shares representing 31.79% of the total paid up share capital to Indorama Netherlands BV ('INBV') at an issue price of ₹36 per share [including premium of ₹26 per share] and has received ₹298.80 crores on 3 April 2019. Pursuant to equity infusion, INBV controls the Company through management control and also appointed additional Key Management Personnel in the Company

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

15. Other equity

	As at 31 March 2020	As at 31 March 2019
a. Capital reserve		
Balance at the beginning of the year	20.38	20.38
Balance at the end of the year	20.38	20.38
b. Securities premium		
Balance at the beginning of the year	231.79	166.22
Add : Additions during the year	215.80	65.57
Balance at the end of the year	447.59	231.79
c. General reserve		
Balance at the beginning of the year	48.13	58.13
Add : Transfer from debenture redemption reserve	10.00	-
Less : Transfer to debenture redemption reserve	-	(10.00)
Balance at the end of the year	58.13	48.13
d. Debenture redemption reserve		
Balance at the beginning of the year	10.00	-
Add : Transfer from general reserve	-	10.00
Less : Transfer to general reserve	(10.00)	-
Balance at the end of the year	-	10.00
e. Retained earnings		
Balance at the beginning of the year	(247.20)	23.13
Add : Loss during the year	(316.10)	(271.06)
Add : Re-measurement gains on defined benefit plan [net of tax]	(1.46)	0.73
Balance at the end of the year	(564.76)	(247.20)
Total other equity [a+b+c+d+e]	(38.66)	63.10

Nature of reserves

Capital reserve

Capital reserve comprises of money received against forfeiture of equity shares and preference share warrants. The reserve is not available for distribution as dividend. The reserve is utilised in accordance with the specific provisions of Companies Act, 2013.

Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

General reserve

General reserve is a free reserve and is utilised from time to time for appropriate purposes.

Debenture redemption reserve

Debenture redemption reserve is a reserve created at the time of issue of debentures. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

16. Borrowings

	Non-current		Current maturities	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Secured loan				
Debentures				
Redeemable non-convertible debentures	-	179.99	-	20.00
Term loans - from banks				
Rupee loans	306.50	7.17	35.64	9.74
Foreign currency loans	-	34.09	36.36	29.55
	306.50	221.25	72.00	59.29
Less : Current maturities on borrowings [refer note 17]	-	-	(72.00)	(59.29)
	306.50	221.25	-	-
Deferred payment liabilities				
Deferred payment liabilities towards acquisition of property, plant and equipment	-	0.75	-	0.41
Less : Current maturities on borrowings [refer note 17]	-	-	-	(0.41)
	306.50	222.00	-	-

Notes:

1. Refer note 38 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

2. Terms of repayment and security details:

Nature of security	Terms of repayment
a) Redeemable non-convertible debentures	
i) Nil (31 March 2019 : ₹199.99 Cr) were secured by first pari-passu charge on Maharashtra property and other moveable fixed assets of the Company, except assets under exclusive charge of loan from IKB Deutsche Industriebank AG on which there is a subservient charge. Further, the same were secured by the personal guarantee of Mr. Om Prakash Lohia and Mr. Vishal Lohia, jointly and severally. Further, shares of Mr. Om Prakash Lohia and Mrs. Urmila Lohia had been pledged aggregating to 28.28% of total shareholding.	Redeemable non-convertible debentures have been repaid during the current year.
b) Rupee term loans from banks	
i) Nil (31 March 2019 : ₹16.73 crores) were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future and collaterally by second pari-passu charge on entire current assets including raw materials, finished goods, stock-in-process, consumables, stores and spares at the Company's factory premises or at such places as may be approved by the bank from time to time including stocks-in-transit, book debts, receivables, on pari-passu basis with other banks. Further, the same were secured by the personal guarantee of Mr. Om Prakash Lohia and Mr. Vishal Lohia, jointly and severally with the maximum cap of ₹200 crores (including personal guarantees for working capital loans).	Rupee term loan from bank have been repaid during the current year.
ii) Nil (31 March 2019 : ₹0.18 crores) were secured by hypothecation of specific vehicles.	Vehicle loan from banks have been repaid during the current year.
iii) ₹114 crores (31 March 2019 : nil) were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future.	Repayable in 12 equal quarterly installments each aggregating to ₹9.50 crores repayment of which would be commencing on various dates from August 2020 and September 2020. Rate of interest at 8.10% to 10.15%.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Nature of security	Terms of repayment
iv) ₹150 crores (31 March 2019 : nil) were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future.	Repayable in 6 equal half yearly installments amounting to ₹25 crores each repayment of which would be commencing from 25 October 2021 onwards. Rate of interest at 9.96%.
v) ₹71 crores (31 March 2019 : nil) were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future.	Repayable in 3 equal yearly installments each aggregating to ₹10.65 crores repayment of which would be commencing on various dates in June 2021 and July 2021 and 1 yearly installment aggregating to ₹39.05 crores in June 2024 and July 2024. Rate of interest at 9.75%.
vi) ₹7.14 crores (31 March 2019 : nil) were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future.	Repayable in 9 equal monthly installments amounting to ₹1.02 crores each repayment of which commenced from 28 February 2020 onwards. Balance repayable in 7 equal monthly installments amounting to ₹1.02 crores each. Rate of interest at 9.20%.
c) Foreign currency term loans from banks	
i) ₹36.36 crores (31 March 2019 : ₹41.22 crores) are secured by specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Balance repayable in 3 equal monthly installments amounting to Euro 490,500 each, subsequent 4 equal monthly installments amounting to Euro 613,000 each and balance 1 installment amounting to Euro 465,040. Rate of interest at six months EURIBOR plus 0.95%.
ii) Nil (31 March 2019 : ₹22.42 crores) are secured by specific charge on the equipment purchased under the loan agreement for the Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Foreign currency term loan from bank has been repaid during the current year.

d) Details of delays in the repayment of dues to banks and amount in default outstanding as at 31 March 2019 are as below:

Name of the bank	Nature of default	Total amount delayed	Number of days	Amount outstanding as at 31 March 2019
IKB Deutsche Industriebank AG	Overdue	63.64	1 to 895 days	63.64

Reconciliation of movements of liabilities to cash flows arising from financing activities:**Borrowings:**

	As at 31 March 2020		As at 31 March 2019	
	Non-current borrowings*	Current borrowings**	Non-current borrowings*	Current borrowings**
Balance at beginning of the year	280.54	292.34	111.51	253.39
Proceeds from non-current borrowings	344.18	-	199.99	-
Repayment of non-current borrowings	(248.51)	-	(30.40)	-
Movement in short-term borrowings [net]	-	(199.47)	-	38.95
Foreign exchange movement	2.29	-	(0.39)	-
Interest on fixed loans using effective interest rate method	-	-	(0.17)	-
Balance as at the end of the year	378.50	92.87	280.54	292.34

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Lease liabilities:

	As at 31 March 2020	As at 31 March 2019
Balance at beginning of the year	-	-
Payment of lease liabilities	(6.09)	-
Interest expense	2.42	-
Adjustment on modification of lease	(2.57)	-
Adjustment on adoption of Ind AS 116	27.80	-
	21.56	-

* Non-current borrowings includes current maturity, but excludes deferred payment liabilities towards acquisition of property, plant and equipment.

** Refer note 19

17. Other financial liabilities

	Non-current		Current maturities	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings [refer note 16]	-	-	72.00	59.29
Current maturities of deferred payment liabilities [refer note 16]	-	-	-	0.41
Interest accrued and due on borrowings*	-	-	0.10	1.08
Interest accrued and not due on borrowings	-	-	10.27	20.90
Book overdraft	-	-	-	0.04
Unpaid dividends [refer note 1 below]	-	-	0.30	0.36
Forward cover payable	-	-	0.18	-
Payable to employees	-	-	9.97	13.02
Lease liabilities [refer note 39]	16.99	-	4.57	-
Security deposits from customers [refer note 3 below]	-	-	-	37.00
Creditors towards property, plant and equipment	-	-	1.85	2.94
	16.99	-	99.24	135.04
* Includes amounts due to Key Managerial Personnel [refer note 41]	-	-	-	1.07

Notes:

- There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.
- Refer note 38 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
- Security deposits from customers carries interest rate from 14% to 35%.

18. Provisions

	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for gratuity [refer note 35]*	16.25	14.45	1.14	1.16
Provision for compensated absences [refer note 35]*	11.28	7.79	1.94	1.73
Provision for contingencies [refer note 28]**	-	-	54.02	84.00
	27.53	22.24	57.10	86.89
* Includes amounts due to Key Managerial Personnel [refer note 41]	0.28	0.30	0.90	0.94

**** Movement in provision for contingencies**

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	84.00	-
Add : Provision recognised during the year	-	84.00
Less : Provision reversed during the year	(29.98)	-
Balance at the end of the year	54.02	84.00

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

19. Borrowings

	As at 31 March 2020	As at 31 March 2019
Secured loan		
Working capital from banks	-	97.34
Short-term loans from banks	92.87	-
	92.87	97.34
Unsecured loan		
Rupee loans from banks	-	175.00
Optionally convertible debentures*	-	20.00
	-	195.00
	92.87	292.34
* Includes amounts due to Key Managerial Personnel [refer note 41]	-	20.00

Notes:

i) Details of rate of interest, terms of repayment and security for working capital from banks:

Working capital loans from banks amounting to nil [previous year : ₹97.34 crores] are secured by first pari-passu charge on current assets of the Company and second pari-passu charge on the Company's entire present and future block of assets, except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG. Further, the working capital loans are secured with the personal guarantees of Mr. Om Prakash Lohia and Mr. Vishal Lohia, jointly and severally with the maximum cap of ₹200 crores (including personal guarantees for rupee term loans). These are repayable on demand and carry an interest rate in the range from 5% p.a. to 8.50% p.a. over marginal credit lending rate of one year.

ii) Details of rate of interest, terms of repayment and security for short-term loans from banks:

Short-term loans from banks amounting to ₹92.87 crores [previous year : nil] are secured by first pari-passu charge on current assets of the Company excluding the current assets pertaining to SGST/VAT incentive receivable from Government of Maharashtra and second pari-passu charge on the Company's entire present and future block of assets, except assets under exclusive charge of loan from IKB Deutsche Industriebank AG. These are repayable within 6 months and carry an interest rate in the range from 8.25% p.a. to 8.50% p.a.

iii) Details of rate of interest and terms of repayment for rupee loans from banks:

Rupee loans from banks are repayable within six months from the date of sanction and carry an interest rate at prevailing marginal cost of fund based lending rates. Rupee loans from banks have been repaid during the current year.

iv) Details of rate of interest and terms of repayment for optionally convertible debentures:

Optionally convertible debentures are repayable within twelve months subject to maximum of eighteen months from the date of allotment and carry an interest rate at 12% p.a. Optionally convertible debentures have been repaid during the current year.

20. Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises [refer note 36]	3.25	1.11
Total outstanding dues of creditors other than micro enterprises and small enterprises*	548.42	577.74
	551.67	578.85
* Includes amounts due to related entities [refer note 41]	23.11	32.14

21. Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Advances from customers*	106.15	7.89
Statutory dues	2.51	3.29
Others	0.49	0.48
	109.15	11.66
* Includes amounts due to related entities [refer note 41]	100.75	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

22. Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Disaggregated revenue information		
Sale of products [refer notes below]		
Finished goods		
Domestic	1,600.51	1,309.35
Export	513.64	262.05
Traded goods	0.74	64.05
	2,114.89	1,635.45
Less: Rebates and discounts to customers	65.96	45.50
	2,048.93	1,589.95
Other operating income		
Scrap sales	6.95	10.13
GST refund	35.23	86.97
Interest from customers	4.72	3.72
Interest on insurance claims	-	2.19
Liabilities/provisions no longer required, written back	24.99	-
Others	1.23	1.60
	73.12	104.61
	2,122.05	1,694.56

Notes:

i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Gross sale of products	2,127.11	1,682.32
Less : Adjustment on account of returns	8.46	44.18
Less : Adjustment on account of discounts and price differences	69.72	48.19
Balance at the end of the year	2,048.93	1,589.95

ii) Contract balances

Trade receivables [refer note 11]	91.46	59.45
Security deposits from customers [refer note 17]	-	37.00
Advance from customers [refer note 21]	106.15	7.89

iii) Revenue recognised in relation to contract liabilities

a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	7.89	34.42
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

23. Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
from banks	1.20	3.20
from others	0.09	0.42
Unwinding of discount on security deposits	0.18	0.16
Fair valuation of investments through profit and loss	0.07	-
Dividend income	-	0.01
Others	4.35	1.02
	5.89	4.81

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

24. Cost of raw materials consumed

	For the year ended 31 March 2020	For the year ended 31 March 2019
Category of materials consumed		
Purified terephthalic acid	1,185.61	949.38
Mono ethylene glycol	364.48	332.83
Others	69.87	42.96
	1,619.96	1,325.17

25. Purchase of stock in trade

	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchase of stock-in-trade	0.75	66.67
	0.75	66.67

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31 March 2020	For the year ended 31 March 2019
Closing stock		
Finished goods	128.56	111.36
Work-in-progress	5.92	10.29
Waste	5.56	1.25
	140.04	122.90
Opening stock		
Finished goods	111.36	53.50
Work-in-progress	10.29	6.82
Waste	1.25	3.70
	122.90	64.02
	(17.14)	(58.88)

27. Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary, wages and bonus	80.54	69.26
Contribution to provident and other funds [refer note 35(a)]	5.31	4.77
Staff welfare expenses	4.28	3.94
	90.13	77.97

28. Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores and spares	36.61	24.97
Power and fuel	180.88	103.11
Rent and hire charges [refer note 39]	4.06	7.89
Repairs and maintenance	21.87	23.69
Insurance	5.88	3.92
Less : recovery	0.39	0.07
Rates and taxes [out of provision for contingencies, ₹15.83 crores debited to rates and taxes]	2.05	3.94
Provision for contingencies [refer note 32]	-	84.00
Packing materials consumed	60.16	33.80
Freight and forwarding charges	67.79	27.82
Less : recovery	10.96	2.56
Brokerage and commission	5.40	7.58
Discounts and claims	1.24	3.04
Directors' sitting fees	0.17	0.12
Legal and professional charges*	6.75	8.50
Donations	0.03	0.04
Provision for doubtful debts/advances	-	1.39
Debts/advances/other financial assets written off [refer note 42] [out of provision for doubtful debts, ₹0.18 crores debited to bad debts (previous year : nil)]	2.12	7.70

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 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss on disposal/discard of property, plant and equipment	0.44	0.02
Fair valuation of investments through profit and loss	-	0.08
Miscellaneous	49.48	38.04
	433.58	377.02
* Includes payment to auditors		
As auditor:		
Audit fee	0.44	0.40
Other services	0.01	0.05
Out of pocket expenses	0.06	0.06
	0.51	0.51

29. Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest		
fixed loans using effective interest rate method	0.24	0.17
term loans	33.17	9.36
debentures	13.75	30.23
working capital	3.40	30.93
lease liabilities [refer note 39]	2.42	-
others	25.94	33.96
Other borrowings cost	11.46	24.82
Re-measurement of actuarial interest cost [refer note 35]	1.93	1.85
	92.31	131.32

30. Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment [refer note 2]	85.95	83.04
Amortisation on intangible assets [refer note 4]	0.05	-
	86.00	83.04

31. Earning/(loss) per share

	As at 31 March 2020	As at 31 March 2019
Loss attributable to the equity shareholders (A)	(316.10)	(271.06)
Number of equity shares at the beginning of the year	17,81,13,151	15,18,22,242
Total number of shares outstanding at the end of the year	26,11,13,151	17,81,13,151
Weighted-average number of equity shares (B)	26,06,59,599	15,93,27,497
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	(12.13)	(17.01)
Nominal value of equity share (₹)	10.00	10.00

32. Contingent Liabilities

	As at 31 March 2020	As at 31 March 2019
There are contingent liabilities in respect of:		
a) Claims against the Company not acknowledged as debt # [refer note 1 below]		
Income tax matters under dispute [gross of amount paid under protest amounting to ₹0.26 crores (previous year : ₹0.26 crores)]	4.30	2.37
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹3.59 crores (previous year : ₹7.23 crores)]	55.06	102.79
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹0.14 crores (previous year : ₹4.03 crores)]	4.42	13.84
Others under dispute* [gross of amount paid under protest amounting to ₹8.53 crores (previous year : nil)]	22.91	-
	86.69	119.00
b) Other money for which the Company is contingently liable# [refer note 1 below]		
Claims by ex-employees, vendors, customers and civil cases	1.57	1.88
	1.57	1.88

* Matter under dispute with Maharashtra State Electricity Distribution Company Limited and is pending for hearing with Bombay High Court.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of respective proceedings.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

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- Out of the above litigations, the Company has provided ₹54.02 crores against various litigations and remaining contingent liabilities is ₹34.24 crores.
- Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.
- Customs duty claims (including penalties) against the Company aggregating to ₹220.26 crores (previous year ₹220.26 crores) have not been considered contingent as favourable orders have been received, in some of the cases, by the Company from the Custom Excise and Service Tax Appellate Tribunal. The Company believes that its position is strong in this regard. The matter is pending with the Hon'ble Supreme Court.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liabilities."

33. Capital commitments and other commitments

	As at 31 March 2020	As at 31 March 2019
a) Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	10.78	0.49
b) The Company has commitments to export 22,522 MT [previous year : 50,235 MT] of finished goods as per foreign trade policy pursuant to import of duty free material under advance license scheme.		

34. Assets pledged as security

	As at 31 March 2020	As at 31 March 2019
The carrying amounts of assets pledged as security for current and non-current borrowings are:		
Current assets		
Financial assets		
Floating charge		
Trade receivables	91.46	59.45
Cash and cash equivalents	12.50	4.97
Other bank balances	9.96	53.56
Other financial assets	4.88	5.83
Non financial assets		
Floating charge		
Inventories	250.54	183.63
Other current assets	260.70	244.63
Non-current assets		
Financial assets		
First charge		
Non-current bank balances	1.53	0.82
Non financial assets		
First charge		
Property, plant and equipment	682.52	759.25
Capital work-in-progress	7.19	2.45
Other non-current assets	2.05	0.80
Total non-current assets pledged as security	693.29	763.32

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

35. Employee Benefits

a) Defined contribution plan

An amount of ₹4.48 crores [31 March 2019 : ₹4.02 crores] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹0.65 crores [31 March 2019 : ₹0.75 crores] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance and an amount of ₹0.16 crores [31 March 2019 : nil] for the year has been recognised as an expense in respect of the Company's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

b) Defined benefit plan

1) Gratuity

2) Compensated absences

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	As at 31 March 2020	As at 31 March 2019
(i) Changes in present value obligation		
Present value obligation as at the end of the year	15.61	15.05
Interest cost	1.20	1.14
Current service cost	1.01	0.90
Actuarial loss/(gain) on obligation	0.54	(0.46)
Benefits paid	(0.97)	(1.02)
Present value obligation as at the end of the year	17.39	15.61
(ii) Net liability recognised in the Balance Sheet		
Present value obligation at the beginning and end of the year	(17.39)	(15.61)
Net liability in the Balance Sheet	(17.39)	(15.61)
(iii) Amount recognised in the statement of profit and loss		
Current service cost	1.01	0.90
Interest cost	1.20	1.14
Expense recognised in the statement of profit and loss	2.21	2.04
(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)		
Changes in financial assumptions	(0.54)	0.46
Amount recognised in other comprehensive income	(0.54)	0.46

(v) Actuarial assumptions

	As at 31 March 2020		As at 31 March 2019	
	Compensated absences	Gratuity	Compensated absences	Gratuity
Discount rate (p.a.)	6.74%	6.74%	7.68%	7.68%
Salary escalation rate (p.a.)	2.00%	2.00%	3.00%	3.00%
Withdrawal rates				
Upto 30 years	4.00%	4.00%	3.00%	3.00%
From 31 to 44 years	3.00%	3.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
Retirement age	58 years	58 years	58 years	58 years
Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vi) Sensitivity analysis for gratuity liability

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at 31 March 2020	As at 31 March 2019
Present value of obligation at the end of the year		
Impact of the change in discount rate (p.a.)		
Impact due to decrease of 0.50%	0.71	0.66
Impact due to increase of 0.50%	(0.67)	(0.62)
Impact of change in salary escalation rate (p.a.)		
Impact due to increase of 0.50%	0.73	0.68
Impact due to decrease of 0.50%	(0.70)	(0.65)

	As at 31 March 2020	As at 31 March 2019
(vii) Expected future cash flows		
The expected future cash flows in respect of gratuity as at 31 March 2020 were as follows:		
31 March 2020	1.14	1.15
31 March 2021	0.84	0.24
31 March 2022	0.88	0.46
31 March 2023	1.12	0.46
31 March 2024	0.72	0.68
31 March 2025	1.03	0.75
Beyond 31 March 2025	11.66	11.87

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹2.24 crores as at 31 March 2020 [31 March 2019 : ₹2.18 crores].

c) Other long-term employee benefit

An amount of ₹0.96 crores [31 March 2019 : ₹1.04 crores] pertains to expense towards compensated absences and included in "employee benefit expense".

36. Dues to micro, small and medium enterprises

On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid	3.25	1.11
Interest due thereon	0.07	0.04
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	2.19	0.90
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	0.38	0.31
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

37. Segment information

Basis of segmentation:

The Company's primary business segment is reflected based on principal business activities carried on by the Company. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Company's performance and allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, there are no separate reportable business segments as per Ind AS 108-Operating Segments. The Company operates in one reportable business segment i.e., manufacturing of Polyester goods.

Geographical information:

The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers.

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Revenue:		
Domestic	1,608.41	1,432.51
Overseas*	513.64	262.05
	2,122.05	1,694.56
*Revenue from overseas countries:		
Turkey	186.41	79.83
Nepal	76.91	31.85
Other overseas countries	250.32	150.37
	As at 31 March 2020	As at 31 March 2019
b) Trade receivables:		
Domestic	52.87	48.74
Overseas*	38.59	10.71
	91.46	59.45
*Trade receivables from overseas countries:		
Turkey	8.92	2.54
Nepal	4.65	2.64
Other overseas countries	25.02	5.53
	38.59	10.71
c) Non-current assets:		
Domestic*	732.88	780.60
Overseas	-	-
	732.88	780.60

*excluding deferred tax and income tax assets

Notes

- Gross revenues from none of the customer [previous year : 2 domestic customers amounting to ₹769.76 crores] exceed 10% or more of the Company's total gross revenue.

38. Financial instruments - accounting classifications and fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales..

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and cash equivalents, bank balances, trade and other short-term receivables, investments, loans and advances and other current liabilities approximated their carrying amounts largely due to the short-term maturities of these instruments.
- The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial instruments by category

	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortised costs				
Trade receivables	-	-	91.46	91.46
Cash and cash equivalents	-	-	12.50	12.50
Other bank balances not considered as cash and cash equivalents	-	-	9.96	9.96
Other financial assets	-	-	4.88	4.88
Loans [non-current]	-	3.35	-	3.35
Fixed deposits [non-current]	-	1.53	-	1.53
Financial assets at FVTPL				
Non-current investments	-	-	1.00	1.00
Current investments	0.06	-	-	0.06
Total	0.06	4.88	119.80	124.74
Financial liabilities at amortised cost				
Borrowings	-	92.87	-	92.87
Trade payables	-	551.67	-	551.67
Other financial liabilities	-	22.67	-	22.67
Long-term borrowings [including current maturities]	-	378.50	-	378.50
Non-current lease liabilities	-	16.99	-	16.99
Current lease liabilities	-	4.57	-	4.57
Total	-	1,067.27	-	1,067.27

Financial instruments by category

	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Financial assets at amortised costs				
Trade receivables	-	-	59.45	59.45
Cash and cash equivalents	-	-	4.97	4.97
Other bank balances not considered as cash and cash equivalents	-	-	53.56	53.56
Other financial assets	-	-	5.83	5.83
Loans [non-current]	-	3.24	-	3.24
Fixed deposits [non-current]	-	0.82	-	0.82
Financial assets at FVTPL				
Current investments	0.38	-	-	0.38
Total	0.38	4.06	123.81	128.25
Financial liabilities at amortised cost				
Borrowings	-	292.34	-	292.34
Trade payables	-	578.85	-	578.85
Other financial liabilities	-	75.34	-	75.34
Long-term borrowings [including current maturities]	-	80.55	-	80.55
Redeemable non-convertible debentures [including current maturities]	-	199.99	-	199.99
Deferred payment liabilities [including current maturities]	-	1.16	-	1.16

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Financial instruments by category	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Total	-	1,228.23	-	1,228.23

B. Measurement of fair values

Assets and liabilities are to be measured based on the following valuation techniques:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

Cost approach – Replacement cost method.

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments which are traded in stock exchanges and valued using closing price at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on the conditions existing at the end of each reporting period.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Security deposit*	The valuation model considers the present value of receivables, discounted using a risk adjusted discount rate.	Risk adjusted discount rate	Not applicable
Unquoted investments**	Based on the net worth of the investee Company and proportionate investment by the Company	Not applicable	Not applicable
Financial liabilities***	The valuation model considers the present value of payables, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

* The fair value of the security deposits is computed using the discounted cash flows based on the current lending rates which is unchanged and therefore fair value of deposits is same as its carrying amount. They are classified as level 2 fair values in the fair value hierarchy due to use of observable inputs.

**For some of the unquoted investments, the Company have determined the fair value which is based on the net worth of the investee Company.

***Financial liabilities include secured and unsecured bank loans, optionally convertible debentures liability component and other financial liabilities.

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	3.20
Reclassified to level 2	-	(3.20)
Additions/(realisation) during the year	1.00	-
Balance at the end of the year	1.00	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external information, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 10 days for all customer categories. In case of delay beyond 10 days, the interest is generally recovered at the rate of 18% upto 30 days from the date of invoice and if the delay is beyond 30 days, it is recovered at the rate of 24% from the date of invoice. Average recovery rate of interest from overdue trade receivables in past years was 12-14%. Most of the Company's customers have been transacting with the Company from past few years, and most of these customers' balances are not credit-impaired at the reporting date except in few cases reported. Identifying concentrations of credit risk requires judgement in the light of specific circumstances. The Company monitors ageing of its trade receivables regularly and based on the same takes corrective action. Trade receivables having ageing more than 180 days is monitor individually and loss allowance is created based on such assessment.

A summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows:

Ageing of receivables	As at 31 March 2020		As at 31 March 2019	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	86.69	-	54.80	-
More than 180 days	60.13	55.36	60.19	55.54
	146.82	55.36	114.99	55.54

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	55.54	3.08
Expected credit loss during the year [net of reversal]	(0.18)	52.46
Balance at the end of the year	55.36	55.54

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments :

As at 31 March 2020	Not more than 1 year	Later than 1 year	Total
Long-term borrowings	72.00	306.50	378.50
Trade payables	551.67	-	551.67
Short-term borrowings	92.87	-	92.87
Other financial liabilities	27.24	16.99	44.23
Total	743.78	323.49	1,067.27
As at 31 March 2019	Not more than 1 year	Later than 1 year	Total
Long-term borrowings	39.29	41.26	80.55
Redeemable non-convertible debentures	20.00	179.99	199.99
Deferred payment liabilities	0.41	0.75	1.16
Trade payables	578.85	-	578.85
Short-term borrowings	292.34	-	292.34
Other financial liabilities	75.34	-	75.34
Total	1,006.23	222.00	1,228.23

The Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

As at 31 March 2020 the Company has not complied with certain financial covenants mentioned under the terms of borrowings mainly due to paucity of working capital funds. Therefore, based on the past experience and the facts of the case the management believes that no material financial obligation on part of the Company, is likely to arise in respect of the above matter and thus, no adjustments are required in these financial statements in this regard.

The interest payments on variable interest rate loans in the table above reflect spot interest rates at the reporting date and these amounts may change as market interest rates change. However, the Company doesn't expect significant different amount on account of change in market interest rate changes.

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Commodity price risk

Commodity Price Risk arises due to fluctuation in prices of crude oil. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives to hedge its exposure, as and when required.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are US dollars, Japanese Yen and Euro. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date, as and when required.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

(i) Unhedged foreign currency risk exposure:

Particulars	As at 31 March 2020			
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged amount (in ₹ crores)
Trade payables	USD	15.45	75.69	116.97
	Euro	0.01	82.86	0.08
	JPY	59.58	0.70	4.15
Loans [including interest payable]	USD	0.55	75.69	4.14
	Euro	5.11	82.86	42.32
Trade receivables	USD	(4.10)	75.68	(31.03)
Net exposure in respect of recognised assets and liabilities				136.63

Particulars	As at 31 March 2019			
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged amount (in ₹ crores)
Trade payables	USD	9.48	69.17	65.57
	Euro	0.14	77.70	1.09
	JPY	55.43	0.63	3.47
Loans (including interest payable)	USD	3.67	69.17	25.39
	Euro	5.83	77.70	45.30
Trade receivables	USD	(1.55)	69.17	(10.71)
Net exposure in respect of recognised assets and liabilities				130.10

(ii) Hedged foreign currency risk exposure:

		As at 31 March 2020			
		Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged amount (in ₹ crores)
Forward contract	To take protection against Movement in foreign exchange rates in respect of receivable against exports	USD	1.00	74.41	7.44
7.44					

		As at 31 March 2019			
		Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged amount (in ₹ crores)
		USD	-	-	-
-					

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, USD, JPY and Euro against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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Currency (changes in currency value by 5%)		As at 31 March 2020		As at 31 March 2019	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	4.50	(4.50)	4.00	(4.00)
Euro	5% movement	2.13	(2.13)	2.32	(2.32)
JPY	5% movement	0.21	(0.21)	0.17	(0.17)

Exposure to interest rate risk

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant:

Changes in interest cost by 5%	As at 31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
On term loans	1.66	(1.66)	0.47	(0.47)
On cash credit limits	0.17	(0.17)	1.55	(1.55)

D. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise the shareholder's value. Management also monitors the return on capital. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

	As at 31 March 2020	As at 31 March 2019
Total liabilities	1,261.05	1,349.02
Less: cash and cash equivalents	12.50	4.97
Adjusted net debt	1,248.55	1,344.05
Total equity	222.45	241.21
Adjusted net debt to equity ratio	5.61	5.57

39. Leases

Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2020	As at 31 March 2019
Current	4.57	-
Non-current	16.99	-
	21.56	-

Adoption of Ind AS 116 'Leases'

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three interpretations (Appendix A 'operating leases-incentives', Appendix B 'evaluating the substance of transactions involving the legal form of a lease' and Appendix C 'determining whether an arrangement contains a lease').

The adoption of this new Standard has resulted in the Company recognising a right-of-use assets and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective method along with the transition option to recognise right-of-use assets at an amount equal to the Lease Liability.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

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Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 9.50%

A. Reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 01 April 2019 :

Particulars	Amount
Operating lease commitments at 31 March 2019	36.53
Remeasurement	8.73
Lease liabilities at 1 April 2019	27.80

B. The following are amounts recognised in profit or loss :

	31 March 2020
Depreciation expense of right-of-use assets	5.30
Interest expense on lease liabilities	2.42
Rent expense*	4.06
Total	11.78

*Rent expense in term of short-term leases and low value leases

The Company has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. The Company is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term	No of leases with extension options	No of leases with termination options
Buildings	3	3-7 years	4.20	2	-

The maturity analysis of lease liabilities are disclosed in note 38.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short-term leases and leases of low value is ₹4.06 crores.

At 31 March 2020, the Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹0.70 crores.

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2020 was ₹3.84 crores.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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40. Particulars of investments made as required by clause (4) of Section 186 of the Companies Act, 2013 and as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given under the investment schedule. Refer note 5(a) and note 5(b).

41. Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
i) Key Managerial Personnel	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Aloke Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of WTD]
	Mr. Ashok Kumar Ladha [Non-Executive Independent Director] [resigned w.e.f. 25 November 2019]
	Mr. Udeypaul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019]
	Mr. Dhanendra Kumar [Non-Executive Independent Director] [appointed w.e.f. 14 February 2020]
	Mr. M N Sudhindra Rao [Executive Director & Chief Executive Officer] [appointed w.e.f. 3 April 2019]
	Ms. Ranjana Agarwal [Non-Executive Independent Director]
Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]	
Dr. Arvind Pandalai [Non-Executive Independent Director]	
ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama Industries Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
iii) Enterprises having significant influence on the Company	StarPet Inc.
	PT. Indorama Polychem Indonesia
iv) Controlling Company	Brookgrange Investments Limited
	Indorama Netherlands BV [controlling company]*
	Indorama Ventures Public Company Limited [ultimate controlling company]**

* During the year ended 31 March 2020 and pursuant to equity infusion, INBV controls the Company through management control and also appointed additional Key Management Personnel in the Company, refer note 14.

* Subsequent to the year ended 31 March 2020, Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies.

b) Disclosure of transactions between the Company and its related parties

	For the year ended 31 March 2020	For the year ended 31 March 2019
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Foreign currency fluctuations		
Indorama Petrochem Limited	1.48	1.86
Purchases of raw material and stores and spares		
Indorama Industries Limited	11.84	-

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Indorama Petrochem Limited	5.75	-
TPT Petrochemicals Public Company Limited	6.04	-
StarPet Inc.	0.59	-
PT. Indorama Polychem Indonesia	0.10	-
Sale of products		
Indorama Industries Limited	12.53	-
ii) Key Managerial Personnel		
Remuneration		
Short-term employee benefits	7.83	5.82
Other long-term benefits	(0.11)	(0.27)
Post-employment defined benefit	0.02	(0.01)
	7.74	5.54
Other transactions [Non-Executive Independent Director]		
Rent income	0.16	0.14
	0.16	0.14
Director sitting fees	0.17	0.12
	0.17	0.12
Interest on optionally convertible debentures		
Mr. Om Prakash Lohia	0.74	2.40
	0.74	2.40
Endorsement of keyman insurance policy		
Mr. Om Prakash Lohia*	-	7.31
	-	7.31

*Pursuant to board resolution dated 14 February 2019, Company has accorded approval to assign the key man insurance policy in the favour of Mr. Om Prakash Lohia on 1 April 2019 and accordingly other financial assets pertaining to surrender value of such policy amounting to ₹7.31 crores has been derecognised during the year. The insurance company acknowledged the letter for assignment of policy on 1 April 2019.

Personal guarantee given		
Mr. Vishal Lohia and Mr. Om Prakash Lohia, jointly and severally	-	399.99

c) Disclosure of related parties year end balances

	As at 31 March 2020	As at 31 March 2019
i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence		
Trade payables		
Indorama Industries Limited	1.54	-
Indorama Petrochem Limited	17.15	32.14
IVL Dhunseri Petrochem Industries Private Limited	3.83	-
StarPet Inc.	0.59	-
Advance from customers		
Indorama Industries Limited	0.10	-
Indorama Polyester Industries Public Company Limited	100.65	-
ii) Key managerial personnel		
Other financial liabilities (current)		
Interest payable on optionally convertible debentures		
Mr. Om Prakash Lohia	-	1.07
Employee related payables		
Mr. Vishal Lohia	-	0.07
Mr. Om Prakash Lohia*	-	0.55
Borrowings (current)		
Optionally convertible debentures		
Mr. Om Prakash Lohia	-	20.00
Provision for gratuity and leave encashment [based on actuarial valuation]		
Employee benefits	1.18	1.24

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

42. Exceptional items

	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for claims and other receivables*	-	67.84
Provision for expected credit loss	-	41.88
Provision for doubtful advances to vendors	-	2.40
Provision for non-moving inventory	-	3.07
	-	115.19

*Provision for claims and other receivables includes provision for insurance claim and interest thereon. The Company had lodged claims with its insurance companies for loss of certain assets and loss suffered due to business interruptions under the loss of profit policy relating to a fire incident in the plant in 2007-08. The matter was under dispute with the Insurance Company over the claim amount with the Hon'ble Division Bench of the Delhi High Court. During the previous year, Company had received an unfavourable order from the Hon'ble Division Bench of the Delhi High Court. The insurance claim recoverable and interest thereon has been written off in the financial statements and shown as exceptional item.

43. Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) committee. In terms with the provisions of the said Act, the Company is not required to spend any amount towards CSR activities during the current and previous year.

44. In March 2020, WHO declared Covid-19 outbreak as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. The plant and offices of the Company has been under lock-down since March 2020, as per directives from the Government. As a result, operations for the month of March 2020 have been impacted. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future developments which cannot be reliably predicted. Fixed expenses in March 2020, incurred during this period of lock-down are as under:

(i) Employee cost	-	₹1.97 Crores
(ii) Depreciation	-	₹1.93 Crores
(iii) Other expenses	-	₹0.75 Crores

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Pursuant to the relaxed guidelines, the Company has now resumed its manufacturing operations as allowed in keeping with Government advisories. Since the situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

The management is of the view that the Company will be able to continue as a going concern and will realise its assets and will be able to meet its liabilities at the amounts stated in the books and commitments in the normal course of business. The Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies.

45. The Company's business comprises of manufacture and sale of polyester products. In the past, due to high raw material cost, working capital issues and consequent high interest cost, the Company incurred losses. Subsequent to infusion of additional equity by way of preferential allotment to Indorama Netherlands BV (IVL) and Siam Stock Holdings Limited, amounting to ₹360.72 crores, the Company has taken significant steps during the year to improve operational performance by competitive procurement of raw materials, ramping up of production in a phased manner to have economies of scale, sufficient working capital facilities from banks at reduced cost and creation of a good customer base. The result of initial steps taken have started showing improvement in performance of the Company. Further, relief action for the industry from Government of India by abolishing anti-dumping duty on imported PTA, a key raw

Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

material for the Company, in budget 2020-21, will have additional positive impact on the business.

The management has reassessed the carrying value of deferred taxes and made appropriate adjustment in the carrying value of deferred tax assets based on prudence. The management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax is fully recoverable.

46. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('LODR') read with Rule

19A of the Securities Contracts (Regulation) Rules, 1957 ('SCRR'), the Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to the acquisition of shares by Indo Rama Netherlands BV ('INBV') through open offer, promoters' shareholding has increased to 81.72%. The Company plans to comply with SCRR as per SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated 10 October 2017 read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14 May 2020.

47. The standalone financial statements were approved for issue by the board of directors on 24 June 2020.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

Sandeep Mehta

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Independent Auditor's Report

To the Members of Indo Rama Synthetics (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Indo Rama Synthetics (India) Limited ('the Holding Company') and its subsidiary, Indorama Yarns Private Limited, (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10)

of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Emphasis of Matter - Uncertainties related to Covid-19

4. We draw attention to Note 44 to the accompanying consolidated financial statements, which describes management's assessment of uncertainties relating to the effects of the COVID-19 pandemic on the Company's operations. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matter	How the matter was addressed in the audit
<p>Recognition of deferred tax assets (Refer note 8(b) to the accompanying consolidated financial statements)</p> <p>As detailed in note 8(b) to the accompanying consolidated financial statements, the Group has deferred tax assets (net) aggregating to ₹110.01 crores as at 31 March 2020.</p> <p>During the current year, the Group has recognised deferred tax assets amounting to ₹15.90 crores and has reversed ₹152.00 crores based on taxable profit as per revised projections.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of key controls implemented by the Group over recognition of deferred tax assets based on the assessment of Group's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Group as approved by the Board of Directors.

Key audit matter	How the matter was addressed in the audit
<p>The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends on the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses can be adjusted against the taxable profits as governed by the Income-tax Act, 1961.</p> <p>The projected cash flows involve key assumptions such as future growth rate and market conditions including considering impact of COVID-19 pandemic. Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies, materialization of the Group's expansion plans.</p> <p>We have identified the recoverability of deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter for the current year audit considering the materiality of the amounts, complexities and significant judgments involved, as described above.</p> <p>We also consider the uncertainty relating to availability of sufficient future taxable profits estimated by the management as a matter fundamental to the understanding of the users of the accompanying financial statements.</p>	<ul style="list-style-type: none"> • Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, increased utilization of plants, etc. considering our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions, including the impact of COVID-19 pandemic on such assumptions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of possible variations in key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the derecognition of deferred tax assets in absence of expected sufficient future taxable profits. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of deferred tax assets in accordance with applicable accounting standards.
<p>Going concern basis of accounting (Refer Note 44 to the accompanying consolidated financial statements)</p> <p>During the year ended 31 March 2020, the Group has incurred losses before tax of ₹180.44 crores for the year ended 31 March 2020 and has had negative cash flow from its operations. Also, as at 31 March 2020, the current liabilities exceed its current assets by ₹279.93 crores.</p> <p>Further, due to outbreak of COVID 19 pandemic and lock-down imposed by the Government, manufacturing plants of the Group were shut down till end of May 2020 and have partially resumed operations from June 2020 and Group expects to normal production by August 2020. This is also likely to impact the profitability and cashflows of the Group for the subsequent periods.</p> <p>While the above indicates doubt about the Group's ability to continue as a going concern and as detailed in aforesaid note to the accompanying consolidated financial statements, the Group has taken into consideration the following mitigating factors in its assessment of appropriateness of using the going concern basis of accounting:</p> <ul style="list-style-type: none"> • Group has been sanctioned credit limits, which it is yet to avail; • Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies; • Increased capacity utilization of plants; • Expected additional benefit of GST refund on increased future sales within the state of Maharashtra; and • Improved margins due to reduction in raw material prices. 	<p>Our audit procedures included, but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identifying all events or conditions that could impact the Group's ability to continue as a going concern, and the process followed to assess the mitigating factors existing for such events or conditions. • Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management. • Reconciled the cash flow projections to future business plans of the Group as approved by the Board of Directors. • In order to corroborate management's future business plans and to identify potential contradictory information we read the board minutes, supervisory board minutes and discussed the business plans with management and the Audit Committee. • Tested the appropriateness of the key assumptions including the impact of COVID 19 pandemic on such assumptions, that had the most material impact including the growth rates, increased utilization of plants and reduced raw material cost. In challenging these assumptions, we considered our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.

Key audit matter	How the matter was addressed in the audit
<p>Management has prepared future cash flow forecasts taking into cognizance the above developments and performed sensitivity analysis of the key assumptions such as future growth rate and market conditions including impact of COVID-19 pandemic, therein to assess whether the Group would be able operate as a going concern for a period of at least 12 months from the date of financial statements, and concluded that the going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty over going concern</p> <p>We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the consolidated financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and the overall conclusion.</p>	<ul style="list-style-type: none"> • Performed independent sensitivity analysis to test the impact of variation in the key assumptions. • Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods. • Inspected the approved unutilized loan sanction letter and evidence of support given by the promoter group company in favour of the Group. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in respect of going concern.
<p>Provisions and contingent liabilities relating to litigations (Refer note 32 to the accompanying consolidated financial statements)</p> <p>As detailed in note 32 to the consolidated financial statements, the Group is exposed to a large number of litigations including matters pertaining to income tax and prior years' matters pertaining to excise, customs, sales tax, value added tax, service tax, etc., which could have a significant impact on the financial position of the Group, if the potential exposures were to materialize.</p> <p>Provision for such litigations amounts to ₹54.02 crores as at 31 March 2020 based on its estimate of the likelihood of such liability devolving upon the Group.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The key judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group, and requires interpretation of laws and past legal rulings.</p> <p>Considering the significant judgments, materiality of the amounts involved, inherent high estimation uncertainty and reliance on external legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to the assessment of litigations and provisions included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of legal and tax matters initiated against the Group, - assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and - measurement of amounts involved • Evaluated the design and tested the operating effectiveness of key controls around above process including for completeness and accuracy of the list of litigations outstanding against the Group. • Obtained understanding of the developments during the year in each existing litigation, and understanding of the new litigations initiated against the Group during the year by inquiry with the management, inspection of case related documents such as notices, orders, etc. and correspondence of the Group with their external counsels handling such matters on behalf of the Group. • Conducted a critical review of the assessment done by the management with the help of its legal and tax experts for the likelihood and potential impact of each litigation, examining the available supporting documents. Tested the independence, objectivity and competence of such external experts involved. • Exercised our professional judgment to assess the management's assessment of the potential likelihood of liability devolving upon the Group with respect to each legal case. • Involved auditor's experts to assess the Group's interpretation and application of relevant tax laws to evaluate the appropriateness of key assumptions used and the reasonableness of estimates made in relation to uncertain tax positions, taking into account past precedents. • Reviewed significant movements in provision with supporting documents. • Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the consolidated financial statements. • Evaluated the appropriateness and adequacy of disclosures made in the financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

9. In preparing the consolidated financial statements, the respective 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 the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

11. 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 Standards on Auditing 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.

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

- 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;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - 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 ability of the Group 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 Group to cease to continue as a going concern; and
 - 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.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by Section 143 (3) of the Act, based on our audit on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) the consolidated financial statements dealt with by this report are in agreement with the 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 Ind AS specified under section 133 of the Act;
 - e) the matter described in paragraph 5 under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Holding Company;
 - f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and its subsidiary company covered under this Act, none of the directors of the Group companies, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under this Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and as also the other financial information of the subsidiary:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32 to the consolidated financial statements;
- ii. the Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sandeep Mehta
Partner

Place: Mohali
Date: 24th June 2020

Membership No.: 099410
UDIN 20099410AAAABD6136

Annexure I to the Independent Auditor's 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')

1. In conjunction with our audit of the consolidated financial statements of Indo Rama Synthetics (India) Limited ('the Holding Company') and its subsidiary, Indorama Yarns Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

1. The respective Board of Directors of the Holding Company, its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

2. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

5. A company's internal financial controls 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 controls with reference to financial statements include 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

6. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls 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

7. In our opinion, the Holding Company, its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such

controls were operating effectively as at 31 March 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 **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: Mohali
Date: 24th June 2020

Sandeep Mehta
Partner
Membership No.: 099410)
UDIN 20099410AAAABD6136

Consolidated Balance Sheet

as at 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	Notes	As at 31 March 2020
Assets		
Non-current assets		
a) Property, plant and equipment	2	702.75
b) Capital work-in-progress	3	7.19
c) Intangible assets	4	0.14
d) Financial assets		
i) Investments	5(a)	-
ii) Loans	6	3.35
iii) Other financial assets	7	1.53
e) Non-current tax assets [net]	8(a)	10.54
f) Deferred tax assets [net]	8(b)	110.01
g) Other non-current assets	9	16.89
Total non-current assets		852.40
Current assets		
a) Inventories	10	250.54
b) Financial assets		
i) Investments	5(b)	0.06
ii) Trade receivables	11	91.46
iii) Cash and cash equivalents	12	13.02
iv) Other bank balances not considered as cash and cash equivalents	13	9.96
v) Other financial assets	7	4.88
c) Other current assets	9	260.77
Total current assets		630.69
Total assets		1,483.09
Equity And Liabilities		
Equity		
a) Equity share capital	14	261.11
b) Other equity	15	(39.10)
Total equity		222.01
Liabilities		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	16	306.50
ii) Other financial liabilities	17	16.99
b) Provisions	18	27.53
Total non-current liabilities		351.02
Current liabilities		
a) Financial liabilities		
i) Borrowings	19	92.87
ii) Trade payables	20	
- total outstanding dues of micro enterprises and small enterprises		3.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		548.45
iii) Other financial liabilities	17	99.24
b) Other current liabilities	21	109.15
c) Provisions	18	57.10
Total current liabilities		910.06
Total equity and liabilities		1,483.09

Notes 1 to 48 forms an integral part of these consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

Sandeep Mehta

Partner

Membership No.: 099410

Place: Mohali

Date: 24 June 2020

Om Prakash Lohia

Chairman and Managing Director

DIN Number: 00206807

Place: New Delhi

Date: 24 June 2020

Arvind Pandalai

Director

DIN Number: 00352809

Place: New Delhi

Date: 24 June 2020

M N Sudhindra Rao

Executive Director and Chief Executive Officer

DIN Number: 01820347

Place: Mumbai

Date: 24 June 2020

Umesh Kumar Agrawal

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 24 June 2020

Susheel Kumar Mehrotra

Chief Financial Officer

ICAI Membership No.: 085483

Place: Gurugram

Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	Notes	For the Year ended 31 March 2020
I. Income		
Revenue from operations	22	2,122.05
Other income	23	5.90
Total income		2,127.95
II. Expenses		
Cost of materials consumed	24	1,619.96
Purchases of stock-in-trade	25	0.75
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(17.14)
Employee benefits expense	27	90.13
Other expenses	28	434.03
		2,127.73
Profit/(loss) before finance costs, depreciation and amortisation expense, foreign exchange fluctuation loss		0.22
Finance costs	29	92.31
Depreciation and amortisation expense	30	86.00
Foreign exchange fluctuation loss		2.35
Total expenses		2,308.39
III. Loss before tax [I-II]		(180.44)
IV. Tax		
Deferred tax expense	8 (b)	136.10
Total tax expenses		136.10
V. Loss for the year [III-IV]		(316.54)
VI. Other comprehensive income (OCI)		
Items that will not be reclassified to income		
Re-measurement of defined benefit liability		(1.46)
Less/(add): Income tax relating to remeasurement of defined benefit liability	8 (b)	-
Other comprehensive income for the year, net of tax		(1.46)
VII. Total comprehensive income for the year		(318.00)
VIII. Earnings/(loss) per equity share [nominal value of equity share ₹10]		
Basic and diluted	31	(12.14)

Notes 1 to 48 forms an integral part of these consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited****Sandeep Mehta**

Partner

Membership No.: 099410

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Company Secretary

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Date: 24 June 2020

Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020
A. Cash flow from operating activities:	
Loss before tax	(180.44)
Add : Adjustment for non-cash and non-operating items	
Re-measurement gains on defined benefit plan	(1.46)
Depreciation and amortisation expense	86.00
Loss on disposal/discard of property, plant and equipment	0.44
Finance cost	92.31
Interest income	(6.20)
Liabilities/provisions no longer required, written back	(17.93)
Debts/advances written off	2.12
Fair valuation of investments through profit and loss	(0.07)
Operating loss before working capital changes	(25.23)
Adjustments for movement in:	
Changes in trade receivables and other receivables	(32.01)
Changes in financial assets-loans	0.07
Changes in other financial assets	(0.26)
Changes in other assets	(18.77)
Changes in inventories	(66.91)
Changes in trade and other payables	(23.63)
Changes in provisions	(10.35)
Changes in other financial liabilities	(39.91)
Changes in other liabilities	97.49
Cash used in operating activities	(119.51)
Income tax refund	0.53
Net cash used in operating activities [A]	(118.98)
B. Cash flow from investing activities:	
Purchase of property, plant and equipment [including capital advances and creditors for capital goods]	(10.77)
Proceeds from sale of investments	0.39
Other bank balances not considered as cash and cash equivalents [net]	42.83
Interest received	7.23
Net cash generated from investing activities [B]	39.68

Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2020
C. Cash flow from financing activities:	
Repayment of non-current borrowings	(248.51)
Proceeds from non-current borrowings	344.18
Movement in current borrowings [net]	(199.47)
Payment of lease liabilities	(6.09)
Proceeds from issue of share capital [including premium on allotment of equity shares]	298.80
Dividend paid	(0.06)
Finance cost paid	(101.50)
Net cash generated from financing activities [C]	87.35
Net increase/(decrease) in cash and cash equivalents [A+B+C]	8.05
Cash and cash equivalents at the beginning of the year	4.97
Closing cash and cash equivalents	13.02
Cash and cash equivalents include:	
Cash on hand	0.22
Deposits with original maturity less than three months	0.45
Balances with banks	12.35
Cash and bank balances	13.02

Notes:

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS-7) on "Statements of Cash Flows".
- Negative figures have been shown in brackets.
- Additions to property, plant and equipment and intangible assets includes movement of capital work-in-progress during the year.

Notes 1 to 48 forms an integral part of these consolidated financial statements

This is the Consolidated Cash Flow Statement referred to in our report of even date

For **Walker Chandio & Co LLP** For **Indo Rama Synthetics (India) Limited**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sandeep Mehta

Partner
Membership No.: 099410
Place: Mohali
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Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary
ICSI Membership No.: FCS6474
Place: Gurugram
Date: 24 June 2020

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2020						
A. Equity share capital							
Balance at the beginning of the year	178.11						
Issued during the year	83.00						
Balance at the end of the year	261.11						
B. Other equity							
Attributable to the equity holders							
Particulars	Other equity						Total
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings	Other comprehensive income	
Balance at 31 March 2019	20.38	231.79	48.13	10.00	(248.40)	1.20	63.10
Loss for the year	-	-	-	-	(316.54)	-	(316.54)
Other comprehensive income for the year	-	-	-	-	-	(1.46)	(1.46)
Additions during the year	-	215.80	-	-	-	-	215.80
Transfer from debenture redemption reserve	-	-	-	(10.00)	-	-	(10.00)
Transfer to general reserve	-	-	10.00	-	-	-	10.00
Balance at 31 March 2020	20.38	447.59	58.13	-	(564.94)	(0.26)	(39.10)

Notes 1 to 48 forms an integral part of these consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

Sandeep Mehta

Partner

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Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 24 June 2020

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

i) Corporate information

Indo Rama Synthetics (India) Limited (hereinafter referred to as 'the Company' or 'the holding Company'), together with its subsidiary (collectively referred to as the 'the Group') is a Public Company domiciled in India, with its registered office situated at A-31, MIDC Industrial Area, Butibori, Nagpur. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company is a manufacturer of polyester filament yarn (PFY), polyester staple fibre (PSF), draw texturised yarn (DTY), specialty fiber and chips. The Company is also engaged in trading of spun yarn, and also engaged in power generation, which is used primarily for captive consumption.

(ii) Basis of preparation and presentation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crores and two decimals thereof, unless otherwise indicated.

Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes in these consolidated financial statements.

The statement of cash flows have been prepared under indirect method.

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value, if any.
- Defined benefit liabilities are measured at present value of defined benefit obligation.
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.

(iii) Basis of consolidation

Subsidiary is the entity over which the Company has control. Control exists when the holding Company has power over

the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Company and the subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements".

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Consolidated subsidiary is having consistent reporting date of 31 March 2020.

(iv) Significant accounting policies

a. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the consolidated financial statements in the period in which changes are made. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect of the amounts recognised in the consolidated financial statements.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

b. Going concern

As detailed in note 44 to the consolidated financial statements, going concern basis of accounting used for preparation of the accompanying consolidated financial statements is appropriate with no material uncertainty.

c. Current/non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Group's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

d. Property, plant and equipment

Recognition and measurement

Under the previous GAAP, property, plant and equipment ('PPE') were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward these net block of PPE under previous GAAP as on 31 March 2015 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2015.

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

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 Statement of Profit and Loss when the asset is derecognised.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Foreign currency exchange differences are capitalised as per the policy stated in note 1(i) below.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Group have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life	Useful life as per Schedule II
Building (factory buildings/ non factory buildings) other than RCC frame structure	28 years	30 years
Building (factory buildings/ non factory buildings) RCC frame structure	58 years	60 years
Plant and equipment (continuous process plant)	18 years/ 6 years	25 years/ 3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipment	20 years	5 years

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets costing less than ₹5,000 are fully depreciated over the period of one year from the date of purchase/ acquisition and such treatment did not have any material impact on consolidated financial statements of the Group for the current year.

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

e. Intangible assets

Recognition and measurement

Intangible assets include software, that are acquired by the Group, that are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition 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 and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 3 years. 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. .

f. Impairment

(i) Impairment of financial assets

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract such as a default in payment within the due date;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- The Group measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any) is held.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together

into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Right-of-use assets and lease liabilities

For all existing and new contract on or after 01 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Transition

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the Lease Liability.

Recognition and initial measurement

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease 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. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Statement of Profit and Loss on a straight-line basis over the lease term.

h. Inventories

Inventories are measured at the lower of cost and net realisable value.

Raw materials, traded finished goods, packing material and stores and spares: The cost of inventories is calculated on weighted average basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating

capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Waste: The valuation is done at net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

i. Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences except those relating to long-term monetary foreign currency items are dealt with in the Statement of Profit and Loss. Exchange differences in respect of long-term monetary foreign currency items prior to 1 April 2016, are added to or deducted from the cost of asset and are depreciated over the balance life of the asset.

j. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Group makes specified monthly contributions towards Government administered provident fund scheme.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

k. Revenue

i. Sale of goods

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service

level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Where the payment extends beyond normal credit period, interest is recovered separately.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

l. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current financial liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements, not to demand payment as a consequence of the breach.

m. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached

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conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

n. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and;
- 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed

and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it

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(All amounts in ₹ crores, unless stated otherwise)

would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in Statement of Profit and Loss.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are

recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv. 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 recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

o. Measurement of fair values

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cheques on hand and cash on hand, which are not subject to risk of changes in value. Also, for the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks, cheques on hand and cash on hand.

q. Earnings per share

Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

r. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at

pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group, and requires interpretation of laws and past legal rulings.

s. Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

t. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Chairman and Managing Director assesses the financial performance and position of the Group, and makes strategic decision and has been identified as the chief operating decision maker. The Group's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., manufacturing of Polyester goods. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 37 for segment information presented.

Notes

to the Consolidated financial statements
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

2. Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Right of use buildings [refer note 5 below]	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
A. Gross carrying value										
Balance as at 31 March 2019	0.16	2.89	106.94	-	1.27	949.13	4.18	4.76	8.84	1,078.17
Additions during the year [refer note 2 below]	-	-	-	31.54	-	4.47	0.17	0.32	0.97	37.47
Disposals during the year [refer note 1 below]	-	-	-	7.16	-	1.98	-	0.11	0.08	9.33
Balance as at 31 March 2020	0.16	2.89	106.94	24.38	1.27	951.62	4.35	4.97	9.73	1,106.31
B. Accumulated depreciation										
Balance as at 31 March 2019	-	0.16	15.06	-	1.27	295.58	0.90	1.78	4.17	318.92
Additions during the year	-	0.04	3.77	5.30	-	75.27	0.44	0.54	0.59	85.95
Disposals during the year	-	-	-	1.15	-	0.07	-	0.06	0.03	1.31
Balance as at 31 March 2020	-	0.20	18.83	4.15	1.27	370.78	1.34	2.26	4.73	403.56
Net carrying value										
As at 31 March 2019	0.16	2.73	91.88	-	-	653.55	3.28	2.98	4.67	759.25
As at 31 March 2020	0.16	2.69	88.11	20.23	-	580.84	3.01	2.71	5.00	702.75

Notes:

- Disposal to plant and equipment include capital subsidy under TUF scheme received during the year for purchase of plant and equipment amounting to ₹1.57 crores.
- Additions to plant and equipment include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipment amounting to ₹3.00 crores.
- Refer note 33 for information on capital commitments for the acquisition of property, plant and equipment.
- Refer note 34 for information on assets pledged as security by the holding Company. '1
- Refer note 39 for information on assets taken on lease.

3. Capital work-in-progress

	As at 31 March 2020
Balance at the beginning of the year	2.45
Additions during the year	7.91
Capitalisation during the year	(3.17)
Balance as at end of the year	7.19

Note:

- Capital work-in-progress includes property, plant and equipment under construction, installation and cost of asset not ready for use as at year end.
- Refer note 34 for information on assets pledged as security by the holding Company.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

4. Intangible assets

	As at 31 March 2020
Software	
A. Gross carrying amount	
Balance at the beginning of the year	0.05
Additions during the year	0.19
Balance as at end of the year	0.24
B. Accumulated amortisation	
Balance at the beginning of the year	0.05
Additions during the year	0.05
Balance as at end of the year	0.10
Net carrying value	
As at 31 March 2020	0.14

5. Investments

	As at 31 March 2020
5 (a) Non-current investments	
Unquoted equity shares	
Equity shares carried at fair value through profit or loss ['FVTPL']	
Others	
1,500,000 equity shares of Ritspin Synthetics Limited [₹10 each, fully paid up]	1.50
	1.50
Less: Provision for impairment in the value of investment	(1.50)
Aggregate amount of unquoted investments	1.50
Aggregate provision for diminution in value of investments	1.50
5 (b) Current investments	
Quoted equity shares	
Equity shares carried at fair value through profit or loss ['FVTPL']	
52,501 equity shares of Optel Telecommunications Limited ₹10 each, fully paid up]*	-
708,400 equity shares of Sanghi Polyesters Limited ₹10 each, fully paid up]*	-
20 equity shares of Reliance Industries Limited ₹10 each, fully paid up]**	-
72,601 equity shares of Balasore Alloys Limited ₹5 each, fully paid up]	0.05
	0.05
Quoted preference shares	
56,500 0.01% cumulative redeemable preference of JSW Steel Limited ₹10 each, fully paid up]	0.01
	0.01
	0.06
Aggregate amount of quoted investments	0.85
Market value of quoted investments	0.06

Note:

1. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.
2. Refer note 34 for information on investments pledged as security by the holding Company.

* Fair value of the investments are nil

** ₹22,275 amount in absolute rupees.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

6. Loans

	Non-current	Current
	As at 31 March 2020	As at 31 March 2020
[Unsecured considered good, unless otherwise stated]		
Security deposits	3.35	-
	3.35	-

Note:

- Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.
- Refer note 34 for information on security deposits pledged as security by the holding Company

7. Other financial assets

	Non-current	Current
	As at 31 March 2020	As at 31 March 2020
Interest accrued on deposits	-	0.17
Non-current bank balances*	1.53	-
Advance to employees	-	1.54
Claims and other receivables	-	71.01
Less : Provision for claims and other receivables [refer note 42]	-	(67.84)
	1.53	4.88

Note:

- Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.
- Refer note 34 for information on other financial assets pledged as security by the holding Company.

*Pledged with banks for credit limits.

8 (a) Non-current tax assets

	As at 31 March 2020
Advance tax [net of provisions of ₹106.42 crores]	10.54
	10.54

8 (b) Deferred tax assets

I. Recognition of deferred tax assets and liabilities

	Deferred tax assets	Deferred tax (liabilities)	Net deferred tax assets/(liabilities)
	As at 31 March 2020	As at 31 March 2020	As at 31 March 2020
Property, plant and equipment	-	(151.02)	(151.02)
Investment at FVTPL	1.00	-	1.00
Provision for employee benefits	6.08	-	6.08
Provision for doubtful debts and advances	44.87	-	44.87
Brought forward business losses unabsorbed depreciation	189.21	-	189.21
Provision for contingencies	18.88	-	18.88
Other items	1.05	(0.06)	0.99
	261.09	(151.08)	110.01
Offsetting of deferred tax assets and deferred tax liabilities	(151.08)	151.08	-
Net deferred tax assets	110.01	-	110.01

Note: Based on the current developments as stated in note 45 and business plan, the Group is confident that the deferred tax assets carried at the end of the year is fully recoverable and there will be sufficient future taxable profits to adjust unabsorbed depreciation and carried forward business losses.

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(All amounts in ₹ crores, unless stated otherwise)

II. Movement in temporary differences

	As at 31 March 2020
Opening balance of deferred tax asset	246.11
Tax expense during the year recognised in the statement of profit or loss*	(136.10)
Closing balance of deferred tax asset	110.01

* Management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence amounting to ₹136.10 crores.

III. Unrecognised deferred tax assets and unrecognised minimum alternate tax credit entitlement

	As at 31 March 2020	
	Gross amount	Unrecognised tax effect
Unrecognised minimum alternate tax credit entitlement*	-	57.70
Brought forward business losses and unabsorbed depreciation**	1,060.46	370.57

* Minimum alternate tax credit entitlement carried in Income-tax return and not recognised in books.

** Deferred tax assets have not been recognised in respect of above items, because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom.

IV. Effective tax rate

	As at 31 March 2020
Accounting loss before income tax	(181.90)
Enacted tax rate	34.94%
Current tax income on profit before tax at the enacted income tax rate in India	63.56
Derecognition of deferred tax asset*	136.10
Deferred tax asset not recognised*	(63.56)
Tax expense reported in the statement of profit and loss	(136.10)
Tax expense during the year recognised in statement of profit or loss	136.10
	136.10

* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence. Accordingly, no deferred tax asset has been recognised during the current financial year. Further, management is confident about the achievement of the business plans and availability of sufficient future taxable profits against which deferred tax was recognised in the statement of profit or loss in the earlier year(s).

9. Other assets

	Non-current	Current
	As at 31 March 2020	As at 31 March 2020
Capital advances	1.54	-
Claims and other receivables	14.84	211.43
GST receivable	-	22.52
Prepaid expenses	-	4.73
"National Savings Certificates VI th issue* (pledged with sales tax authorities)"	-	-
Advance rent	0.51	0.20
Advances to vendors	5.21	21.89
Less : Provision for doubtful advances to vendors	(5.21)	-
	16.89	260.77

Note:

1. Refer note 34 for information on other assets pledged as security by the holding Company.

* Non-current includes ₹4,000 amount in absolute rupees

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

10. Inventories

[valued at lower of cost or net realisable value, unless otherwise stated]

	As at 31 March 2020
Raw materials [include in transit ₹21.13 crores]	79.75
Work-in-progress	5.92
Finished goods [include in transit ₹12.59 crores]*	128.56
Stores and spares [include in transit ₹1.14 crores]	28.37
Packing material	2.33
Waste**	5.56
Stock-in-trade	0.05
	250.54

Note:

1. Refer note 34 for information on inventories pledged as security by the holding Company.

* The inventories were reduced by ₹2.58 crores on account of net realisable value being lower than the cost.

** valued at net realisable value.

11. Trade receivables

	As at 31 March 2020
Unsecured, considered good	91.46
Credit impaired	55.36
	146.82
Less : Provision for expected credit loss [refer note 28]	(55.36)
	91.46

Notes:

1. The holding Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 10 days for all customer categories. In case of delay beyond 10 days, the interest is generally recovered at the rate of 18% upto 30 days from the date of invoice and if the delay in beyond 30 days, it is recovered at the rate of 24% from the date of invoice. Average recovery rate of interest from overdue trade receivables in past years was 12-14%.

2. The holding Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 38.

3. Refer note 34 for information on trade receivables pledged as security by the holding Company.

12. Cash and cash equivalents

	As at 31 March 2020
Balances with banks	12.35
Deposits with original maturity less than three months	0.45
Cash on hand	0.22
	13.02

13. Other bank balances

	As at 31 March 2020
Deposits with original maturity more than three months but remaining maturity of less than twelve months	9.66
Unpaid dividend	0.30
	9.96

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

14. Equity share capital

	As at 31 March 2020
Authorised	
275,000,000 equity shares of ₹10 each	275.00
	275.00
Issued, subscribed and fully paid up	
261,113,151 equity shares of ₹10 each fully paid-up	261.11
	261.11

Notes:

i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2020	
	Number of shares	Amount
Balance at the beginning of the year	17,81,13,151	178.11
Add: Issued during the year	8,30,00,000	83.00
Balance at the end of the year	26,11,13,151	261.11

ii) The holding Company has only one class of equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the holding Company, holders of equity shares will be entitled to receive any of the remaining assets of the holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Shares in the Company held by each shareholder holding more than 5% are as under:

Names of shareholders	As at 31 March 2020	
	Number of shares	% of shareholding
Brookgrange Investments Limited	5,35,64,057	20.51
Mr. Om Prakash Lohia [Chairman and Managing Director]	3,84,73,369	14.73
Mrs. Urmila Lohia	1,81,84,518	6.96
Siam Stock Holding Limited	1,72,00,000	6.59
Indorama Netherlands B.V. [controlling Company of the Group, refer note vi]	10,06,96,588	38.56
	22,81,18,532	87.35

iv) Shares in the holding Company held by controlling Company of the Group are as under:

Names of shareholders	As at 31 March 2020	
	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company of the Group, refer note vi]	10,06,96,588	38.56
	10,06,96,588	38.56

v) The holding Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The holding Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

vi) During the year ended 31 March 2020 and pursuant to the decision of the Board of Directors and Shareholders to raise additional equity by way of preferential allotment, the holding Company has issued 8.30 crores shares representing 31.79% of the total paid up share capital to Indorama Netherlands BV ('INBV') at an issue price of ₹36 per share [including premium of ₹26 per share] and has received ₹298.80 crores on 3 April 2019. Pursuant to equity infusion, INBV controls the holding Company through management control and also appointed additional Key Management Personnel in the holding Company.

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to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

15. Other equity

	As at 31 March 2020
a. Capital reserve	
Balance at the beginning of the year	20.38
Balance at the end of the year	20.38
b. Securities premium reserve	
Balance at the beginning of the year	231.79
Add : Additions during the year	215.80
Balance at the end of the year	447.59
c. General reserve	
Balance at the beginning of the year	48.13
Add : Transfer from debenture redemption reserve	10.00
Balance at the end of the year	58.13
d. Debenture redemption reserve	
Balance at the beginning of the year	10.00
Less : Transfer to general reserve	-10.00
Balance at the end of the year	-
e. Retained earnings	
Balance at the beginning of the year	(247.20)
Add : Loss during the year	(316.54)
Add : Re-measurement gains on defined benefit plan [net of tax]	(1.46)
Balance at the end of the year	(565.20)
Total other equity [a+b+c+d+e]	(39.10)

Nature of reserves

Capital reserve

Capital reserve comprises of money received against forfeiture of equity shares and preference share warrants. The reserve is not available for distribution as dividend. The reserve is utilised in accordance with the specific provisions of Companies Act, 2013.

Securities premium reserve

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

General reserve

General reserve is a free reserve and is utilised from time to time for appropriate purposes.

Debenture redemption reserve

Debenture redemption reserve is a reserve created at the time of issue of debentures. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Company for its core business activities.

Notes

 to the Consolidated financial statements
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

16. Borrowings

	Non-current	Current maturities
	As at 31 March 2020	As at 31 March 2020
Secured loan		
Term loans - from banks		
Rupee loans	306.50	35.64
Foreign currency loans	-	36.36
	306.50	72.00
Less : Current maturities on borrowings [refer note 17]	-	(72.00)
	306.50	-

Notes:

- Refer note 38 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.
- Terms of repayment and security details:

Nature of security	Terms of repayment
a) Rupee term loans from banks	
i) ₹114 crores were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the holding Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future.	Repayable in 12 equal quarterly installments each aggregating to ₹9.50 crores repayment of which would be commencing on various dates from August 2020 and September 2020. Rate of interest at 8.10% to 10.15%.
ii) ₹150 crores were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the holding Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future	Repayable in 6 equal half yearly installments amounting to ₹25 crores each repayment of which would be commencing from 25 October 2021 onwards. Rate of interest at 9.96%.
iii) ₹71 crores were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the holding Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future. Also, these are secured by additional first pari-passu charge on SGST/VAT incentive receivable from Government of Maharashtra, both present and future.	Repayable in 3 equal yearly installments each aggregating to ₹10.65 crores repayment of which would be commencing on various dates in June 2021 and July 2021 and 1 yearly installment aggregating to ₹39.05 crores in June 2024 and July 2024. Rate of interest at 9.75%.
iv) ₹7.14 crores were secured primarily by first pari-passu charge on entire movable and immovable fixed assets of the holding Company except for the fixed assets under exclusive charge with loan from IKB Deutsche Industriebank AG, both present and future.	Balance repayable in 7 equal monthly installments amounting to ₹1.02 crores each. Rate of interest at 9.20%
b) Foreign currency term loans from banks	
ii) ₹36.36 crores are secured by specific charge on the equipment purchased under the loan agreement for the Holding Company's Polyester Expansion Project and a first charge on the land situated at Mehsana, Gujarat.	Balance repayable in 3 equal monthly installments amounting to Euro 490,500 each, subsequent 4 equal monthly installments amounting to Euro 613,000 each and balance 1 installment amounting to Euro 465,040. Rate of interest at six months EURIBOR plus 0.95%.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Reconciliation of movements of liabilities to cash flows arising from financing activities:**Borrowings:**

	As at 31 March 2020	
	Non-current borrowings*	current borrowings*
Balance at beginning of the year	280.54	292.34
Proceeds from non-current borrowings	344.18	-
Repayment of non-current borrowings	(248.51)	-
Movement in short-term borrowings [net]	-	(199.47)
Foreign exchange movement	2.29	-
Balance as at the end of the year	378.50	92.87

Lease liabilities:

	As at 31 March 2020
Balance at beginning of the year	-
Payment of lease liabilities	(6.09)
Interest expense	2.42
Adjustment on modification of lease	(2.57)
Adjustment on adoption of Ind AS 116	27.80
	21.56

* * Non-current borrowings includes current maturity, but excludes deferred payment liabilities towards acquisition of property, plant and equipment.

** Refer note 19

17. Other financial liabilities

	Non-current	Current
	As at 31 March 2020	
Current maturities of long-term borrowings [refer note 16]	-	72.00
Interest accrued and due on borrowings	-	0.10
Interest accrued and not due on borrowings	-	10.27
Unpaid dividends [refer note 1 below]	-	0.30
Forward cover payable	-	0.18
Payable to employees	-	9.97
Lease liabilities [refer note 39]	16.99	4.57
Creditors towards property, plant and equipment	-	1.85
	16.99	99.24

Notes:

- There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.
- Refer note 38 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

18. Provisions

	Non-current	Current
	As at 31 March 2020	
Provision for gratuity [refer note 35]*	16.25	1.14
Provision for compensated absences [refer note 35]*	11.28	1.94
Provision for contingencies [refer note 28]**	-	54.02
	27.53	57.10
* Includes amounts due to Key Managerial Personnel [refer note 41]	0.28	0.90

**** Movement in provision for contingencies**

	As at 31 March 2020
Balance at the beginning of the year	84.00
Less : Provision reversed during the year	(29.98)
Balance at the end of the year	54.02

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

19. Borrowings

	As at 31 March 2020
Secured loan	
Short-term loans from banks	92.87
	92.87

Notes:

i) **Details of rate of interest, terms of repayment and security for working capital from banks:**

In case of holding Company, short-term loans from banks amounting to ₹92.87 crores are secured by first pari-passu charge on current assets of the holding Company excluding the current assets pertaining to SGST/VAT incentive receivable from Government of Maharashtra and second pari-passu charge on the holding Company's entire present and future block of assets, except assets under exclusive charge of loan from IKB Deutsche Industriebank AG. These are repayable within 6 months and carry an interest rate in the range from 8.25% p.a. to 8.50% p.a.

20. Trade payables

	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises [refer note 36]	3.25
Total outstanding dues of creditors other than micro enterprises and small enterprises*	548.45
	551.70
* Includes amounts due to related entities [refer note 41]	23.11

21. Other current liabilities

	As at 31 March 2020
Advances from customers*	106.15
Statutory dues	2.51
Others	0.49
	109.15
* Includes amounts due to related entities [refer note 41]	100.75

22. Revenue from operations

	For the year ended 31 March 2020
Disaggregated revenue information	
Sale of products [refer notes below]	
Finished goods	
Domestic	1,600.51
Export	513.64
Traded goods	0.74
	2,114.89
Less: Rebates and discounts to customers	65.96
	2,048.93
Other operating income	
Scrap sales	6.95
GST refund	35.23
Interest from customers	4.72
Interest on insurance claims	-
Liabilities/provisions no longer required, written back	24.99
Others	1.23
	73.12
	2,122.05

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Notes:

i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended 31 March 2020
Gross sale of products	2,127.11
Less : Adjustment on account of returns	8.46
Less : Adjustment on account of discounts and price differences	69.72
	2,048.93

ii) Contract balances

Trade receivables [refer note 11]	91.46
Advance from customers [refer note 21]	106.15

iii) Revenue recognised in relation to contract liabilities

a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	7.89
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-

23. Other income

	For the year ended 31 March 2020
Interest income	
from banks	1.21
from others	0.09
Unwinding of discount on security deposits	0.18
Fair valuation of investments through profit and loss	0.07
Others	4.35
	5.90

24. Cost of raw materials consumed

	For the year ended 31 March 2020
Category of materials consumed	
Purified terephthalic acid	1,185.61
Mono ethylene glycol	364.48
Others	69.87
	1,619.96

25. Purchase of stock in trade

	For the year ended 31 March 2020
Purchase of stock-in-trade	0.75
	0.75

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31 March 2020
Closing stock	
Finished goods	128.56
Work-in-progress	5.92
Waste	5.56
	140.04
Opening stock	
Finished goods	111.36
Work-in-progress	10.29
Waste	1.25
	122.90
	(17.14)

27. Employee benefits expense

	For the year ended 31 March 2020
Salary, wages and bonus	80.54
Contribution to provident and other funds [refer note 35(a)]	5.31
Staff welfare expenses	4.28
	90.13

28. Other expenses

	For the year ended 31 March 2020
Consumption of stores and spares	36.61
Power and fuel	180.88
Rent and hire charges [refer note 39]	4.06
Repairs and maintenance	22.23
Insurance	5.88
Less : recovery	0.39
Rates and taxes [out of provision for contingencies, ₹15.83 crores debited to rates and taxes]	2.10
Packing materials consumed	60.16
Freight and forwarding charges	67.79
Less : recovery	10.96
Brokerage and commission	5.40
Discounts and claims	1.24
Directors' sitting fees	0.17
Legal and professional charges*	6.78
Donations	0.03
Debts/advances/other financial assets written off [out of provision for doubtful debts, ₹0.18 crores debited to bad debts]	2.12
Loss on disposal/discard of property, plant and equipment	0.44
Miscellaneous	49.49
	434.03
* Includes payment to auditors	
As auditor:	
Audit fee	0.47
Other services	0.01
Out of pocket expenses	0.06
	0.54

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

29. Finance costs

	For the year ended 31 March 2020
Interest	
fixed loans using effective interest rate method	0.24
term loans	33.17
debentures	13.75
working capital	3.40
lease liabilities [refer note 39]	2.42
others	25.94
Other borrowings cost	11.46
Remeasurement of actuarial interest cost [refer note 35]	1.93
	92.31

30. Depreciation and amortisation expense

	For the year ended 31 March 2020
Depreciation on property, plant and equipment [refer note 2]	85.95
Amortisation on intangible assets [refer note 4]	0.05
	86.00

31. Earning/(loss) per share

	As at 31 March 2020
Loss attributable to the equity shareholders (A)	(316.10)
Number of equity shares at the beginning of the year	17,81,13,151
Total number of shares outstanding at the end of the year	26,11,13,151
Weighted-average number of equity shares (B)	26,06,59,599
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	(12.14)
Nominal value of equity share (₹)	10.00

32. Contingent Liabilities

	As at 31 March 2020
There are contingent liabilities in respect of:	
a) Claims against the holding Company not acknowledged as debt # [refer note 1 below]	
Income tax matters under dispute [gross of amount paid under protest amounting to ₹0.26 crores]	4.30
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹3.59 crores]	55.06
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹0.14 crores]	4.42
Others under dispute* [gross of amount paid under protest amounting to ₹8.53 crores]	22.91
	86.69
b) Other money for which the holding Company is contingently liable # [refer note 1 below]	
Claims by ex-employees, vendors, customers and civil cases	1.57
	1.57

* Matter under dispute with Maharashtra State Electricity Distribution Company Limited and is pending for hearing with Bombay High Court.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of respective proceedings.

Notes

- Out of the above litigations, the Company has provided ₹54.02 crores against various litigations and remaining contingent liabilities is ₹34.24 crores.
- Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Group is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Group.
- Customs duty claims (including penalties) against the holding Company aggregating to ₹220.26 crores have not been considered contingent as favourable orders have been received, in some of the cases, by the holding Company from the Custom Excise and Service Tax Appellate Tribunal. The holding Company believes that its position is strong in this regard. The matter is pending with the Hon'ble Supreme Court.

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

Pending resolution of the respective proceedings, it is not practicable for the holding Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The holding Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The holding Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the holding Company. The holding Company does not expect any reimbursements in respect of the above contingent liabilities.

33. Capital commitments and other commitments

	As at 31 March 2020
a) Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances]	10.78
b) The holding Company has commitments to export 22,522 MT of finished goods as per foreign trade policy pursuant to import of duty free material under advance license scheme.	

34. Assets pledged as security

	As at 31 March 2020
The carrying amounts of assets pledged as security for current and non-current borrowings are:	
Current assets	
Financial assets	
Floating charge	
Trade receivables	91.46
Cash and cash equivalents	12.50
Other bank balances	9.96
Other financial assets	4.88
Non financial assets	
Floating charge	
Inventories	250.54
Other current assets	260.70
Total current assets pledged as security	630.04
Financial assets	
First charge	
Non-current bank balances	1.53
Non financial assets	
First charge	
Property, plant and equipment	682.52
Capital work-in-progress	7.19
Other non-current assets	2.05
Total non-current assets pledged as security	693.29

35. Employee Benefits

a) Defined contribution plan

An amount of ₹4.48 crores for the year has been recognised as an expense in respect of the holding Company's contributions towards Provident Fund, an amount of ₹0.65 crores for the year has been recognised as an expense in respect of holding Company's contributions towards Employee State Insurance and an amount of ₹0.16 crores for the year has been recognised as an expense in respect of the holding Company's contributions towards National Pension Scheme, which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

b) Defined benefit plan

1) Gratuity

2) Compensated absences

The holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Notes

to the Consolidated financial statements
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2020
(i) Changes in present value obligation	
Present value obligation as at the start of the year	15.61
Interest cost	1.20
Current service cost	1.01
Actuarial loss/(gain) on obligation	0.54
Benefits paid	(0.97)
Present value obligation as at the end of the year	17.39
(ii) Net liability recognised in the Balance Sheet	
Present value obligation at the beginning and end of the year	(17.39)
Net liability in the Balance Sheet	(17.39)
(iii) Amount recognised in the statement of profit and loss	
Current service cost	1.01
Interest cost	1.20
Expense recognised in the statement of profit and loss	2.21
(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)	
Changes in financial assumptions	(0.54)
Amount recognised in other comprehensive income	(0.54)

(v) Actuarial assumptions

	As at 31 March 2020	
	Compensated absences	Gratuity
Discount rate (p.a.)	6.74%	6.74%
Salary escalation rate (p.a.)	2.00%	2.00%
Withdrawal rates		
Upto 30 years	4.00%	4.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate	Indian Assured Lives Mortality (2012-14) (modified) Ultimate

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(vi) Sensitivity analysis for gratuity liability

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at 31 March 2020
Present value of obligation at the end of the year	
Impact of the change in discount rate (p.a.)	
Impact due to decrease of 0.50%	0.71
Impact due to increase of 0.50%	(0.67)
Impact of change in salary escalation rate (p.a.)	
Impact due to increase of 0.50%	0.73
Impact due to decrease of 0.50%	(0.70)

	As at 31 March 2020
(vii) Expected future cash flows	
The expected future cash flows in respect of gratuity as at 31 March 2020 were as follows:	
31 March 2020	1.14
31 March 2021	0.84
31 March 2022	0.88
31 March 2023	1.12
31 March 2024	0.72
31 March 2025	1.03
Beyond 31 March 2025	11.66

Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹2.24 crores as at 31 March 2020.

c) Other long-term employee benefit

An amount of ₹0.96 crores pertains to expense towards compensated absences and included in "employee benefit expense".

36. Dues to micro, small and medium enterprises

On the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2020
Principal amount remaining unpaid	3.25
Interest due thereon	0.07
Interest paid by the Holding Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	2.19
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-
Interest accrued and remaining unpaid as at end of the year	0.38
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-

37. Segment information

Basis of segmentation:

The Group's primary business segment is reflected based on principal business activities carried on by the Group. Chairman and Managing Director has been identified as being the Chief Operating Decision Maker ('CODM') and evaluates the Group's performance and allocates resources based on analysis of the various performance indicators of the Group as a single unit. Therefore, there are no separate reportable business segments as per Ind AS 108-Operating Segments. The Group operates in one reportable business segment i.e., manufacturing of Polyester goods.

Geographical information:

The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers.

	For the year ended 31 March 2020
a) Revenue:	
Domestic	1,608.41
Overseas*	513.64
	2,122.05
*Revenue from overseas countries:	
Turkey	186.41
Nepal	76.91
Other overseas countries	250.32
	As at 31 March 2020
b) Trade receivables:	
Domestic	52.87
Overseas*	38.59
	91.46
*Trade receivables from overseas countries:	
Turkey	8.92
Nepal	4.65
Other overseas countries	25.02
	38.59

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2020
c) Non-current assets:	
Domestic*	732.88
Overseas	-
	732.88

*excluding deferred tax and income tax assets

Notes

1. Gross revenues from none of the customer exceed 10% or more of the Group's total gross revenue.

38. Financial instruments - accounting classifications and fair value measurements

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sales.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and cash equivalents, bank balances, trade and other short-term receivables, investments, loans and advances and other current liabilities approximated their carrying amounts largely due to the short-term maturities of these instruments.
2. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

A. Accounting classifications and fair values

The following tables shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial instruments by category

	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at amortised costs				
Trade receivables	-	-	91.46	91.46
Cash and cash equivalents	-	-	13.02	13.02
Other bank balances not considered as cash and cash equivalents	-	-	9.96	9.96
Other financial assets	-	-	4.88	4.88
Loans [non-current]	-	3.35	-	3.35
Fixed deposits [non-current]	-	1.53	-	1.53
Financial assets at FVTPL				
Non-current investments	-	-	-	-
Current investments	0.06	-	-	0.06
Total	0.06	4.88	119.32	124.26
Financial liabilities at amortised cost				
Borrowings	-	92.87	-	92.87
Trade payables	-	551.70	-	551.70
Other financial liabilities	-	22.67	-	22.67
Long-term borrowings [including current maturities]	-	378.50	-	378.50
Non-current lease liabilities	-	16.99	-	16.99
Current lease liabilities	-	4.57	-	4.57
Total	-	1,067.30	-	1,067.30

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

B. Measurement of fair values

Assets and liabilities are to be measured based on the following valuation techniques:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

Cost approach – Replacement cost method.

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments which are traded in stock exchanges and valued using closing price at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on the conditions existing at the end of each reporting period.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value			
Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Security deposit*	The valuation model considers the present value of receivables, discounted using a risk adjusted discount rate.	Risk adjusted discount rate	Not applicable
Unquoted investments**	Based on the net worth of the investee Company and proportionate investment by the Company	Not applicable	Not applicable
Financial liabilities***	The valuation model considers the present value of payables, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

* The fair value of the security deposits is computed using the discounted cash flows based on the current lending rates which is unchanged and therefore fair value of deposits is same as its carrying amount. They are classified as level 2 fair values in the fair value hierarchy due to use of observable inputs.

**For some of the unquoted investments, the Company have determined the fair value which is based on the net worth of the investee Company.

***Financial liabilities include secured and unsecured bank loans, optionally convertible debentures liability component and other financial liabilities.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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to the Consolidated financial statements Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

The Company's risk committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external information, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 10 days for all customer categories. In case of delay beyond 10 days, the interest is generally recovered at the rate of 18% upto 30 days from the date of invoice and if the delay is beyond 30 days, it is recovered at the rate of 24% from the date of invoice. Average recovery rate of interest from overdue trade receivables in past years was 12-14%. Most of the Company's customers have been transacting with the Company from past few years, and most of these customers' balances are not credit-impaired at the reporting date except in few cases reported. Identifying concentrations of credit risk requires judgement in the light of specific circumstances. The Company monitors ageing of its trade receivables regularly and based on the same takes corrective action. Trade receivables having ageing more than 180 days is monitor individually and loss allowance is created based on such assessment.

A summary of the Company's exposure to credit risk for trade receivables based on the ageing is as follows:

Ageing of receivables	As at 31 March 2020	
	Gross carrying amount	Expected credit loss
Less than 180 days	86.69	-
More than 180 days	60.13	55.36
	146.82	55.36

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2020
Balance at the beginning of the year	55.54
Expected credit loss during the year [net of reversal]	(0.18)
Balance at the end of the year	55.36

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

As at 31 March 2020	Not more than 1 year	Later than 1 year	Total
Long-term borrowings	72.00	306.50	378.50
Trade payables	551.70	-	551.70
Short-term borrowings	92.87	-	92.87
Other financial liabilities	27.24	16.99	44.23
Total	743.81	323.49	1,067.30

The Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Covenants are monitored on regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

As at 31 March 2020 the Company has not complied with certain financial covenants mentioned under the terms of borrowings mainly due to paucity of working capital funds. Therefore, based on the past experience and the facts of the case the management believes that no material financial obligation on part of the Company, is likely to arise in respect of the above matter and thus, no adjustments are required in these financial statements in this regard.

The interest payments on variable interest rate loans in the table above reflect spot interest rates at the reporting date and these amounts may change as market interest rates change. However, the Company doesn't expect significant different amount on account of change in market interest rate changes.

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Commodity price risk

Commodity Price Risk Commodity price risk arises due to fluctuation in prices of crude oil. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives to hedge its exposure, as and when required.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are US dollars, Japanese Yen and Euro. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date, as and when required.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

(i) Unhedged foreign currency risk exposure:

Particulars	As at 31 March 2020			Unhedged amount (in ₹ crores)
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	
Trade payables	USD	15.45	75.69	116.97
	Euro	0.01	82.86	0.08
	JPY	59.58	0.70	4.15
Loans [including interest payable]	USD	0.55	75.69	4.14
	Euro	5.11	82.86	42.32
Trade receivables	USD	(4.10)	75.68	(31.03)
Net exposure in respect of recognised assets and liabilities				136.63

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

(ii) Hedged foreign currency risk exposure:

		As at 31 March 2020			
	Currency	Amount in foreign currency (in million)	Strike rate (in ₹)	Hedged amount (in ₹ crores)	
Forward contract	To take protection against movement in foreign exchange rates in respect of receivable against exports	USD	1.00	74.41	7.44
					7.44

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, USD, JPY and Euro against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Currency (changes in currency value by 5%)		As at 31 March 2020	
		Increase in profit	Decrease in profit
USD	5% movement	4.12	(4.12)
Euro	5% movement	2.14	(2.14)
JPY	5% movement	0.21	(0.21)

Exposure to interest rate risk

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant:

Changes in interest cost by 5%	As at 31 March 2020	
	Increase	Decrease
On term loans	1.66	(1.66)
On cash credit limits	0.17	(0.17)

D. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise the shareholder's value. Management also monitors the return on capital. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

	As at 31 March 2020
Total liabilities	1,261.08
Less: cash and cash equivalents	13.02
Adjusted net debt	1,248.06
Total equity	222.01
Adjusted net debt to equity ratio	5.62

39. Leases

Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2020
Current	4.57
Non-current	16.99
	21.56

Adoption of Ind AS 116 'Leases'

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three interpretations (Appendix A 'operating leases-incentives', Appendix B 'evaluating the substance of transactions involving the legal form of a lease' and Appendix C 'determining whether an arrangement contains a lease').

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

The adoption of this new Standard has resulted in the holding Company recognising a right-of-use assets and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective method along with the transition option to recognise right-of-use assets at an amount equal to the Lease Liability.

The holding Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. At this date, the holding Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the holding Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months the holding Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 9.50%.

A. Reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 01 April 2019 :

Particulars	Amount
Operating lease commitments at 31 March 2019	36.53
Remeasurement	8.73
Lease liabilities at 1 April 2019	27.80

B. The following are amounts recognised in profit or loss :

	March 2020
Depreciation expense of right-of-use assets	5.30
Interest expense on lease liabilities	2.42
Rent expense*	4.06
Total	11.78

*Rent expense in term of short-term leases and low value leases

The holding Company has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The holding Company classifies its right-of-use assets to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the holding Company to sublet the asset to another party, the right-of-use asset can only be used by the holding Company. The holding Company is prohibited from selling or pledging the underlying leased assets as security.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term	No of leases with extension options	No of leases with termination options
Buildings	3	3-7 years	4.20	2	-

The maturity analysis of lease liabilities are disclosed in note 38.

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to the Consolidated financial statements
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(All amounts in ₹ crores, unless stated otherwise)

Lease payments not recognised as a liability

The holding Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The holding Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short-term leases and leases of low value is ₹4.06 crores.

At 31 March 2020, the holding Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹0.70 crores.

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2020 was ₹3.84 crores.

40. Particulars of investments made as required by clause (4) of Section 186 of the Companies Act, 2013 and as required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given under the investment schedule. Refer note 5(a) and note 5(b).

41. Related party disclosure

a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
i) Key Managerial Personnel	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Aloke Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of WTD]
	Mr. Ashok Kumar Ladha [Non-Executive Independent Director] [resigned w.e.f. 25 November 2019]
	Mr. Udeypaul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019]
	Mr. Dhanendra Kumar [Non-Executive Independent Director] [appointed w.e.f. 14 February 2020]
	Mr. M N Sudhindra Rao [Executive Director & Chief Executive Officer] [appointed w.e.f. 3 April 2019]
	Ms. Ranjana Agarwal [Non-Executive Independent Director]
	Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]
	Dr. Arvind Pandalai [Non-Executive Independent Director]
ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama Industries Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
iii) Enterprises having significant influence on the Company	StarPet Inc.
	PT. Indorama Polychem Indonesia
iv) Controlling Company of the Company	Brookgrange Investments Limited
	Indorama Netherlands BV [controlling company]* Indorama Ventures Public Company Limited [ultimate controlling company]**
V) Subsidiary Company	Indorama Yarns Private Limited (incorporated on 16 August 2019)

* During the year ended 31 March 2020 and pursuant to equity infusion, INBV controls the holding Company through management control and also appointed additional Key Management Personnel in the Company, refer note 14.

** Subsequent to the year ended 31 March 2020, holding Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBL) to meet any unforeseen exigencies.

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(All amounts in ₹ crores, unless stated otherwise)

b) Disclosure of transactions between the Company and its related parties

For the year ended
31 March 2020

i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Foreign currency fluctuations	
Indorama Petrochem Limited	1.48
Purchases of raw material and stores and spares	
Indorama Industries Limited	11.84
Indorama Petrochem Limited	5.75
TPT Petrochemicals Public Company Limited	6.04
StarPet Inc.	0.59
PT. Indorama Polychem Indonesia	0.10
Sale of products	
Indorama Industries Limited	12.53
ii) Key Managerial Personnel	
Remuneration	
Short-term employee benefits	7.83
Other long-term benefits	(0.11)
Post-employment defined benefit	0.02
	7.74
Other transactions [Non-Executive Independent Director]	
Rent income	0.16
	0.16
Director sitting fees	0.17
	0.17
Interest on optionally convertible debentures	
Mr. Om Prakash Lohia	0.74
	0.74

c) Disclosure of related parties year end balances

As at
31 March 2020

i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence	
Trade payables	
Indorama Industries Limited	1.54
Indorama Petrochem Limited	17.15
IVL Dhunseri Petrochem Industries Private Limited	3.83
StarPet Inc.	0.59
Advance from customers	
Indorama Industries Limited	0.10
Indorama Polyester Industries Public Company Limited	100.65
ii) Key managerial personnel	
Provision for gratuity and leave encashment [based on actuarial valuation]	
Employee benefits	1.18

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(All amounts in ₹ crores, unless stated otherwise)

42. Indorama Yarns Private Limited, a wholly owned subsidiary of the holding Company, incorporated on 16 August 2019 is yet to commence operations. The holding Company has subscribed ₹10,000,000 towards its share capital on 14 October 2019. The holding Company is presenting consolidated financial statements for the first time. Accordingly, requirement for presenting comparative consolidated financial numbers for the year ended 31 March 2019 is not applicable.

43. Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the holding Company had constituted a Corporate Social Responsibility (CSR) committee. In terms with the provisions of the said Act, the holding Company is not required to spend any amount towards CSR activities during the current and previous year.

44. In March 2020, WHO declared Covid-19 outbreak as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. The plant and offices of the holding Company has been under lock-down since March 2020, as per directives from the Government. As a result, operations for the month of March 2020 have been impacted. The holding Company is monitoring the situation closely and the overall impact on the business of the holding Company will depend on future developments which cannot be reliably predicted. Fixed expenses in March 2020, incurred during this period of lock-down are as under:

(i) Employee cost	-	₹1.97 Crores
(ii) Depreciation	-	₹1.93 Crores
(iii) Other expenses	-	₹0.75 Crores

Given the uncertainty of quick turnaround to normalcy, post lifting of the lock down, the holding Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The holding Company does not foresee any significant incremental risk to the recoverability of its assets or in its ability to meet its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. .

Pursuant to the relaxed guidelines, the holding Company has now resumed its manufacturing operations as allowed in keeping with Government advisories. Since the

situations are continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial results and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the holding Company and take necessary measures to address the situation.

The management is of the view that the holding Company will be able to continue as a going concern and will realise its assets and will be able to meet its liabilities at the amounts stated in the books and commitments in the normal course of business. The holding Company has option to arrange additional credit lines with the support of the promoter Group Company to the tune of US\$50 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies.

45. The holding Company's business comprises of manufacture and sale of polyester products. In the past, due to high raw material cost, working capital issues and consequent high interest cost, the holding Company incurred losses.

Subsequent to infusion of additional equity by way of preferential allotment to Indorama Netherlands BV (IVL) and Siam Stock Holdings Limited, amounting to ₹360.72 crores, the holding Company has taken significant steps during the year to improve operational performance by competitive procurement of raw materials, ramping up of production in a phased manner to have economies of scale, sufficient working capital facilities from banks at reduced cost and creation of a good customer base.

The result of initial steps taken have started showing improvement in performance of the holding Company. Further, relief action for the industry from Government of India by abolishing anti-dumping duty on imported PTA, a key raw material for the holding Company, in budget 2020-21, will have additional positive impact on the business.

The management has reassessed the carrying value of deferred taxes and made appropriate adjustment in the carrying value of deferred tax assets based on prudence. The management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax is fully recoverable.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ crores, unless stated otherwise)

46. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('LODR') read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ('SCRR'), the Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined

in accordance with SCRR, on a continuous basis for listing. Pursuant to the acquisition of shares by Indo Rama Netherlands BV ('INBV') through open offer, promoters' shareholding has increased to 81.72%. The Company plans to comply with SCRR as per SEBI Circular no. CFD/CMD/CIR/P/2017/115 dated 10 October 2017 read with Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated 14 May 2020.

47. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets*	Amount (₹ crores)	As % of consolidated profit or loss*	Amount (₹ crores)	As % of consolidated other comprehensive income*	Amount (₹ crores)	As % of consolidated net assets*	Amount (₹ crores)
Parent								
Indo Rama Synthetics (India) Limited	100.20%	222.45	99.86%	(316.10)	100.00%	(1.46)	99.86%	(317.56)
Subsidiary								
Indorama Yarns Private Limited	(0.20%)	(0.44)	0.14%	(0.44)	0.00%	-	0.14%	-0.44
Total	100.00%	222.01	100.00%	(316.54)	100.00%	(1.46)	100.00%	(318.00)

* The above amounts/percentage of net assets and net loss in respect of Indo Rama Synthetics (India) Limited and its subsidiary are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations/consolidation adjustments.

48. The consolidated financial statements were approved for issue by the board of directors on 24 June 2020.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandio & Co LLP** For **Indo Rama Synthetics (India) Limited**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sandeep Mehta
Partner
Membership No.: 099410
Place: Mohali
Date: 24 June 2020

Om Prakash Lohia
Chairman and Managing Director
DIN Number: 00206807
Place: New Delhi
Date: 24 June 2020

Arvind Pandalai
Director
DIN Number: 00352809
Place: New Delhi
Date: 24 June 2020

M N Sudhindra Rao
Executive Director and Chief Executive Officer
DIN Number: 01820347
Place: Mumbai
Date: 24 June 2020

Umesh Kumar Agrawal
Chief Commercial and Financial Officer
ICAI Membership No.: 055210
Place: Gurugram
Date: 24 June 2020

Susheel Kumar Mehrotra
Chief Financial Officer
ICAI Membership No.: 085483
Place: Gurugram
Date: 24 June 2020

Pawan Kumar Thakur
Company Secretary
ICSI Membership No.: FCS6474
Place: Gurugram
Date: 24 June 2020

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the Financial Statements of Subsidiaries / Associates / Joint Ventures as per the Companies Act, 2013

(All amounts in ₹ crores, unless stated otherwise)

Sr. No.	Name of Subsidiary Company	The date of incorporation of subsidiary company	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Total Income	Loss(-)/ Profit before Taxation	Provision for Taxation	Loss(-)/ Profit after Taxation	Proposed Dividend	Effective Shareholding	Country
	Indorama Yarns Private Limited	16 August 2019	16 August 2019 to 31 March 2020	INR	1.00	(0.44)	0.59	(0.59)	NIL	0.01	(0.44)	-	(0.44)	-	100%	India

Om Prakash Lohia

Chairman and Managing Director
DIN Number: 00206807
Place: New Delhi
Date: 24 June 2020

Arvind Pandalai

Director
DIN Number: 00352809
Place: New Delhi
Date: 24 June 2020

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Chief Financial Officer
ICAI Membership No.: 085483
Place: Gurugram
Date: 24 June 2020

Pawan Kumar Thakur

Company Secretary
ICSI Membership No.: FCS6474
Place: Gurugram
Date: 24 June 2020

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Station, Ring Road,
Surat-395 002, Gujarat, India
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Village Surampatty, Panchayat
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Corporate Office

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