

**ANNUAL REPORT**  
**2020-21**

**INDO RAMA**  
Synthetics (India) Limited



# **EVOLVING THROUGH CHALLENGES**

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#### 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  
(upto October 29, 2020)

### Udeypaul Singh Gill

Non-Executive Non-Independent Director  
(upto January 20, 2021)

### Hemant Balkrishna Bal

Whole-time Director  
(w.e.f. October 30, 2020)

### Dilip Kumar Agarwal

Non-Executive Non-Independent Director  
(w.e.f. January 20, 2021)

### Dr. Arvind Pandalai

Non-Executive Independent Director

### Suman Jyoti Khaitan

Non-Executive Independent Director

### Ranjana Agarwal

(Woman Director)  
Non-Executive Independent Director

### Dhanendra Kumar

Non-Executive Independent Director

## Corporate Executives

### M. N. Sudhindra Rao

Chief Executive Officer

### Umesh Kumar Agrawal

Chief Commercial and Financial Officer

### Susheel Kumar Mehrotra

Chief Financial Officer  
(upto January 13, 2021)

### Pawan Kumar Thakur

Company Secretary

## Auditors

Walker Chandiook & Co LLP

## Bankers

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Ltd.

Sumitomo Mitsui Banking Corporation

Australia and New Zealand Banking Group Limited

# 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 more than 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

**610,050 TPA**

Cumulative production capacity at our Butibori plant

**1,400+**

Members in Team Indo Rama

**45**

Countries across five continents mark our presence



## 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 Awards and Accolades

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

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



## Our technology alliances

Technology from the following best global technology suppliers:

- 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

From time-to-time, we upgrade our technology to remain competitive in industry



## 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

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

# Recovery ahead



Our employees are the lifeblood of our Company and a critical component of our future. As a people-centric organisation, we provide a transparent, equitable, and dynamic work environment that promotes teamwork, open communication, and job satisfaction.

## Dear Stakeholders,

The Financial Year 2020-21 will go down in the history as one that changed the course of life for mankind. The outbreak of the Pandemic, once in century crisis, has compelled all of us, all over the world, to make unthinkable changes in the way we live and work.

Safety and health of the employees and their family members have been paramount objective of your company. We have been continually educating all the employees, their family members and all other stakeholders on the importance of self-discipline and adherence to the safety directions and guidelines issued by the Government. In addition, detail guidelines for employees to follow at home and on the shop-floor were also framed which are being strictly adhered to.

Your Company ensured that employees in the age group of 45 years & above have been vaccinated and all the efforts are in the direction of getting the other employees and their family members also vaccinated.

I am glad to inform you that your Company has become profitable after a span of seven years, despite the Pandemic. During the lockdown, in the first quarter, we completely overhauled our processing equipment and streamlined the manufacturing process. This has helped

us in ramping our Yarn production, producing good quality Polyester Filament Yarn and Polyester Staple Fibre and enhanced operational efficiencies. With demand picking up after the lockdown, we were able to market the products gainfully leading to a Cash Profit of ₹36.51 Crores for the Financial Year 2020-21.

Our plant operations were affected due to the COVID-19 pandemic, which had a negative impact on our revenue, but our earnings and profits improved during FY21. The revenue from operations declined by 4.02% to ₹2022.79 Crores in FY21 from ₹2107.51 Crores in FY20 due to the pandemic-induced restrictions, while our EBITDA for FY21 increased to ₹113.30 Crores from ₹0.66 Crores in FY20 and profit before tax was at ₹2.73 Crores in FY21, as against loss of ₹180 Crores for the previous year. The growth in profit were supported by our operational efficiencies, focused marketing efforts and better outreach to customers.

## Caring for our people

Our employees are the lifeblood of our Company and a critical component of our future. As a people-centric organisation, we provide a transparent, equitable, and dynamic work environment that promotes teamwork, open communication, and job satisfaction. Furthermore, our robust performance management approach allows us to attract and retain the best talent.

However, the Financial Year 2020-21 was one of the toughest years due to the COVID-19 pandemic that adversely affected health, livelihood, business and economy. Keeping the safety and wellbeing of our people in perspectives, we conducted various awareness workshops and distributed pamphlets on preventive measures on COVID. We also have well-qualified doctors and nursing staff who provide medical assistance on health, hygiene and periodic medical check-ups to our employees, their families, and contract workers. Going forward, we will continue our efforts on safeguarding our people from the pandemic and I am confident that our highly skilled and enthusiastic workforce will drive our growth in the Financial Year 2021-22 and beyond.

### Information on CSR initiative

The Company is not required to spend any amount on CSR as per applicable CSR provisions. However, the Company has made contribution towards promotion of healthcare including preventive health care, disaster management and PM-Cares Fund to provide relief to those affected by emergency or distress situation of COVID-19.

### Information on environment

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

### Company has started the following initiatives:

- Installation of online Ambient Air Quality Monitoring System (AAQMS) with online connectivity with statutory authorities;
- Installation of Waste Heat Recovery Boilers;
- Implementation of Zero liquid discharge scheme towards fulfillment of green environment objectives;
- Initiated Rain water harvesting in additional area;
- Controlled usage and avoidance of wastage of all utilities;
- Switch to Grid power instead of Captive thermal power there by reducing the incremental environmental impacts.

### Road ahead

We are all set to leverage the upcoming opportunities and face the challenges ahead with new vigour. We are fully geared up with customer-focused and value-driven approach to meet their expectation & requirement.

On behalf of the Board and our Indo Rama team, I thank all the stakeholders including Banks, Government Authorities, customers, vendors for their continued trust and support. We are confident of sustaining our progress going forward with your constant encouragement.

Warm wishes

**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.: 07104-663000/01 Fax: 07104-663200,**

**Email: corp@indorama-ind.com Website: www.indoramaindia.com**

**NOTICE** is hereby given that the Thirty-fifth Annual General Meeting ("AGM") of the Members of Indo Rama Synthetics (India) Limited will be held on Tuesday, 24th day of August 2021, at 11:30 AM Indian Standard Time ("IST"), through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

**ORDINARY BUSINESS**

**1. To receive, consider and adopt:**

- a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Directors' Reports and the Auditors' Report thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Vishal Lohia, (DIN 00206458), 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 an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Hemant Balkrishna Bal, (DIN 08818797), who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on October 30, 2020 and who holds office upto the date of this Annual General Meeting and who is eligible for appointment and in respect of whom a notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the 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."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dilip Kumar Agarwal, (DIN 03487162), who was appointed as an Additional Director (Non-Executive Non-Independent Director) by the Board of Directors of the Company at its meeting held on January 20, 2021 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom a notice has been received from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the 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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the Members of the Company be and is hereby accorded to the ratification of the remuneration of Mr. R. Krishnan, Cost Accountant (Membership No. 7799), appointed as Cost Auditor by the Board of Directors of the Company ("the Board") for the financial year ending March 31, 2022 to conduct cost

audit relating to cost records of the Company and that the said Cost Auditor be paid a remuneration of ₹ 1,80,000/- (Indian Rupees One Lakh Eighty Thousand only) plus applicable taxes;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the 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.”

6. 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 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), other applicable provisions, if any, of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, and subject to such other approvals, permissions and sanctions as may be required, the consent of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Om Prakash Lohia, (DIN 00206807), who has already attained the age of 70 (Seventy) years, as Chairman and Managing Director of the Company, for a further period of 3 (three) years, with effect from December 26, 2020 to December 25, 2023, upon terms and conditions including the terms of remuneration as approved by the Nomination and Remuneration Committee and by the Board of Directors at their respective Meetings held on October 30, 2020, set out in the Explanatory Statement under Section 102 of the Act, annexed to the Notice convening this meeting and also contained in the Agreement entered into between the Company and Mr. Om Prakash Lohia, with liberty to the Board of Directors (hereinafter referred to as “Board”, which terms shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary such terms and conditions of the said re-appointment and/or remuneration and/or agreement, in such manner as may be agreed between the Board and Mr. Om Prakash Lohia, provided that such alteration/variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time;

**RESOLVED FURTHER THAT** the consent of the Members of the Company be and is hereby also accorded that where in any financial year, during the tenure of 3 (three) years of Mr. Om Prakash Lohia as Chairman and Managing Director

the Company has no profits or its profits are inadequate, the Company may pay to Mr. Om Prakash Lohia, the same remuneration as minimum remuneration, in accordance with provisions of Sections 197, 198 and other applicable provisions of the Act and rules made thereunder (including any statutory modification(s) or re-enactment thereof read with Schedule V to the Act and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (including any Committee thereof) of the Company be and is hereby 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.”

7. 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 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Hemant Balkrishna Bal, (DIN 08818797), as Whole-time Director of the Company, for a period of 3 (three) years commencing from October 30, 2020 to October 29, 2023 on terms and conditions including the terms of remuneration as approved by the Nomination and Remuneration Committee and by the Board of Directors at their respective Meeting held on October 30, 2020, set out in the Explanatory Statement under Section 102 of the Act, annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “Board”, which terms shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary such terms and conditions of the said appointment and/or remuneration, in such manner as may be agreed between the Board and Mr. Hemant Balkrishna Bal, provided that such alteration/variation/modification/amendment is in conformity with the applicable provisions of the Act, as amended from time to time;

**RESOLVED FURTHER THAT** the consent of the Members be and is hereby also accorded that where in any financial year, during the term of office of Mr. Hemant Balkrishna Bal,

the Company has no profits or its profits are inadequate, Mr. Hemant Balkrishna Bal shall continue to get the same remuneration as aforesaid as minimum remuneration subject to the provisions of Schedule V of the Act,

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 4 and 13 of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable law(s), rule(s), regulation(s), guideline(s) or provision(s), the consent of the Members be and is hereby accorded for amendment, modification, substitution, addition and deletion in the Objects Clause of the Memorandum of Association of the Company as follows:

- 1) The heading of Clause III (A) "MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION" be changed to "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE";
- 2) New sub Clause (3) to be inserted under Clause III (A) (2) under "OBJECTS TO BE PURSUED BY COMPANY ON ITS INCORPORATION" are:
  3. To carry on business as manufacturers, importers, exporters, developing buyers, seller, suppliers, distributors, stockiest, designers of and dealers in polymers, monomers, elastomers and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granules, films, sheets, tubes, pipes, fibres, laminates or as processed goods, polyester value chain which are of bottle grade, thin grade, thick grade and metalised grade including textile grade chips, POY grade chips, polyester films, recycled filament, recycled chips, recycled fibre including specifically polyethylene, polypropylene, polymethyl, polystyrene, polyvinyl-acetate, methacrylate, epoxy resins, alkide resins melamine, polyesters, such as polyethylene, terephthalate and polyethylene, sophthallate or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other/products or resulting from any process.

- 3) The heading of Clause III (B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE OBJECTS" be changed to "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE";
- 4) Substitution of the reference of certain Sections as per the Companies Act, 1956 with the corresponding Sections as per the Companies Act, 2013 in existing Clause III (B);
11. Subject to the provisions of the Companies Act 2013 and regulations made thereunder and the directions issued by Reserve Bank of India, to receive money on deposit or loan and to borrow or raise money from any bank or banks and/or financial institutions or any person or persons for the purpose of the Company's business in such manner and on such terms and with such rights, powers and privileges as the Company may think fit and in particular by issue of debentures or debenture stock (perpetual or otherwise) or upon bonds, bills of exchange, promissory notes or other obligation or security of the Company and/or to secure the payment of any money borrowed, raised or owing as aforesaid by mortgage, charge or lien upon the undertaking and all or any of the immovable and movable properties or assets of the Company (both present and future) including its uncalled capital for the time being and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any contract or obligation undertaken by the Company and to purchase, redeem or pay off any such securities and obligations.
18. Subject to the provisions of the Companies Act, 2013, to amalgamate, to enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint-venture, reciprocal concession with any person or persons or company or companies carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on.
23. To subscribe, donate or grant money for any national, charitable, scientific, religious, benevolent, public, general or useful object for any exhibitions subject to the provisions of the Companies Act, 2013.
- 5) Insertion of new sub-clause as sub-clause 33 after the existing sub-clause 32 in Clause III (B);

33. To distribute as dividend or bonus among the member or to place to reserve or otherwise to apply, as the Company may, from time to time, determine any money received by way of premium on debentures issued at a premium by the Company and any money received in respect of forfeited shares, money arising from the sale by the Company of forfeited shares subject to the provisions of Section 52 of the Companies Act, 2013.
- 6) Re-numbering of existing sub-clauses 33 to 37 as 34 to 38 respectively; and
- 7) Deletion of entire existing Clause III (C), i.e., "OTHER OBJECTS" containing sub- clauses 1 to 34.

**Registered Office:**

A-31, MIDC Industrial Area  
 Butibori, Nagpur - 441122, Maharashtra  
 CIN: L17124MH1986PLC166615  
 E-mail: corp@indorama-ind.com  
 Website: www.indoramaindia.com

Place: Gurugram  
 Date: May 19, 2021

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the 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/modification of Memorandum of Association 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/modification of the Memorandum of Association of the Company and make appropriate filling with the Registrar of Companies in that regard."

By Order of the Board

**Pawan Kumar Thakur**  
**Company Secretary**  
 (FCS No. 6474)

**Notes:**

**1. A Statement pursuant to Section 102 of the Companies Act, 2013 ("The Act") setting out material facts relating to the Special Business to be transacted at the Thirty-fifth Annual General Meeting ("AGM") is annexed hereto.**

**2. General instructions for accessing and participating in the Thirty-fifth AGM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) Facility:**

A) i) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to clarification on passing of ordinary and special resolution by companies under the Companies Act, 2013 and the rules made thereunder on account of threat posed by COVID-19, Circular No. 20/2020 dated May 5, 2020, in relation to clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and Circular No. 02/2021 dated January 13, 2021, in relation to Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015-Covid-19 pandemic" and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted for holding of AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

**ii) VC/OAVM – Major Guidelines:**

a) Members are requested to join the AGM through VC/OAVM mode not later than 11:15 AM IST by following the procedures mentioned later in these Notes (Refer to Serial No. 29). Facility for joining the VC/OAVM shall be kept open for the Members from 11:00 AM IST and may be closed at 11:45 AM IST or thereafter.

b) Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-served basis. The large shareholders (i.e., 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., can attend the Thirty-fifth AGM without any restriction on account of first-come-first-served principle.

c) (i) Members are requested to express their views/send their queries in advance mentioning their name, DP ID and Client ID Number/Folio No., email ID, Mobile Number at investor-relations@indorama-ind.com till 5:00 PM IST on Friday, the 20th day of August, 2021.

(ii) Members who would like to ask questions during the Thirty-fifth AGM of the Company need to register themselves as a speaker by sending their requests preferably along with their questions mentioning their name, DP ID and Client ID Number/Folio Number, email ID, Mobile Number, to reach the Company's email address at corp@indorama-ind.com latest by 5:00 PM IST on Friday, the 20th day of August, 2021.

d) When a pre-registered speaker is invited to speak at the meeting, but he/she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera along with good internet speed.

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

B) Pursuant to the Circular No.14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the Thirty-fifth AGM. However, in pursuance of Section 113 of the Act, the Body Corporates are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting during the Thirty-fifth AGM of the Company.

- C) In line with the MCA Circulars and SEBI Circulars, the Notice of the Thirty-fifth AGM of the Company has been uploaded on the website of the Company at [www.indoramaindia.com](http://www.indoramaindia.com). The Notice can also be accessed from the websites of the Stock Exchanges, viz.; National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com) and BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of National Securities Depository Limited (NSDL) (Agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- D) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
- E) NSDL will be providing facility for voting through remote e-Voting, for participation in the Thirty-fifth AGM through VC/ OAVM facility and e-Voting during the Thirty-fifth AGM.
- F) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- G) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the Thirty-fifth AGM and facility for those Members participating in the Thirty-fifth AGM to cast vote through e-Voting system during the Thirty-fifth AGM. For this purpose, the Company has entered into an agreement with NSDL as the authorised agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will also be provided by NSDL.
- (H) The Thirty-fifth AGM of the Company is being convened through VC/OAVM in compliance with the applicable provisions of the Act read with all the applicable MCA and SEBI Circulars.
3. The business set out in the Notice will be transacted through remote electronic voting system and the Company is providing facility for voting by remote electronic means. Instructions and other information relating to e-Voting are given in the Notice under Note No. 29 hereunder.
4. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing pandemic situation, owing to the difficulties involved in dispatching of the physical copies of the Notice of the Thirty-fifth AGM and the Annual Report of the Company for the financial year ended March 31, 2021 including therein the Audited Financial Statements for the financial year 2020-21, the afore-mentioned documents are being sent only by email to the Members. Therefore, Members whose email addresses are not registered with the Company or with their Registrar and Share Transfer Agent (RTA) or with their respective Depository Participant/s (DPs) and who wish to receive the Notice of the Thirty-fifth AGM of the Company along with the Annual Report for the financial year 2020-21 and all other communications from time to time, can get their email addresses registered by following the steps as mentioned herein below:-
- For Members holding shares in physical form, please send a scanned copy of the signed request letter mentioning your Folio Number, Name of Shareholder, complete address, Mobile Number, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the RTA's email address at [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com).
  - For the Members holding shares in demat form, please update your email address through your respective Depository Participant(s).
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice of the Thirty-fifth AGM of the Company and the Annual Report for the financial year 2020-21, inter-alia, indicating the process and manner of e-Voting will be available on the Company's website at [www.indoramaindia.com](http://www.indoramaindia.com), the websites of the Stock Exchanges, viz.; NSE and BSE respectively and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for their download.
- Taking into account the COVID-19 scenario, it is encouraged by the Company for its Members to view the full version of the AGM Notice along with the Annual Report of the Company for the financial year 2020-21 in electronic mode from the website of the Company, viz.; [www.indoramaindia.com](http://www.indoramaindia.com).
- However, the copies of the aforesaid documents will also be available for inspection in the "Investor Relations" segment in the website of the Company at [www.indoramaindia.com](http://www.indoramaindia.com).
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, August 18, 2021 to Tuesday, August 24, 2021 (both days inclusive) for annual closing.
7. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants. Further, in order to receive dividend/s in

timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to the RTA's email address at helpdeskdelhi@mcsregistrars.com or to the Company's email address at corp@indorama-ind.com.

- a) signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i) Name and Branch of Bank and Bank Account type;
  - ii) Bank Account Number allotted by your Bank after implementation of Core Banking Solutions;
  - iii) 11-digit IFSC Code;
- b) self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c) self-attested scanned copy of the PAN Card; and
- d) self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member, as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

8. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the Bankers' cheques/Demand Draft to such Member, as soon as possible.
9. A resident individual shareholder with PAN and who is not liable to pay Income Tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the RTA's email address at helpdeskdelhi@mcsregistrars.com or to the Company's email address at corp@indorama-ind.com. Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the financial year does not exceed ₹ 5,000/-. Shareholders may note that in

case PAN is not updated with the Depository Participant/ Registrar and Share Transfer Agent of the Company, the tax will be deducted at a higher rate of 20%.

10. Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA], i.e., tax treaty between India and their country of residence.
11. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend as and when declared. The Company or its Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited, cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participants of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Company.
12. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules"), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 7,22,560/- (Indian Rupees Seven Lakhs Twenty-Two Thousand and Five Hundred Sixty only) being the unpaid and unclaimed dividend amount pertaining to the Dividend for the financial year 2012-13 on August 10, 2020.
13. 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 March 31, 2014 and thereafter, which remain unpaid or unclaimed for a period of seven 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
2013-14	August 1, 2014	August 31, 2021
2014-15	July 30, 2015	August 29, 2022
2015-16	September 30, 2016	October 29, 2023

In case valid claim is not received by that date, the Company will also proceed to transfer the respective shares to the Demat Account of the IEPF Authority ("IEPF Account") in terms of the IEPF Rules by following the prescribed procedure.

14. 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](http://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.: 011-4140 6149-52  
Fax No.: 011-4170 9881  
E-mail: [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)

15. The MCA had notified the IEPF Rules, 2016 effective from September 7, 2016. Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on February 28, 2017 ("IEPF Rules, 2017").

16. 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.

17. Pursuant to the provisions of IEPF Rules, all shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

Accordingly, the Company transferred 36,656 (Thirty Six Thousand Six Hundred Fifty Six) Equity Shares of the face value of ₹ 10/- each to the IEPF Account pertaining to the financial year 2012-13, on which the dividends remained unpaid or unclaimed for seven consecutive years with reference to the due date of August 3, 2020 after following the prescribed procedure. In this regard, the Company has individually informed the Members concerned and published notice in the newspapers as per the IEPF Rules. The details of such Members and shares transferred for the financial year 2012-13 are uploaded in the "Investors Relations" segment of the website of the Company viz.; [www.indoramaindia.com](http://www.indoramaindia.com).

18. Dividend and corresponding shares, as stated in Points 12 and 17 above, once transferred to IEPF Authority by the Company, may be claimed only from the IEPF Authority by following the procedure prescribed under the IEPF Rules.

Mr. Pawan Kumar Thakur, Company Secretary and Compliance Officer is the Nodal Officer of the Company for the purpose of verification of such claims.

19. As per the 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. The said form can be downloaded from the website of the Company, i.e., [www.indoramaindia.com](http://www.indoramaindia.com). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to MCS Share Transfer Agent Private Limited in case the shares are held in physical form.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account No. by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN and Bank Account No. to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Registrar and Share Transfer Agent/ Secretarial Department of the Company.

21. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, Members are advised to dematerialise shares, if held by them in physical form.

22. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

23. Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Private Limited ("RTA"), immediately of:

- (a) Change in their residential status on return to India for permanent settlement;
- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

24. To support the "Green Initiative", the Members who have not registered their e-mail addresses are requested to register the same with the Company's RTA/Depositories for receiving all communications including Annual Reports, Notices, Circulars, etc., from the Company electronically. Electronic copies of all the documents referred to in the accompanying Notice of the Thirty-fifth AGM of the Company and in the statement annexed to the said Notice shall be available for inspection in the "Investor

Relations” segment of the website of the Company at www.indoramaindia.com.

25. During the Thirty-fifth AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon using the login method explained at Point 29) “Access to NSDL e-Voting system”. After successful login Members will be able to view the documents for inspection by clicking on the link available against the EVEN of Indo Rama Synthetics (India) Limited.

26. 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 advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

27. Details as required in sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of the Institute of Company Secretaries of India (ICSI) in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice. Requisite declarations have been received from the Director for seeking re-appointment.

28. At the 32nd AGM held on Saturday, July 28, 2018, the Members approved appointment of M/s Walker Chandiook & Co LLP (FRN001076N/500013), Chartered Accountants, as Statutory Auditors of the Company, for an initial term of five consecutive years from the conclusion of that AGM till the conclusion of 37th Annual General Meeting, subject to ratification of their appointment by the members at every year. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at Thirty-fifth AGM.

**29. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING THROUGH VC/OVAM ARE AS UNDER:-**

- (i) The Remote e-Voting period begins on Saturday, August 21, 2021, at 9:00 AM (IST), and ends on Monday, August 23, 2021 at 5:00 PM (IST). The Remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial

Owners as on the record date (Cut-off date), i.e., Tuesday, August 17, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, August 17, 2021, may cast their votes by Remote e-Voting. Once the vote on resolution is cast by the Members, the Member shall not be allowed to change is subsequently.

- (ii) A person, who is not the Member as on the Cut-off date should treat this Notice of the Thirty-fifth AGM for information purpose only.

**How do I 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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS</b> facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a Mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider, i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e., <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
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Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

#### B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode. How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
  - A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices, i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e., Cast your vote electronically.
- 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\*\*\*

5. Password details for shareholders other than Individual shareholders 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 steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial Password" or 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, etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ 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 Scrutiniser by e-mail to jayayadav@whitespan.in with a copy marked to evoting@nsdl.co.in.

2. 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](http://www.evoting.nSDL.com) to reset the password.

- 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](http://www.evoting.nSDL.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail IDs for e-Voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor-relations@indorama-ind.com](mailto:investor-relations@indorama-ind.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor-relations@indorama-ind.com](mailto:investor-relations@indorama-ind.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A), i.e., Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for members for e-voting on the day of the agm are as under:**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
- Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

**Instructions for members for attending the agm through vc/oavm are as under:**

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under **“Join General meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. 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 to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor-relations@indorama-ind.com](mailto:investor-relations@indorama-ind.com). The same will be replied by the Company suitably.

**Other instructions:**

- 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 only shall be entitled to avail the facility of Remote e-Voting or casting vote through e-Voting system during the Meeting.
  - Pursuant to the provision of Section 108 of the Act read with rules thereof, Ms. Jaya Yadav (FCS 10822,

CP 12070), Practicing Company Secretary, and failing her Mr. Himanshu Gupta, Advocate (Enrolment No. D/3139/2014), has been appointed as the Scrutiniser to scrutinise the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.

- iii) During the Thirty-fifth AGM of the Company, the Chairman shall, after responding to the questions raised by the Members in advance or as a speaker at the Thirty-fifth AGM, formally propose to the Members not having already cast their votes by following the Remote e-Voting process and participating through VC/OAVM facility, to vote on the resolutions as set out in the Notice of the Thirty-fifth AGM of the Company.
- iv) The Scrutiniser shall after the conclusion of e-Voting at the Thirty-fifth AGM, first download the votes cast

at the AGM and thereafter unblock the votes cast through Remote e-Voting system and shall make a consolidated Scrutiniser's Report.

- v) The Results of voting will be declared within two working days from the conclusion of Thirty-fifth AGM. The declared results along with the Scrutiniser's Report will be available forthwith on the website of the Company, [www.indoramaindia.com](http://www.indoramaindia.com), and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company as well and shall be forwarded to both National Stock Exchange of India Limited and BSE Limited.
31. Members desiring to have any information relating to the accounts are requested to write to the Company at the E-mail ID, [corp@indorama-ind.com](mailto:corp@indorama-ind.com), in latest by Friday, the 20th day of August 2021 by 5:00 PM IST, so that the Company can reply appropriately.

## ANNEXURE TO NOTICE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### ITEM NO. 03

The Board of Directors of the Company in its meeting held on October 30, 2020 on the recommendation of Nomination and Remuneration Committee has appointed Mr. Hemant Balkrishna Bal, (DIN 08818797), as an Additional Director of the Company with effect from October 30, 2020.

A notice under Section 160 of the Companies Act, 2013 has been received from a member for proposing the candidature of Mr. Hemant Balkrishna Bal as a Director of the Company.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularisation of Mr. Hemant Balkrishna Bal as Director of the Company. Mr. Hemant Balkrishna Bal shall be liable to retire by rotation in pursuance of Section 152 and any other provisions of the Companies Act, 2013.

Mr. Hemant Balkrishna Bal 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.

Brief resume of Mr. Hemant Balkrishna Bal, nature of his expertise in functional areas and names of companies in which he holds Directorships and Memberships/Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Secretarial Standard-2 and the detail of the Director are provided with the notice as Annexure-I.

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

Mr. Hemant Balkrishna Bal 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. Hemant Balkrishna Bal as Director setting out the terms and conditions is available for inspection by members through electronic mode, basis the request being sent on investor-relations@indorama-ind.com.

Except Mr. Hemant Balkrishna Bal, 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. 03 of the Notice for approval by the Members.

### ITEM NO. 04

The Board of Directors of the Company in its meeting held on January 20, 2021 on the recommendation of Nomination and Remuneration Committee has appointed Mr. Dilip Kumar Agarwal, (DIN 03487162), as an Additional Director of the Company with effect from January 20, 2021.

A notice under Section 160 of the Companies Act, 2013 has been received for proposing the candidature of Mr. Dilip Kumar Agarwal as a Director of the Company

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularisation of Mr. Dilip Kumar Agarwal as Non-Executive Non-Independent Director of the Company. Mr. Dilip Kumar Agarwal shall be liable to retire by rotation in pursuance of Section 152 and any other provisions of the Companies Act, 2013.

Mr. Dilip Kumar Agarwal 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.

Brief resume of Mr. Dilip Kumar Agarwal, nature of his expertise in functional areas and names of companies in which he holds Directorships and Memberships/Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Secretarial Standard-2 and the detail of the Director are provided with the notice as Annexure-I.

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

Mr. Dilip Kumar Agarwal is Non-Executive Non-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. Dilip Kumar Agarwal as Non-Executive Non-Independent Director setting out the terms and conditions is available for inspection by members through electronic mode, basis the request being sent on investor-relations@indorama-ind.com.

Except Mr. Dilip Kumar 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 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. 04 of the Notice for approval by the Members.

#### **ITEM NO. 05**

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 Accountant, (Membership No. 7799) as Cost Auditor of the Company, for the financial year ending March 31, 2022, 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 Auditor by the Members has been set out in the notice of Thirty-fifth 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 Auditor 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 Accountant, (Membership No. 7799), to conduct the audit of the cost records of the Company, for the financial year 2021-22, at a remuneration of ₹ 1,80,000/- (Indian Rupees One Lakh Eighty Thousand only) as audit fee plus applicable tax(es).

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 05 of the Notice, to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.

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. 05 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 05 of the Notice for approval by the Members.

#### **ITEM NO. 06**

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder ('the Act'), 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), the Shareholders of the Company had approved in its Extra-ordinary General Meeting held on April 7, 2018, re-appointment and Remuneration of Mr. Om Prakash Lohia, (DIN 00206807), Chairman and Managing Director of the Company, for a period

of 3 (three) years, from December 26, 2017 to December 25, 2020. As per the approved remuneration terms, all the perquisites would be interchangeable keeping the total approved perquisites amount same. There was no requirement to take approval by way of Special Resolution again on attaining the age of 70 (Seventy) years of Mr. Om Prakash Lohia, on May 25, 2019, since his re-appointment as above was approved by way of Special Resolution only.

The existing tenure of Mr. Om Prakash Lohia as Chairman and Managing Director of the Company expired on December 25, 2020. The Board of Directors at its Meeting held on October 30, 2020 has re-appointed Mr. Om Prakash Lohia as Chairman and Managing Director pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Act and other applicable provisions of the Act, if any and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, and subject to approval of the Members at the ensuing Annual General Meeting for a further period of 3 (three) years with effect from December 26, 2020 to December 25, 2023, on his existing terms and conditions including remuneration as recommended by Nomination and Remuneration Committee and as set out in the Agreement entered into between the Company and Mr. Om Prakash Lohia.

Mr. Om Prakash Lohia, aged about 72 years, is the Promoter, Chairman and Managing Director of the Company since 1989, and has been the force behind the growth of the Company. Mr. Om Prakash Lohia after graduation from Calcutta University joined the family business of textiles and got the best of exposure in all aspects and functions of business management including International Markets.

The Company employs a team of highly qualified and successful professionals, who continue to take guidance and inspiration through the vision of Mr. Lohia. With his enterprising ability and good business acumen coupled with sheer drive and determination, Mr. Lohia propelled Indo Rama to the forefront of the Indian Synthetic/Man Made Fibre Industry. With his 52 years of experience, Mr. Lohia has strived hard to place the Company to a position par excellence.

Brief resume of Mr. Om Prakash Lohia, nature of his expertise in functional areas and names of companies in which he holds Directorships and Memberships/Chairmanships of the 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.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members be and is hereby sought to re-appoint Mr. Om Prakash Lohia, as Chairman and Managing Director of the Company, together with payment of remuneration, for a further period of 3 (three) years, commencing from December

26, 2020 to December 25, 2023, by way of salary, commission and perquisites and terms of appointment, as set out hereunder:

1. **Salary:** ₹ 14,50,000/- per month;
2. **Commission:** 2% of the Net Profits of the Company in any financial year as per the provisions of the Companies Act, 2013;
3. **Perquisites:** Mr. Om Prakash Lohia shall be entitled to the following perquisites:
  - (i) **Housing:** House Rent Allowance of ₹ 8,62,500/- per month;
  - (ii) Expenses pertaining to Gas, Electricity, Water, furnishings and other utilities including repairs will be borne / reimbursed by the Company on actuals and subject to a maximum of ₹ 24,00,000/- per annum;
  - (iii) **Medical Reimbursement:** Reimbursement of medical expenses incurred for self and family will be ₹ 21,300/- per month or ₹ 2,55,600/- per annum;
  - (iv) **Leave Travel Concession:** Leave Travel Concession for self and family to-and-fro any place in India or abroad up to ₹ 12,00,000/- per annum, as per the Rules of the Company;
  - (v) **Personal Accident Insurance:** Premium not to exceed ₹ 24,000/- per annum;
  - (vi) **Hospitalisation benefit:** As per the Rules of the Company;
  - (vii) **Conveyance:** Use of the Company's maintained car(s) with driver(s);
  - (viii) **Telephone:** Telephone and Fax at residence;

Explanation: Provision of cars for use on the Company's business and telephone / fax at residence will not be considered in computing the value of perquisites.

Note: All the perquisites will be interchangeable, i.e., any excess in a particular perquisite may be permissible by a corresponding reduction in one or more of the other perquisite(s).

4. In addition to the perquisites as aforesaid, Mr. Lohia shall also be entitled to the following annual benefits forming part of his remuneration;
  - (a) **Provident Fund:** Company's contribution towards Provident Fund shall be as per the Rules of the Company, i.e., @ 12% of the Basic Salary;

(b) **Gratuity:** Payable as per the Payment of Gratuity Act, 1972;

5. **Leave:** Leave accumulated and not availed during his tenure as Chairman and Managing Director may be allowed to be encashed at the end of the tenure as per the Rules of the Company;
6. **Reimbursement of Expenses:** Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Mr. Lohia during the course of and in connection with the business of the Company;
7. **Sitting Fee:** No sitting fee shall be paid to Mr. Lohia for attending the Meetings of the Board of Directors of the Company or any Committees thereof; and
8. The terms and conditions of appointment of Mr. Lohia may be altered or varied from time to time by the board of Directors in such manner as may be mutually agreed, subject to such approvals as may be required and within the applicable limits of the Companies Act, 2013;
9. **Minimum Remuneration:** In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Om Prakash Lohia, will be entitled to the above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in accordance with provisions of sections 197, 198 and other applicable provisions of the Act ( including any statutory modification(s) or re-enactment thereof read with schedule V of the Companies Act, 2013, and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, or such other approvals as may be required;

Approval of the Member is being sought by way of Special Resolution for approving the re-appointment of Mr. Om Prakash Lohia, aged about 72 years, for further 3 (three) years, with effect from December 26, 2020 to December 25, 2023.

The draft Agreement entered into by the Company with Mr. Om Prakash Lohia is available for inspection through electronic mode, basis the request being sent on investor-relations@indorama-ind.com.

This may also be treated as an abstract of the terms and conditions of the Agreement between the Company and Mr. Om Prakash Lohia, when executed, and Memorandum of interest pursuant to Section 190 of the Act.

Mr. Om Prakash Lohia being Chairman and Managing Director of the Company, not be liable to retire by rotation, in terms of the Articles of Association of the Company.

None of the Directors except Mr. Om Prakash Lohia, himself and Mr. Vishal Lohia who is son to Mr. Om Prakash Lohia, are concerned or interested in the said Resolution.

The Board of Directors of the Company recommend passing of the Special Resolution as set out at Item No. 06 of the Notice.

The other information as required under Section II of Part II of Schedule II of the Act are given below.

**Statements in terms of Schedule V of the Companies Act, 2013 relating to Remuneration payable to Managerial Personnel.**

**I. General Information:**

**1. Nature of Industry:** The Company is engaged in the manufacturing of Polyester products, viz., Polyester Filament Yarn (PFY), Polyester Staple Fibre (PSF), Draw Texturised Yarn (DTY), Fully Drawn Yarn (FDY), Specialty Fibre and Chips.

**2. Date or expected date of commencement of commercial production:**

The Company was incorporated on April 28, 1986 as a Public Limited Company. The Company is already in operation after obtaining Certificate of Commencement of business on November 24, 1986.

**3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

**4. Financial performance based on given indicators: As per the Audited Financial Statements (Standalone) for the year ended March 31, 2021.**

	(₹ in Crores)
Net Sales, Operating and Other Income	2,043.59
Profit before Interest, Depreciation and amortisation and Tax (EBIDTA)	113.30
Interest (Finance Cost)	65.92
Profit before Depreciation and amortisation, Foreign exchange fluctuation, Exceptional item and Tax (PBDT)	47.38
Depreciation and amortisation	33.78
Profit after Tax (PAT)	112.78

**5. Export performance and net foreign exchange earned for the year ended March 31, 2021:**

	(₹ in Crores)
FOB value of Exports	411.01
Other	-
Total	411.01

**6. Foreign Investment or Collaboration, if any:**  
 Nil

**II. Information about appointee:**

**1. Background details:** Mr. Om Prakash Lohia is the Promoter and Chairman and Managing Director of the Company, since 1989. Mr. Lohia aged about 72 years, graduate from Calcutta University joined the family business of Textiles and got the best of exposure in all aspects and functions of business management including International Markets. Given his enterprising ability and good business acumen coupled with sheer drive and determination, Mr. Lohia propelled Indo Rama to the forefront of the Indian Synthetic/Man-made Fibre Industry.

**2. Past Remuneration:**

Financial Year	Amount including Retiral Benefits (₹ in Crores)
2017-18	2.26
2018-19	2.28
2019-20	2.48

**3. Recognition or Award:**

Mr. Lohia's contribution to Indian Economy and Industry was well recognised with the "Udyog Ratna Award" from the Government of Madhya Pradesh and an "Outstanding Personalities Award" from Karnataka Employers' Association. The Smart Manager has chosen him as "One of the top 25 Managers of India" for steering Indo Rama to greater heights. He is the past President of the All India Organisation of Employers (AIOE) and has represented India in the International Labour Conference (ILO) held in Geneva.

**4. Job Profile and his Suitability:**

The Company has polyester capacity of 610,050 tones per annum and further expansion Capex Plan under pipeline in the Company and its wholly owned subsidiary(s) to diversify the product portfolio of the Company at a single location at Butibori, Nagpur. Thus, increased responsibilities of the Managerial personnel made it necessary to require foresightedness and expertise of Mr. Om Prakash Lohia to provide greater assistance to the Management Team.

In consideration of the performance of his duties as the Chairman and Managing Director, the Nomination and Remuneration Committee of the Company approved the re-appointment and remuneration payable to Mr. Om Prakash Lohia as Chairman and Managing Director, for a further period of 3 (three) years, commencing from December 26, 2020 to December 25, 2023, under the provisions of Section 197 and Schedule V of the Companies Act, 2013, which has also been approved by the Board of Directors of the Company in its meeting held on October 30, 2020.

**5. Remuneration Proposed:** As stated in the Explanatory Statement (Item No. 06 of the Notice).

## 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the aforesaid remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level counter parts in other Companies.

## 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, or other Director, if any:

Besides the remuneration proposed, Mr. Om Prakash Lohia has no other material pecuniary relationship with the Company except that Mr. Om Prakash Lohia is father of Mr. Vishal Lohia, Whole-time Director of the Company.

## III. Other Information:

### 1. Reasons of loss or inadequate profits:

- (i) As per Section 197 of the Companies Act, 2013, the remuneration payable to anyone managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors and manager taken together.
- (ii) The net profit for the year of the Company is inadequate to comply with Section 197 of the Companies Act, 2013.

### 2. Steps taken or proposed to be taken for improvement:

With Strong technical, financial and operational support with management control by Indorama Ventures Public Company Limited (IVL), a world leader in Fibre segment, the performance and profitability of the Company has taken a positive turn after passing through a difficult phase due to impact of global meltdown and currency fluctuation. As per the audited financial results as considered and approved in the Board of Directors meeting held on May 19, 2021, the Company has recorded total Income of ₹ 2,043.59 Crores against ₹ 2,127.94 Crores in the previous year. The operational Earnings before Depreciation, Interest and Taxation (EBIDTA) is at ₹ 113.30 Crores as against ₹ 0.66 Crores last year. The Company has reported a Net Profit of ₹ 112.78 Crores as against Net Loss of ₹ 316.10 Crores in the previous year. With higher capacity utilisation, market penetration and product quality betterment, the Company is on the growth path to have a regular sustainable Net Profit.

### 3. Expected increase in productivity and profits in measurable terms:

In view of the improving economic scenario, focus of the Government of India on Aatmanirbhar Bharat and

higher capacity utilisation with improved efficiency and increased customer satisfaction, there will be substantial improvement in the productivity and financial performance.

## IV. Disclosures:

The remuneration package along with the corresponding details payable to Mr. Om Prakash Lohia has already been mentioned at the explanatory statement of this notice. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to the aforesaid managerial personnel and the respective tenure of the appointment shall be governed by a service contract.

The Board of Directors recommends the Special Resolution set out at Item No. 06 of the Notice for approval by the members.

## ITEM NO. 07

The Board of Directors of the Company at its meeting held on October 30, 2020, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Hemant Balkrishna Bal, (DIN 08818797), Director as Whole-time Director of the Company, for a period of 3 (three) years with effect from October 30, 2020 to October 29, 2023, subject to approval of members at the ensuing General Meeting of the Company.

Mr. Hemant Balkrishna Bal, born on October 7, 1958, has completed his Bachelor of Textiles from The Maharaja Sayajirao University of Baroda in 1979. He possesses 41 years of rich experience in global polyester manufacturing business operations and has worked in JK Synthetics, Petrofils Cooperative Limited and as Site Head at Reliance Industries Limited, Patalganga, Maharashtra.

Mr. Hemant Balkrishna Bal has joined the Company as Site Head at Butibori, Nagpur with effect from December 27, 2019.

Presently, Mr. Hemant Balkrishna Bal is on the Board of Indorama Yarns Private Limited. Mr. Bal does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

As recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the Members be and is hereby sought to appoint Mr. Hemant Balkrishna Bal, Director as Whole-time Director of the Company, together with payment of remuneration, for a period of 3 (three) years, commencing from October 30, 2020 to October 29, 2023, by way of salary, commission and perquisites and terms of appointment, as set out hereunder:

1. **Salary:** Basic ₹ 3,00,000/- per month;
2. **Allowances:** Special Allowances of ₹ 4,76,500/- per month;
3. **Perquisites:**
  - i) **Annual Performance Bonus:** ₹ 12,50,000/- per annum;

The amount of performance bonus will be calculated on the basis of individual as well as Company performance taken together for the relevant financial year.

- ii) **Telephone usage:** Telephone and Internet, Fax at residence will be provided by the Company for official use;
  - iii) **Mediclaime Insurance for self and spouse:** As per the Company Policy;
  - iv) **Group Personal Accident Insurance:** As per the Company Policy; and
4. In addition to the perquisites as aforesaid, Mr. Bal, shall also be entitled to the following benefits forming part of his remuneration:
- (a) **Provident Fund:** Company's Contribution towards Provident Fund shall be as per the Rules of the Company, i.e., @ 12% of the Basic Salary; and
  - (b) **Gratuity:** As per the Payment of Gratuity Act, 1972.
5. **Reimbursement of Expenses:** Reimbursement of all entertainment, travelling, hotel and other expenses incurred by Mr. Bal during the course of his employment in connection with the business of the Company;
6. **Sitting Fee:** No sitting fee shall be paid to Mr. Bal for attending the meetings of the Board of Directors of the Company or any Committees thereof;
7. The terms and conditions of appointment of Mr. Hemant Balkrishna Bal may be altered or varied from time to time by the Board of Directors in such manner as may be mutually agreed, subject to such approvals as may be required and within the applicable limits of the Companies Act, 2013; and
8. **Minimum Remuneration:** In the event of inadequacy or absence of profits in any financial year during his tenure, Mr. Hemant Balkrishna Bal, will be entitled to the above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration in accordance with provisions of Sections 197, 198 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof read with schedule V of the Companies Act, 2013, and applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, or such other approvals as may be required.

Approval of the Member is being sought by way of Special Resolution for approving the appointment of Mr. Hemant Balkrishna Bal, aged about 63 years for a period of 3 (three) years with effect from October 30, 2020 to October 29, 2023.

The draft Agreement entered into by the Company with Mr. Hemant Balkrishna Bal, Whole-time Director of the Company is available for inspection through electronic mode, basis the request being sent on investor-relations@indorama-ind.com.

This may also be treated as an abstract of the terms and conditions of the Agreement between the Company and Mr. Hemant Balkrishna Bal, when executed, and Memorandum of interest pursuant to Section 190 of the Act.

Mr. Hemant Balkrishna Bal, Whole-time Director of the Company, liable to retire by rotation, in terms of the Articles of Association of the Company.

None of the Directors except Mr. Hemant Balkrishna Bal is concerned or interested in the said Resolution.

The Board of Directors of the Company recommend passing of the Special Resolution as set out at Item No. 07 of the Notice.

The other information as required under Section II of Part II of Schedule II of the Act are given below.

**Statements in terms of Schedule V of the Companies Act, 2013 relating to Remuneration payable to Managerial Personnel.**

**I. General Information:**

1. **Nature of Industry:** The Company is engaged in the manufacturing of Polyester products, viz., Polyester Filament Yarn (PFY), Polyester Staple Fibre (PSF), Draw Texturised Yarn (DTY), Specialty Fibre and Chips.

**2. Date or expected date of commencement of commercial production:**

The Company was incorporated on April 28, 1986 as a Public Limited Company. The Company is already in operation after obtaining Certificate of Commencement of business on November 24, 1986.

**3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable

**4. Financial performance based on given indicators: As per the Audited Financial Statments (Standalone) for the year ended March 31, 2021.**

	(₹ in Crores)
Net Sales, Operating and Other Income	2,043.59
Profit before Interest, Depreciation and amortisation and Tax (EBIDTA)	113.30
Interest (Finance Cost)	65.92

	(₹ in Crores)
Profit before Depreciation and amortisation, Foreign exchange fluctuation, Exceptional item and Tax (PBDT)	47.38
Depreciation and amortisation	33.78
Profit after Tax (PAT)	112.78

#### 5. Export performance and net foreign exchange earned for the year ended March 31, 2021:

	(₹ in Crores)
FOB value of Exports	411.01
Other	-
Total	411.01

#### 6. Foreign Investment or Collaboration, if any:

Nil

### II. Information about appointee:

- Background details:** Mr. Hemant Balkrishna Bal had completed his Bachelor of Textiles from The Maharaja Sayajirao University of Baroda in 1979. He possesses 41 years of rich experience in global polyester manufacturing business operations and has worked in JK Synthetics, Petrofils Cooperative Limited and as Site Head at Reliance Industries Limited, Patalganga, Maharashtra. Mr. Hemant Balkrishna Bal has joined the Company as Site Head at Butibori, Nagpur with effect from December 27, 2019, and he is responsible for overall plant operations.

#### 2. Past Remuneration:

Financial Year	Amount including Retiral Benefits (₹ in Crores)
2017-18	
2018-19	Not Applicable
2019-20	

#### 3. Recognition or Award:

Mr. Hemant Balkrishna Bal has excellent performance track record and has been recognised in the industry in turnaround of sites under his leadership.

#### 4. Job Profile and his Suitability:

The Company has polyester capacity of 610,050 tones per annum and further expansion Capex Plan under pipeline in the Company and its wholly owned subsidiary(s) to diversify the product portfolio of the Company at a single location at Butibori, Nagpur. Thus, increased responsibilities of the Managerial personnel made it necessary to require foresightedness and expertise of Mr. Hemant Balkrishna Bal to provide greater assistance to the Management Team.

In consideration of the performance of his duties as the Whole-time Director, the Nomination and Remuneration Committee of the Company approved the appointment and remuneration payable to Mr. Hemant Balkrishna Bal as Whole-time Director for a period of 3 (three) years, commencing from October 30,

2020 to October 29, 2023, under the provisions of Section 197 and Schedule V of the Companies Act, 2013, which has also been approved by the Board of Directors of the Company in its meeting held on October 30, 2020.

- Remuneration Proposed:** As stated in the Explanatory Statement (Item No. 07 of the Notice).

#### 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the aforesaid remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level counter parts in other Company.

#### 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mr. Hemant Balkrishna Bal has no other material pecuniary relationship with the Company.

### III. Other Information:

#### 1. Reasons for inadequate profits:

- As per Section 197 of the Companies Act, 2013, the remuneration payable to anyone Managing Director; or Whole-time Director or Manager shall not exceed five percent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors and manager taken together.
- The net profit for the year of the Company is inadequate to comply with Section 197 of the Companies Act, 2013.

#### 2. Steps taken or proposed to be taken for improvement:

With Strong technical, financial and operational support with management control by Indorama Ventures Public Company Limited (IVL), a world leader in Fibre segment, the performance and profitability of the Company has taken a positive turn after passing through a difficult phase due to impact of global meltdown and currency fluctuation. As per the audited financial results as considered and approved in the Board of Directors meeting held on May 19, 2021, the Company has recorded total Income of ₹ 2,043.59 Crores against ₹ 2,127.94 Crores in the previous year. The operational Earnings before Depreciation, Interest and Taxation (EBIDTA) is at ₹ 113.30 Crores as against ₹ 0.66 Crores last year. The Company has reported a Net Profit of ₹ 112.78 Crores as against Net Loss of ₹ 316.10 Crores in the previous year. With higher capacity utilisation, market penetration and product quality betterment, the Company

is on the growth path to have a regular sustainable Net Profit.

**3. Expected increase in productivity and profits in measurable terms:**

In view of the improving economic scenario, focus of the Government of India on Aatmanirbhar Bharat and higher capacity utilisation with improved efficiency and increased customer satisfaction, there will be substantial improvement in the productivity and financial performance.

**IV. Disclosures:**

The remuneration package along with the corresponding details payable to Mr. Hemant Balkrishna Bal has already been mentioned at the explanatory statement of this notice. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to the aforesaid managerial personnel and the respective tenure of the appointment shall be governed by a service contract.

The Board of Directors recommends the Special Resolution set out at Item No. 07 of the Notice for approval by the members.

**ITEM NO. 08**

The Board of Directors at its meeting held on May 19, 2021, approved amendment in the Memorandum of Association of the Company to align the existing Memorandum of Association with Table A of the Schedule I of the Companies Act, 2013, with respect to the followings:

- 1) The heading of Clause III (A) "MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION" be changed to "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE";
- 2) The present object clause of the Company is not covering the manufacturing of polymers, monomers, elastomers and resin of all types, grades, copolymer formulations and in all forms such as resin/chips, power, flakes, granules, films, sheets, tubes, pipes, fibers, laminates or as processed goods, polyester value chain, which are of polyester grade, thin grade, thick grade and metalised grade including textile

grade chips, POY grade chips, polyester film recycled filament, recycled chips, recycled fiber activities;

Your directors are view that proposed additional objects as mentioned in the Item No. 08 of the notice may conveniently and advantageously be combined with existing business of the Company.

- 3) The heading of Clause III (B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE OBJECTS" be changed to "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE";
- 4) Substitution of the reference of certain Sections as per the Companies Act, 1956 with the corresponding Sections as per the Companies Act, 2013 in existing Clause III (B);
- 5) Insertion of new sub-clause as sub-clause 33 after the existing sub-clause 32 in Clause III (B);
- 6) Re-numbering of existing sub-clauses 33 to 37 as 34 to 38 respectively; and
- 7) Deletion of entire existing Clause III (C), i.e., "OTHER OBJECTS" containing sub-clauses 1 to 34.

All amendments required to align the existing Memorandum of Association with Table A of the Schedule I of the Companies Act, 2013 as mentioned in the Item No.08 of the accompanying Notice;

The draft Memorandum of Association of the Company will be open for inspection through electronic mode, basis the request sent by the Members to investor-relations@indorama-ind.com. The draft Memorandum 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.08 of the Notice.

The Board of Directors recommends the Special Resolution set out at Item No.08 of the Notice for approval by the Members.

**Registered Office:**

A-31, MIDC Industrial Area  
Butibori, Nagpur - 441122, Maharashtra  
CIN: L17124MH1986PLC166615  
E-mail: corp@indorama-ind.com  
Website: www.indoramaindia.com

**By Order of the Board**

**Pawan Kumar Thakur**  
**Company Secretary**  
(FCS No. 6474)

Place: Gurugram  
Date: May 19, 2021

**ANNEXURE - I TO THE NOTICE****Details of Directors seeking appointment/re-appointment at the Thirty-fifth 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. Vishal Lohia, Whole-time Director:**

<b>Name of Director</b>	<b>Mr. Vishal Lohia</b>
Father's Name	Shri Om Prakash Lohia
Directors Identification Number (DIN)	00206458
Age and Date of Birth	43, September 28, 1977
Date of First Appointment	April 16, 2002
Experience/expertise in specific functional area	Mr. Vishal Lohia is one of the Promoter and Whole-time Director of the Company. He was appointed as Whole-time Director with effect from June 28, 2002 and held office upto October 20, 2004. He was again appointed as Whole-time Director on April 1, 2007 and has been continuing as such since then. Mr. Vishal Lohia has been looking after operations of the Company besides handling such other responsibilities as are assigned by the Board of Directors from time to time.
	He possesses around 19 years of experience in the various Industry forums taking up the cause and concerns of Polyester Industry on economic and trade issues.
	Mr. Vishal Lohia has paced himself with thorough grooming on the job at Indo Rama Synthetics (India) Limited, a leading Manufacturer and Exporter of Polyester in India. He has been taking on increasing responsibilities, driving the initiatives at Indo Rama to strategically position it as a leading player on the global industrial map.
Qualification	Bachelor's Degree in Finance and Economics from Bryant College, Rhode Island, USA.
Directorship/Chairman/CEO held in other Companies	Indo Rama Retail Holdings Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Stakeholders Relationship Committee - Member Share Allotment and Transfer Committee - Member Banking and Finance Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member Business Responsibility Reporting 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	11,37,896
No. of Board Meeting attended during the financial year 2020-21	5 (Five)
Relationship of the Director, Manager and other KMP of the Company	He is son of Shri Om Prakash Lohia, Chairman and Managing Director of the Company.

**2. Mr. Hemant Balkrishna Bal, Whole-time Director:**

<b>Name of Director</b>	<b>Mr. Hemant Balkrishna Bal</b>
<b>Father's Name</b>	Shri Balkrishna Kamalaker Bal
Directors Identification Number (DIN)	08818797
Age and Date of Birth	62, October 7, 1958
Date of First Appointment	October 30, 2020
Experience/expertise in specific functional area	Mr. Hemant possesses 41 years of rich experience in global polyester manufacturing business operations and has worked in JK Synthetics, Petrofils Cooperative Limited and as Site President at Reliance Industries Limited, Patalganga, Maharashtra.
Qualification	Bachelor of Textiles from the Maharaja Sayajirao University of Baroda in 1979.
Directorship/Chairman/CEO held in other Companies	Indorama Yarns Private Limited

Chairman/Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Stakeholders Relationship Committee - Member Share Allotment and Transfer Committee - Member Banking and Finance Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member Business Responsibility Reporting 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 2020-21	3 (Three)
Relationship of the Director, Manager and other KMP of the Company	None

### 3. Mr. Dilip Kumar Agarwal, Non-Executive Non-Independent Director:

<b>Name of Director</b>	<b>Mr. Dilip Kumar Agarwal</b>
Father's Name	Shri Ram Chandra Agarwal
Directors Identification Number (DIN)	03487162
Age and Date of Birth	64, February 10, 1957
Date of First Appointment	January 20, 2021
Experience/expertise in specific functional area	Mr. Dilip possesses more than 30 years of extensive experience in the field of Fibers, Polyester and Yarns Business.
Qualification	Bachelor of Science from University of Udaipur, Rajasthan; Chartered Accountant from the Institute of Chartered Accountants of India; Cost Accountant from Institute of Cost & Management Accountants of India; and Company Secretary from the Institute of Company Secretaries of India.
Directorship/Chairman/CEO held in other Companies	<ol style="list-style-type: none"> <li>1) Alphapet, Inc., USA</li> <li>2) Asia Pet (Thailand) Limited, Thailand</li> <li>3) Auriga Polymers Inc., USA</li> <li>4) Avgol Industries 1953 Ltd.</li> <li>5) Grupo Indorama Ventures, S. De R.L. De C.V., Mexico</li> <li>6) Guangdong IVL Pet Polymer Company Limited, China</li> <li>7) Indorama Holdings Rotterdam B.V., The Netherlands</li> <li>8) Indorama Loop Technologies LLC, USA</li> <li>9) Indorama Pet (Nigeria) Limited, Nigeria</li> <li>10) Indorama Petrochem Limited, Thailand</li> <li>11) Indorama Polymers Public Company Limited, Thailand</li> <li>12) Indorama Polymers Rotterdam B.V., The Netherlands</li> <li>13) Indorama Polymers Workington Limited, the United Kingdom</li> <li>14) Indorama Ventures Northern Investments Inc., Canada</li> <li>15) Indorama Ventures (Oxide &amp; Glycols) LLC, USA</li> <li>16) Indorama Ventures Adana Pet Sanayi Anonim Şirketi, Turkey</li> <li>17) Indorama Ventures Alphapet Holdings, Inc, USA</li> <li>18) Indorama Ventures Corlu Pet Sanayi Anonim Şirketi, Turkey</li> <li>19) Indorama Ventures Corpus Christi Holding LLC, USA</li> <li>20) Indorama Ventures Ecomex Services, S. De R.L. De C.V., Mexico</li> <li>21) Indorama Ventures Ecomex, S. De R.L. De C.V., Mexico</li> <li>22) Indorama Ventures Exporter Inc., USA</li> <li>23) Indorama Ventures Gestion Inc., Canada</li> <li>24) Indorama Ventures Global Services Limited, Thailand</li> <li>25) Indorama Ventures Logistics LLC, USA</li> <li>26) Indorama Ventures Olefins LLC, USA</li> <li>27) Indorama Ventures Oxides Australia PTY Ltd, Australia</li> <li>28) Indorama Ventures Oxides International LLC, USA</li> <li>29) Indorama Ventures Oxides LLC, USA</li> <li>30) Indorama Ventures Poland Sp. Z O.O., Poland</li> </ol>

- 31) Indorama Ventures Polimeros S.A., Brazil
- 32) Indorama Ventures Polycom, S. De R.L. De C.V., Mexico
- 33) Indorama Ventures Polymers Mexico, S. De R.L. De C.V., Mexico
- 34) Indorama Ventures Propylene Oxides LLC, USA
- 35) Indorama Ventures Public Company Limited, Thailand
- 36) Indorama Ventures Quimica S.L.U., Spain
- 37) Indorama Ventures Recycling Poland Sp. Z.o.o.
- 38) Indorama Ventures Servicios Corporativos, S. De R.L. De C.V., Mexico
- 39) Indorama Ventures Sustainable Solutions Fontana, INC., USA
- 40) Indorama Ventures Sustainable Solutions LLC, USA
- 41) Indorama Ventures Xylenes & PTA LLC, USA
- 42) IVL Belgium N.V., Belgium
- 43) IVL Dhunseri Petrochem Industries Private Limited, India
- 44) IVL Dhunseri Polyester Company S.A.E., Egypt
- 45) IVL Holding, S. De R.L. De C.V., Mexico
- 46) KP Equity Partners Inc., Malaysia
- 47) Petform (Thailand) Limited, Thailand
- 48) PT. Indorama Petrochemicals, Indonesia
- 49) PT. Indorama Polyester Industries Indonesia, Indonesia
- 50) PT. Indorama Polypet Indonesia, Indonesia
- 51) PT. Indorama Ventures Indonesia, Indonesia
- 52) Starpet Inc., USA
- 53) TPT Petrochemicals Public Company Limited, Thailand
- 54) UAB Indorama Holdings Europe, Lithuania
- 55) UAB Indorama Polymers Europe, Lithuania
- 56) UAB Orion Global Pet, Lithuania

Chairman/Member of the Committee of the Board of Directors of the Company	Nomination and Remuneration Committee - Member Stakeholders Relationship Committee - Member Share Allotment and Transfer Committee - Member Banking and Finance Committee - Member Corporate Social Responsibility Committee - Member Risk Management Committee - Member
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Chairman/Member of the Committee of the Board of Directors of other Company in which he is Director	Nil
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No. of Equity Shares held in the Company including shareholding as a beneficial owner	Nil
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No. of Board Meeting attended during the financial year 2020-21	1 (One)
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Relationship of the Director, Manager and other KMP of the Company	None
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#### 4. Mr. Om Prakash Lohia, Chairman and Managing Director:

Name of Director	Mr. Om Prakash Lohia
Father's Name	Late Mohan Lal Lohia
Directors Identification Number (DIN)	00206807
Age and Date of Birth	72, May 26, 1949
Date of First Appointment	April 28, 1986
Experience/expertise in specific functional area	Mr. Om Prakash Lohia is the Promoter and Chairman and Managing Director of the Company and has been the force behind the growth of the Company. After Graduation from Calcutta University, joined the family business of textiles and got the best of exposure in all aspects and functions of business management including International Markets.

The Company employs a team of highly qualified and successful professionals, who continue to take guidance and inspiration through the vision of Mr. Lohia. With his enterprising ability and good business acumen coupled with sheer drive and determination, Mr. Lohia propelled Indo Rama to the forefront of the Indian Synthetic/ Man-Made Fibre Industry. With his 52 years of experience, Mr. Lohia has strived hard to place the Company to a position par excellence

Qualification	Commerce Graduate from Calcutta University.
Directorship/Chairman/CEO held in other Companies	i) Indo Rama Retail Holdings Private Limited; ii) Lohia Industries Private Limited; iii) GFL Limited; iv) Gujarat Fluorochemicals Limited; and v) Federation of Indian Chamber of Commerce & Industry.
Chairman/Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee - Member Share Allotment and Transfer Committee - Chairman Banking and Finance Committee - Chairman Corporate Social Responsibility Committee-Chairman Risk Management Committee - Chairman Business Responsibility Reporting Committee-Chairman
Chairman/Member of the Committee of the Board of Directors of other Company in which he is Director	GFL Limited: Nomination and Remuneration Committee - Member  Gujarat Fluorochemicals Limited: Nomination and Remuneration Committee - Member
No. of Equity Shares held in the Company	3,84,73,369
No. of Board Meeting attended during the financial year 2020-21	5 (Five)
Relationship of the Director, Manager and other KMP of the Company	He is father of Mr. Vishal Lohia, Whole-time Director of the Company.

# Directors' Report

To the Members,

Your Directors hereby presents their Thirty fifth Annual Report on the business and operations of the Company along with the audited financial statements for the year ended March 31, 2021.

## 1. Financial Highlights

The financial performance of the Company for the year ended March 31, 2021 is summarised below:

(₹ In Crores)

Particulars	Standalone		Consolidated	
	Year Ended		Year Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total Income	2,043.59	2,127.94	2,063.71	2,127.95
Profit / (Loss) before Financial Costs, Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBIDTA)	113.30	0.66	113.93	0.22
Finance Costs	65.92	92.31	65.93	92.31
Profit / (Loss) before Depreciation, Foreign exchange fluctuation, Exceptional items and Tax (EBDTA)	47.38	(91.65)	48.00	(92.09)
Depreciation	33.78	86.00	33.78	86.00
Foreign exchange fluctuation Loss / (Gain)	(0.76)	2.35	(0.80)	2.35
Profit / (Loss) before Exceptional items and Tax	14.36	(180.00)	15.02	(180.44)
Exceptional Items	11.63	-	11.63	-
<b>Profit / (Loss) before Tax</b>	<b>2.73</b>	<b>(180.00)</b>	<b>3.39</b>	<b>(180.44)</b>
Tax Charge/(Credit)	(110.05)	136.10	(109.99)	136.10
<b>Profit / (Loss) after Tax from continuing operations</b>	<b>112.78</b>	<b>(316.10)</b>	<b>113.38</b>	<b>(316.54)</b>
<b>Other comprehensive income/(expense) (net of tax)</b>	<b>(2.14)</b>	<b>(1.46)</b>	<b>(2.14)</b>	<b>(1.46)</b>
<b>Total comprehensive income / (expense) after tax</b>	<b>110.64</b>	<b>(317.56)</b>	<b>111.24</b>	<b>(318.00)</b>
Profit / (Loss) brought forward from previous year	(564.76)	(247.20)	(565.20)	(247.20)
<b>Profits / (Loss) available for Appropriation</b>	<b>(454.12)</b>	<b>(564.76)</b>	<b>(453.96)</b>	<b>(565.20)</b>
Surplus/(Deficit) carried to Balance Sheet	(454.12)	(564.76)	(453.96)	(565.20)

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

In March 2020, World Health Organisation (WHO) had declared the outbreak of Novel Corona virus "COVID-19" as a pandemic. Complying with the directives of the Government, the plant and offices of the Company had been under lock-down thereby adversely impacting the performance during first quarter for the Financial Year 2020-21.

On standalone basis, during the Financial Year 2020-21, your Company has achieved revenue from operations of ₹ 2,022.79 Crores as against ₹ 2,107.51 Crores in the financial year 2019-20 due to focused marketing efforts and better outreach to customers nationally and internationally. Your Company achieved significant improvement in EBIDTA to ₹ 113.30 Crores as against ₹ 0.66 Crores in the previous year. Your Company's Profit

before Tax for the year is ₹ 2.73 Crores as against Loss before Tax of ₹ 180 Crores in the Financial Year 2019-20.

The Company has reassessed the carrying value of deferred taxes and created appropriate deferred tax assets amounting to ₹ 98.52 Crores in view of improved financial performance of the year as against adjustment by ₹ 136.10 Crores basis prudence last year. 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 Financial Year 2020-21, Company achieved revenue from operations of ₹ 2,042.89 Crores and Profit before Tax of ₹ 3.39 Crores as against revenue from operations of ₹ 2,107.51 Crores and Loss before Tax of ₹ 180.44 Crores in the previous year.

### 3. Dividend

Your Directors did not recommend any dividend for the year under review, in view of the future growth plans of the Company.

### 4. Dividend Distribution Policy

On May 5, 2021, Securities and Exchange Board of India ("SEBI") notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021. Vide this notification, SEBI amended Regulation 43A of the Listing Regulations, thereby requiring top one thousand listed Companies 'based on market capitalisation (calculated as on March 31 of every financial year)' to formulate dividend distribution policy which shall be disclosed on the website of the listed entity and a weblink needs to be provided in their Annual Reports.

The Board of the Company, being one of the top one thousand listed Companies as per the criteria mentioned above, has approved and adopted this Dividend Distribution Policy (the "Policy") at its meeting held on May 19, 2021. The Dividend Distribution Policy of the Company has been uploaded on the website of the Company and also available through the weblink at <http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf>.

### 5. Transfer to Reserve

No amount is proposed to be transferred to Reserves.

### 6. Change in the Nature of Business

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

### 7. Future Growth Plans of the Company

The Board of Directors, have considered and approved expansion plan of ₹ 600 Crores in the Company and its Wholly Owned Subsidiary(s) (WOS), towards addition of balancing equipment for value addition and to diversify into 700 TPD PET Resin manufacturing facility at its Butibori Plant.

Capital Expenditure of PET Resin business is being envisaged in Indorama Yarns Private Limited, WOS of the Company.

In order to have operational efficiency and better controls expansion by adding 50 DTY Machines towards balancing equipments for value addition is being envisaged in a new "WOS" Company to be incorporated.

### 8. Share Capital

Your Company's Paid-up Equity Share Capital as on March 31, 2021 stood at ₹ 261.11 Crores. During the year under review, the Company has not issued shares with differential voting right nor granted stock options nor sweat equity. As on March 31, 2021, none of the Directors of the Company hold shares except Mr. Om Prakash Lohia and Mr. Vishal Lohia.

### 9. Amendment in the Articles of Association of the Company

During the year under review, your Company has adopted new set of Articles of Association of the Company incorporating therein the provisions of the Investment Agreement dated January 21, 2019 and schedules to the said Investment Agreement executed by and amongst 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.

### 10. 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 May 31, 2019 with the completion of preferential issue and further acquisition of shares tendered in the open offer, the aggregate promoter shareholding increased to 81.72% from 74.94%. Consequently, public shareholding in the Company dropped from 25.06% (Prior to the open offer) to 18.28% (post open offer).

Pursuant to Regulation 38 of the SEBI LODR Regulations and other applicable regulations, the Company was required to increase its minimum public shareholding (MPS) to a minimum of 25% within a period of one year from the date of acquisition of equity shared under the open offer, i.e., by May 31, 2020.

SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020 had provided relaxation from the penal provisions of SEBI Circular dated October 10, 2017 on Non Compliance with respect to MPS requirement for companies having deadlines falling between March 1, 2020 and August 31, 2020.

On October 5, 2020, a member of the promoter group gave intimation for offer for sale representing 6.72% of the total issued and paid up capital of the Company. Consequent to the offer for sale, the Promoter shareholding in the Company diluted to 75.13% from 81.72%.

On February 15, 2021 again a member of the Promoter Group of the Company divested 3,35,353 equity shares of the Company constituting 0.13% of the issued and paid up equity share capital of the Company through open market sale in accordance with SEBI Circular No. SEBI/HO/ CFO/ CMD/CIR/P/43/2018 dated February 22, 2018.

Post aforementioned open market sale, the Company complied with MPS requirement on February 15, 2021 as mandated under Regulation 38 of the SEBI LODR

Regulations and same was intimated to both NSE and BSE by the Company vide its letter dated February 17, 2021.

National Stock Exchange of India Limited vide its letters dated December 7, 2020 and March 24, 2021 and BSE Limited vide its emails dated December 7, 2020 and March 24, 2021 have levied monetary fines on the Company amounting to ₹ 7,19,800/- (Indian Rupees Seven Lakhs Nineteen Thousand Eight Hundred only) each aggregating ₹ 14,39,600/- (Indian Rupees Fourteen Lakhs Thirty Nine Thousand Six Hundred only), for non-compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted waiver requests with both NSE and BSE regarding the monetary fine imposed due to delay in MPS compliance, in view of the COVID-19 pandemic situation.

## 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 financial year 2020-21, your Company had convened and held five (5) 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

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 May 17, 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 May 18, 2020 till May 17, 2025. The shareholders of the Company at its 34th Annual General Meeting ("AGM") held on August 26, 2020 approved the appointment of Mrs. Agarwal.

On the recommendation of Nomination and Remuneration Committee, the Board approved re-appointment of Mr. Om Prakash Lohia (DIN: 00206807) as Chairman and Managing Director of the Company for another term of 3 (Three) years w.e.f. December 26, 2020 till December 25, 2023, in its meeting held on October 30, 2020, subject to approval of shareholders by way of Special Resolution at the ensuing AGM of the Company.

Mr. M. N. Sudhindra Rao, (DIN: 01820347), resigned on October 29, 2020 from the Board of Directorship due to personal reasons and he is continuing as Chief Executive Officer and Key Managerial Personnel of the Company. The Board places on records its appreciation towards his invaluable contribution during his tenure as Executive Director of the Company.

Mr. Hemant Balkrishna Bal, (DIN: 08818797), was appointed as an Additional Director with effect from October 30, 2020. Mr. Bal was also appointed as the Whole-time Director and Key Managerial Personnel of the Company, for a period of 3 (three) years, with effect from October 30, 2020 to October 29, 2023, subject to approval of the shareholders at the ensuing AGM.

On the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. Dilip Kumar Agarwal (DIN: 03487162) as an Additional Non-Executive Non-Independent Director of the Company with effect from January 20, 2021, who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (the "Act") and is eligible for appointment.

Mr. Udeypaul Singh Gill, (DIN: 00004340), Non-Executive Non-Independent Director resigned on January 20, 2021 from the Board of Directorship, due to his personal reasons and the Board places on records its appreciation towards his invaluable contribution during his tenure as Non-Executive Non-Independent Director of the Company.

Mr. Sushil Kumar Mehrotra, resigned from the post of Chief Financial Officer and Key Managerial Personnel of the Company, with effect from January 13, 2021 due to his personal reasons.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Mr. Vishal Lohia (DIN: 00206458), Whole-time Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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.

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

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 Financial Year 2020-21, 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, <http://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf>.

#### **15. Nomination and Remuneration Policy**

On recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has adopted a policy for selection and appointment of Directors, senior management personnel 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, <http://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf>.

#### **16. Board Evaluation**

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors ("Performance Evaluation") which include criteria for performance evaluation of Non-Executive Directors and Executive Directors as laid down by the Nomination and Remuneration Committee and the Board of Directors of the Company. It covers the areas relevant to the functioning as Independent Directors or other directors, member of the Board or Committee of the Board. The Independent Directors carried out annual performance evaluation of the Chairman and Managing Director and Whole-time Directors. The Board carried out annual performance evaluation of its own performance. The performance of each Committee was evaluated by

the Board, based on report on evaluation received from respective Committees. A consolidated report was shared with the Chairman of the Board for his review and giving feedback to each Director.

#### **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 January 20, 2021. The Independent Directors at the meeting, *inter-alia*, reviewed the following:-

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Whole-time Director/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 details of the familiarisation programme undertaken during the year have been provided in the Corporate Governance Report alongwith weblink thereof.

#### **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 March 31, 2021, 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 profit 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 March 31, 2021 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 Financial Year 2020-21.

## 21. 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 and forms a part of the Directors' Report.

## 22. 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.

All Related Party Transactions are placed before the Audit Committee for approval.

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 Transactions, which has been uploaded on the website of the Company, <http://www.indoramaindia.com/>

[pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf](#).

## 23. 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.

Particulars of employee as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this report. However, in pursuance to Section 136 (l) of the Companies Act, 2013, this report is being sent to the shareholders of the Company excluding the said remuneration.

A statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules, forms part of this Report.

The said information is available for inspection at the registered office of the Company during working hours upto the date of the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

## 24. 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. Hemant Balkrishna Bal, Mr. Dilip Kumar Agarwal, 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 <http://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf>.

## 25. 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 <http://www.indoramaindia.com/pdf/BR-Policy.pdf>.

## 26. 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 [http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-\(POSH\).pdf](http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-(POSH).pdf)

## 27. 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. Hemant Balkrishna Bal, Mr. Suman Jyoti Khaitan, Mrs. Ranjana Agarwal and Mr. 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.

## 28. Vigil Mechanism / Whistle Blower Policy

In compliance with the provisions of Section 177(9) of the Act and SEBI Listing Regulations, the Company has framed a Whistle Blower Policy / Vigil Mechanism for Directors, Employees and Stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. Besides, as per the requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider

Trading) Regulations as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle Blower Policy to report instances of leak of unpublished price sensitive information. The Vigil Mechanism provides for adequate safeguards against victimisation of Directors or Employees or any other person who avail the mechanism and also provide direct access to the Chairperson of the Audit Committee. The details of the Vigil Mechanism / Whistle Blower Policy are also posted on the Company's website and may be accessed at the link: <http://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf>.

## 29. 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	Amount (Billion)	Rating /Outlook	Rating Action
Long-term loan	₹ 4.7 (reduced from ₹ 5)	IND/BBB-/ Stable	Affirmed
Working Capital Limits	₹ 9	IND/BBB-/ Stable/IND A3	Affirmed

## 30. Subsidiary Company

Presently, your Company has one Wholly Owned Subsidiary, viz.; Indorama Yarns Private Limited, which was incorporated on August 16, 2019. There are no Associate Companies or Joint Venture Companies within the meaning of Section 2 (6) of the Act. The Board has approved formation of new Wholly owned Subsidiary to be incorporated for expansion plan of the Company by adding 50 DTY Machines towards balancing equipments for value addition.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of the Company's Subsidiary, in **Form AOC-1**, is attached to the Financial Statements of the Company.

## 31. Consolidated Financial Statements

The Company has prepared a Consolidated Financial Statement of the Company and its Subsidiary, namely, Indorama Yarns Private Limited, in the form and manner as that of its own, duly audited by M/s Walker Chandiook & Co LLP (FRN 00/076N/N 500013), the Statutory Auditors, in compliance with applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Consolidated Financial Statements for the year ended March 31, 2021 forms part of the Annual Report and Financial Statements and shall be laid before the Members of the Company at the AGM while laying its Financial Statements under sub-section (2) of the said section.

Further pursuant to provisions of Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements along with the relevant documents and separate Audited Accounts in respect of Subsidiary are available on the website of the Company at <http://www.indoramaindia.com/accounts-of-wholly-owned-subsidiary-company.php> under the segment "Investor Relations". Shareholders desirous of obtaining the Financial Statements of the Company's Subsidiary may obtain the same upon request by email to the Company, i.e., [corp@indorama-ind.com](mailto:corp@indorama-ind.com).

The Company does not have any material subsidiary in the immediately preceding accounting year. However, as per Regulation 16 of the SEBI Listing Regulations, the Company has adopted the policy for determining 'material subsidiary, which states that a material. subsidiary means a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

A policy on "material subsidiaries" was formulated by the Audit committee of the Board of Directors of the Company and the same is also posted on the Company's website and may be accessed at the link <http://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf>.

### 32. Statutory Auditor and Auditors' Report

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 for initial term of five consecutive years, i.e., from the conclusion of the 32nd Annual General Meeting of the Company held on July 28, 2018, until the conclusion of 37th Annual General Meeting of the Company to be held in the year 2023. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

The Report given by M/s Walker Chandiook & Co LLP on the financial statements of the Company for the Financial Year 2020-21 is part of the Annual Report. The notes on financial statements referred in the Auditors' Report are self-explanatory and do not call for further comments. 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. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no details is required to be disclosed under Section 134 (3)(ca) of the Act.

### 33. Cost Auditor

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

In conformity with the Directives of the Central Government, the Company has appointed Mr. R. Krishnan, Cost Accountant (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 Financial Year 2020-21.

The Company has received consent from Mr. R. Krishnan, Cost Accountant, for re-appointment as Cost Auditor for the Financial Year 2021-22, in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The remuneration of Cost Auditor 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 Auditor by the members has been set out in the notice of Thirty-fifth Annual General Meeting of your Company.

### 34. Internal Auditor

The Company has appointed M/s S S Kothari Mehta & Company as Internal Auditors 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.

### 35. 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 has appointed Ms. Jaya Jadav, Practicing Company Secretary (Membership No. F-10822 and COP No. 12070) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for the Financial Year 2020-21

The Secretarial Audit report of Ms. Jaya Jadav, Practicing Company Secretary in **Form MR-3**, for the year ended March 31, 2021 is annexed to this Directors' Report. The Secretarial Audit Report is self-explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer. During the year under review, the Secretarial Auditor had not reported any matter under Section 143 (12) of the Act, therefore, no details is required to be disclosed under Section 134 (3)(ca) of the Act.

### **36. Qualification, Reservation or Adverse Remark in the Audit Reports**

There is no qualification, reservation or adverse remark made by the Statutory and Secretarial Auditors in their Audit Reports issued by them.

### **37. Public Deposits**

During the Financial Year 2020-21, the Company did not invite or accept any deposit from the Public.

### **38. Internal Control Systems and their Adequacy**

As per the provision of section 134(5)(e) of the Companies Act, 2013, the 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 by a qualified external 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.

### **39. Particulars of Loans, Guarantee or Investments**

There are no Loans, Guarantees made by the Company during the Financial Year 2020-21, however, the Company has additionally acquired 20,00,000 (Twenty Lakhs) Equity Shares @ ₹ 10/- each aggregating to ₹ 2,00,00,000/- (Indian Rupees Two Crores only) of Indorama Yarns Private Limited, its Wholly Owned Subsidiary on September 28, 2020. Details are given in the notes to the Financial Statements.

### **40. Insurance**

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

### **41. 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/advances/investments 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.

### **42. Risk Management**

On May 5, 2021, Securities and Exchange Board of India ('SEBI') notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, effective from May 6, 2021, and amended Regulation 21 of the Listing Regulations, thereby requiring top one thousand listed Companies (based on market capitalisation at the end of the immediate previous financial year) to mandatorily formulate Risk Management Committee

Based on above notification, the formation of Risk Management Committee is mandatory for the Company w.e.f. May 6, 2021. The Company has its Risk Management Committee, duly formulated by the Board. However, the role and responsibilities of Risk Management Committee have been reviewed and approved by the Board at its meeting held on May 19, 2021 and is provided in the Corporate Governance Report annexed with this report.

The Board of Directors has constituted Risk Management Committee to identify elements of risk in different areas of operations and to 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.

### **43. Listing**

The shares of your Company are listed at both BSE Limited and National Stock Exchange of India Limited, Mumbai. The listing fees to the Stock Exchanges for the Financial Year 2021-22 have been paid.

### **44. Management Discussion and Analysis**

In Compliance with Regulation 34 of the SEBI Listing Regulations, a separate Section on the Management Discussion and Analysis, as approved by the Board of Directors, which includes details on the state of affairs of the Company is annexed as a part of this Annual Report.

### **45. 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.

### **46. 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 August 26, 2020 (date of last Annual General Meeting) on the website of the Company, [www.indoramaindia.com](http://www.indoramaindia.com) and also on the Ministry of Corporate Affairs' website, [www.mca.gov.in](http://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 36,656 (Thirty Six Thousand Six Hundred Fifty Six) 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 Financial Year 2020-21 and the details thereof uploaded on the website of the Company, [http://www.indoramaindia.com/pdf/Transfer-of-Shares-Form-IEPF-4\\_2012-13.pdf](http://www.indoramaindia.com/pdf/Transfer-of-Shares-Form-IEPF-4_2012-13.pdf).

#### 47. Industrial Relations / Human Resources

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

#### 48. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at the <http://www.indoramaindia.com/annual-return.php>.

#### 49. Material Changes and Commitments, if any, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year ended March 31, 2021 and the date of this Directors' Report.

#### 50. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

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

#### 51. Code of Conduct for the Directors and Senior Management Personnel

The Code of Conduct for the Directors and Senior Management Personnel has been 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 March 31, 2021 and a declaration is attached with the Annual Report.

#### 52. CEO and CFO Certification.

Pursuant to the Listing Regulations, CEO and CFO Certification is attached with Annual Report. CEO and CFO also provide quarterly certification on financial results, while placing the financial results before the Board in terms of the Listing Regulations.

#### 53. Nodal Officer

Mr. Pawan Kumar Thakur, Company Secretary is Nodal Officer of the Company under the provisions of IEPF and details of Nodal Officer is available on the website of the Company, [www.indoramaindia.com](http://www.indoramaindia.com).

#### 54. Acknowledgement

Your Company has been able to operate responsibly and efficiently because of the culture of professionalism, creativity, integrity, ethics, good governance and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, more particularly during this challenging time, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors' also record their grateful appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks, customers and all other stakeholders. Your Directors look forward to the long-term future with confidence.

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director  
(DIN 00206807)

Place: New Delhi  
Date: May 19, 2021

# 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 March 31, 2021.

## A. Conservation of Energy:

### Energy Saving measures taken and proposals under implementation.

Sr. No.	Steps taken	Impact (Annualised Savings)
<b>a) Energy</b>		<b>In Lakhs KWH</b>
(i)	Air cost reduction through arresting leakages	
(ii)	Reduction in power transmission lines losses.	
(iii)	Replacement of leaking/corroded water lines & re-routing of piping structures for cooling water / chilled water	225
(iv)	Stop one pack pre-heater.	
<b>b) Utilities</b>		<b>In MT</b>
(i)	Improvement of operating efficiency of boiler from 67% to 74% by using sized coal leading to savings in coal consumption.	12744

## FORM - A

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

Particulars	Current Year March 31, 2021	Previous Year March 31, 2020
<b>(A) POWER &amp; FUEL CONSUMPTION</b>		
<b>1) ELECTRICAL</b>		
<b>a) Purchases from MSEDCL &amp; Others</b>		
Units (kwh in '000)	227,965	68,691
Total Amount (₹ in '000)	989,263	290,613
Rate / kwh (in ₹)	4.34	4.23
<b>b) Generation for own consumption (including auxiliary consumption)</b>		
(i) Through DG (FO Based)		
Units (kwh in'000)	520	5,336
Units/Ltr of FO	1.89	3.90
Cost/ Unit (₹/ Unit)	12.92	7.89
(ii) Through STG (Coal based)		
Units (kwh in'000)	1,089.06	209,803
Units/ kg of Coal	1.05	1.05
Cost/ Unit (₹/ Unit)	3.43	4.01
<b>2) COAL</b>		
Quantity in MT	130,435	327,445
Total Cost (₹ in ' 000)	469,927	1,378,667
Average Rate (₹ / MT)	3,603	4,210
<b>3) FURNACE OIL</b>		
Quantity (KL)	709.87	1,819
Total Cost (₹ in ' 000)	17,337	56,050
Average Rate (₹ / Lt)	24.42	30.81
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION Production of Polymer products (Fresh) – MT*</b>		
Electricity / Kg (in kwh)	0.65	0.78

\*includes POY consumed for captive use 85,397 MT (PY 105,857 MT)

**B. Technology Absorption:****1. Polyester Staple Fibre (PSF) -**

- Quality improvement modification of spin finish application from felt type to spray type.
- Implementation of bubble absorber system on PSF draw lines

**2. Draw Texturised Yarn (DTY) -**

- Installation of Online tension Monitoring Systems and improved SOPs to produce premium quality of DTY Yarns
- Automatic blower management software installation on DTY machines
- New Entanglement tester for DTY Yarns
- Installation of air chillers and moisture separators for improvement of compressed air quality.

**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)

Following products were developed :

- 2 denier fiber;
- Fiber suitable for vortex spinning technology;
- Air textured yarn of specific denier for end use in battery filter fabric;
- Double yarn for end use in Pen Industry;
- Production of premium yarns for sensitive end use.

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

Enhanced product portfolio to cater wider range of customers and meeting various products requirement of existing customers.

**3. Import Substitution:**

Development of indigenous vendors to substitute import of:

- Controllers/ system for PTA Conveying;
- In-house facility for maintenance of electronic cards;
- PSF low-lift truck for PSF can handling;
- Drives and invertors.

**4. Future Plan of Action (2021-2022):****Technology Up-gradation:**

- Replace steam ejectors in Polymerisation plants by glycol ejectors for improved process reliability and reduced costs;

- POY quality improvement by quench modification;
- PSF draw line upgradation - Installation of VFD's on HVAC unit for energy saving;
- Recover process waste heat by implementing hot water VAM equipment

**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:**

- Replace existing polymer coolers in polymerisation process with latest technology;
- Using Rainwater Harvesting in additional areas;
- Install additional transformer (220KV) with higher rating for improved power reliability at site.

**7. Benefits derived as a result of above efforts:**

- Stability to process operations;
- Better product quality resulting in enhanced customer satisfaction;
- Cost Efficiency;
- Improved environmental safety.

**C. Foreign Exchange Earnings and Outgo of the Company:****Earnings in Foreign Currency (accrual basis)**

Particulars	₹ in Crores	
	FY 2020-21	FY 2019-20
F.O.B. value of exports	411.01	501.71
Others	-	0.38
<b>Total</b>	<b>411.01</b>	<b>502.09</b>

**CIF value of imports**

Particulars	₹ in Crores	
	FY 2020-21	FY 2019-20
Raw materials	587.57	434.51
Stores and spares	6.57	6.54
Capital goods	5.91	0.80
<b>Total</b>	<b>600.05</b>	<b>441.85</b>

**Expenditure in Foreign Currency (accrual basis)**

Particulars	₹ in Crores	
	FY 2020-21	FY 2019-20
Travelling	-	0.57
Commission	2.48	2.56
Interest	10.97	-
Others	0.12	0.51
<b>Total</b>	<b>13.57</b>	<b>3.64</b>

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director

(DIN 00206807)

Place: New Delhi

Date: May 19, 2021

# 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 special resolution advances, if any was passed in general meeting (u/s 188)
Not Applicable							

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

							(₹ in Crores)
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	
1	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	3.25	07-Aug-20		
2	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	15.93	30-Oct-20		
3	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	21.27	20-Jan-21		
4	Indorama Petrochem Limited, Thailand, Relative	Buying PTA	General	38.49	19-May-21		
<b>Sub-Total (A)</b>				<b>78.94</b>			
5	IVL Dhunseri Petrochem Industries Private Limited , Karnal, Relative	Buying MEG	General	7.91	30-Oct-20		
<b>Sub-Total (B)</b>				<b>7.91</b>			
6	Indorama Industries Limited, Baddi, Relative	Buying Spandex	General	0.84	30-Oct-20		
7	Indorama Industries Limited, Baddi, Relative	Buying Spandex	General	2.58	20-Jan-21		
8	Indorama Industries Limited, Baddi, Relative	Buying Spandex	General	4.45	19-May-21		
<b>Sub-Total (C)</b>				<b>7.87</b>			
9	Trevira-Indorama Ventures Company, Germany, Relative	Services (Analytic Laboratory)	General	0.02	07-Aug-20		
<b>Sub-Total (D)</b>				<b>0.02</b>			
10	Indorama Industries Limited, Baddi, Relative	Sale of PSF	General	0.53	07-Aug-20		
11	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	3.24	07-Aug-20		
12	Indorama Industries Limited, Baddi, Relative	Sale of PSF	General	0.14	30-Oct-20		
13	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	34.84	30-Oct-20		
14	Indorama Industries Limited, Baddi, Relative	Sale of PSF	General	0.05	20-Jan-21		
15	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	23.83	20-Jan-21		
16	Indorama Industries Limited, Baddi, Relative	Sale of PSF	General	0.20	19-May-21		
17	Indorama Polyester Industries PCL., Thailand, Relative	Sale of PSF	General	15.71	19-May-21		
<b>Sub-Total (E)</b>				<b>78.53</b>			
18	Indorama Polyester Industries PCL., Thailand, Relative	Sale of DTY	General	0.25	30-Oct-20		
<b>Sub-Total (F)</b>				<b>0.25</b>			
19	PT. Indorama Synthetics TBK -Indonesia, Relative	SILASTOL H200 CC	General	0.11	30-Oct-20		
<b>Sub-Total (G)</b>				<b>0.11</b>			
<b>Grand Total (A+B+C+D+E+F+G)</b>				<b>173.64</b>			

For and on behalf of the Board

Om Prakash Lohia

Chairman and Managing Director  
(DIN 00206807)

Place: New Delhi  
Date: May 19, 2021

# Disclosure in the Directors' Report 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 2020-21 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year 2020-21:**

Sr. No	Name of Director/KMP and Designation	Remuneration of Director / KMP for Financial Year 2020-21 (₹ in Crores)	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in the Financial Year 2020-21
1	Mr. Om Prakash Lohia (Chairman and Managing Director)	2.32	56.27	Nil
2	Mr. Vishal Lohia (Whole-time Director)	1.60	38.76	Nil
3	Mr. M. N. Sudhindra Rao * (Executive Director & CEO)	2.48	60.07	4.82
4	Mr. Hemant Balkrishna Bal ** (Whole-time Director)	0.94	22.68	Nil
5	Mr. Umesh Kumar Agrawal (Chief Commercial and Financial Officer)	0.94	22.88	5.48
6	Mr. Susheel Kumar Mehrotra *** (Chief Financial Officer)	0.74	17.85	Nil
7	Mr. Pawan Kumar Thakur (Company Secretary)	0.22	5.25	3.48

Note: i) Non-Executive Independent Directors are only receiving fees for attending the meetings  
ii) Non-Executive Non-Independent Directors do not receive any remuneration, thus not included above.

\* Ceased as Director with effect from October 29, 2020.

\*\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\*\* Ceased as Chief Financial Officer in employment with effect from January 13, 2021.

**(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 0.0412 Crores 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 table.

**(c) Percentage increase in the median remuneration of employees in the financial year 2020-21:**

In the Financial Year 2020-21, there was 6.10% increase in the median remuneration of employees.

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

There were 1,418 permanent employees on the rolls of the Company as on March 31, 2021.

**(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 2020-21 was 7.17%, whereas percentage increase in the managerial remuneration in the Financial Year 2020-21 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**

Om Prakash Lohia

Chairman and Managing Director  
(DIN 00206807)

Place: New Delhi  
Date: May 19, 2021

# Annual Report on Corporate Social Responsibility (CSR) Activities

(Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended)

1. Brief outline on CSR Policy of the Company	The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 ('Act') and the Rules made thereunder.
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## 2. Composition of CSR Committee:

Name of the Members	Designation / Nature of Directorship	No of Meeting	
		Held during the year	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Chairman / Executive Director-Promoter	1	1
Mr. Vishal Lohia (DIN: 00206458)	Member / Executive Director-Promoter	1	1
Mr. Udeypaul Singh Gill * (DIN: 00004340)	Member / Non- Executive Non-Independent Director	1	Nil
Mr. M. N. Sudhindra Rao ** (DIN: 01820347)	Member / Executive Director & CEO	NA	NA
Mrs. Ranjana Agarwal (DIN: 03340032)	Member / Non-Executive Independent Director	1	1
Dr. Arvind Pandalai (DIN: 00352809)	Member / Non-Executive Independent Director	1	1
Mr. Dilip Kumar Agarwal *** (DIN: 03487162)	Member / Non-Executive Non-Independent Director	NA	NA
Mr. Hemant Balkrishna Bal **** (DIN: 08818797)	Member / Whole-time Director	1	1

\* Ceased as Director with effect from January 20, 2021.

\*\* Ceased as Director with effect from October 29, 2020.

\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

\*\*\*\* Appointed as Whole-time Director with effect from October 30, 2020.

3	Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:	Weblink of CSR Committee Composition and CSR Policy: <a href="http://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf">http://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf</a>  Weblink of CSR Projects: Nil
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

6. Average net profit of the Company as per Section 135(5) of the Act	Nil (As the average Net Profit of the last three financial years is Negative)
7. (a) Two percent of average net profit of the company as per section 135(5) of the Act	Nil
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years-	Nil
(c) Amount required to be set off for the financial year, if any	Nil
(d) Total CSR obligation for the financial year (7a+7b-7c) -	Nil

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7,31,000			Nil		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
			State	District						CSR Name Registration number
										Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation – Through implementing agency
			State	District			Name CSR registration number
1	CSR Funds for COVID-19	Disaster Management, including relief, rehabilitation and reconstruction activities	Delhi Maharashtra Maharashtra	Delhi Amaravati Nagpur	25,000 5,00,000 50,000	Both	R K Somany Foundation Raaul Bahuuddeshiya Sansthan Centre for Sustainable Development
2	CSR initiative for eye donation	Promoting health care including preventive health care	Rajasthan	Jaipur	1,25,000	No	Eye Bank Society -
3	PM Cares Fund	Contribution in PM Cares Fund			31,000	Yes	-

(d) Amount spent in Administrative Overheads-	Nil
(e) Amount spent on Impact Assessment, if applicable-	Not Applicable
(f) Total amount spent for the Financial Year-	₹ 7,31,000/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5) of the Act	Not Applicable
(ii)	Total amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programme or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) of the Act (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6) of the Act, if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-20						
2	2018-19			Not Applicable			
3	2017-18						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) :

(a) Date of creation or acquisition of the capital asset(s) -

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.

Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act

**For and on behalf of the Board**

**Dr. Arvind Pandalai**  
Director  
(DIN: 00352809)

**Om Prakash Lohia**  
Chairman and Managing Director  
(DIN 00206807)

Place: New Delhi  
Date: May 19, 2021

# Business Responsibility Report

## (Regulation 34(2)(f))

Pursuant to Regulation 34(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 2020-21.

The reporting framework 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) Principles and Core Elements of each of 9 (Nine) Principles.

### 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	E-Mail ID	pawank.thakur@indorama-ind.com								
6	Financial Year reported	April 1, 2020 to March 31, 2021								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturer of Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn, Fully Drawn 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 Number of International Locations: (Provide details of major 5) Number of National Locations:	The Company has one manufacturing unit situated at MIDC Industrial Area, Butibori, Nagpur, Maharashtra, India. None The Company has its Corporate Office at Gurugram and 4 (Four) 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)	1960.66
3	Total Profit after Taxes (Amount in ₹ Crores)	112.78
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 August 16, 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
<b>1</b>	<b>Details of Director/Directors responsible for BR</b>	
(a)	Details of the Directors/ Director responsible for implementation of the BR Policy/ Policies:	1. DIN : 08818797 2. Name : Mr. Hemant Balkrishna Bal 3. Designation : Whole-time Director
(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

**2 Principle-wise (as per NVGs) BR Policy / Policies**

(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
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? if yes, has it been signed by MD/ Owner/ by CEO/ appropriate Board Director?	Yes, the 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
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
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 : [http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual-harassment-\(POSH\).pdf](http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual-harassment-(POSH).pdf)

Business Responsibility Policy : <http://www.indoramaindia.com/pdf/BR-Policy.pdf>

Sl. No.	Particulars	Details
<b>3</b>	<b>Governance related to BR</b>	
(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 is it published?	Yes, the Company includes Business Responsibility Report in its Annual Report and same can be accessed at <a href="https://www.indoramaindia.com/annual_reports.php">https://www.indoramaindia.com/annual_reports.php</a> .

## SECTION - E: PRINCIPLE-WISE PERFORMANCE

Sl. No.	Particulars	Details
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 and its wholly owned subsidiary. 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> <p>The aforesaid policies of the Company are equally applicable to its WOS, Indorama Yarns Private Limited.</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 the year, no complaint was received from the stakeholder.

### 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, Fully Drawn Yarn and Polyester Chips. The Company's 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 ecological impact for all its products namely Polyester Staple Fibre, Polyester Filament Yarn, Draw Texturised Yarn and Polyester Chips.

The Company has incorporated following initiatives:

- 1) Installation of online Ambient Air Quality Monitoring System (AAQMS) with online connectivity with statutory authorities;
- 2) Installation of Waste Heat Recovery Boilers;
- 3) Implementation of Zero liquid discharge scheme towards fulfillment of green environment objectives;
- 4) Initiated rainwater harvesting in additional area;
- 5) Controlled usage and avoidance of wastage of all utilities; and

6) Switched to Grid power instead of Captive thermal power there by reducing the incremental environmental impacts.

b) For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional).

The details of conservation of energy is annexed with 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 and consumables are procured from local /indigenous suppliers. The Company also extensively explores 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.**

The 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 and 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 - **1418**
2. Please indicate the total number of employees hired on temporary/contractual/casual basis - Daily Deployment - **2083**

3. Please indicate the Number of permanent women employees - **11**

4. Please indicate the Number of permanent employees with disabilities - **01**

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.

Sl. 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?

Sl. No.	Particulars	Plant
1	Permanent Employees	65%
2	Permanent Women Employees	100%
3	Casual/Temporary/Contractual Employees	100%
4	Employees with Disabilities	100%

**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 the year, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure A of the Directors' Report.

**1. Does the policy relate 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 webpage etc.**

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.

**6. 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.

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

As on March 31, 2021, there is no pending show cause 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;
- viii) VIDARBHA INDUSTRIES ASSOCIATION; and
- ix) PTA USERS 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 programme/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?**

The Programme are being undertaken through in-house team.

**3. Have you done any impact assessment of your initiative?**

No.

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

The Company was incurring losses since last few years and hence no community development projects have been taken up.

**5. 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)**

The 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**

**Om Prakash Lohia**

Chairman and Managing Director

(DIN 00206807)

Place: New Delhi

Date: May 19, 2021

# Secretarial Audit Report

For the Year April, 2020 to March, 2021

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

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

I, CS Jaya Yadav, Practicing Company Secretary having Membership No. F-10822 and COP No. 12070 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 (CIN: L17124MH1986PLC166615) (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 authorized representatives during the conduct of secretarial audit 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, I hereby report that in my opinion, the Company has, during the audit period covering from April 1, 2020 to March 31, 2021 ("Audit Period") complied 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 Audit period according to the provisions of:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>(i) The Companies Act, 2013 (the Act) and the rules made thereunder;</li> <li>(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</li> <li>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</li> <li>(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign</li> </ul> | <ul style="list-style-type: none"> <li>Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and</li> <li>(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"> <li>(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</li> <li>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</li> <li>(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;</li> <li>(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;</li> <li>(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;</li> <li>(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;</li> <li>(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;</li> <li>(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;</li> <li>(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;</li> <li>(j) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;</li> <li>(k) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;</li> <li>(l) SEBI (Issue of Sweat Equity) Regulations, 2002; and</li> </ul> </li> </ul> |
|---|--|

- (m) the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that,** there were no events/ actions in pursuance of:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (v) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
- (vi) SEBI (Issue of Sweat Equity) Regulations, 2002;
- (vii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (viii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

**I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) The Factories Act, 1948;
- (ii) The Industries (Development and Regulation) Act, 1951;
- (iii) The Labour Laws and other identical laws related to the labour and employees appointed by the Company either on its payroll or on contractual basis;

- (iv) The Environmental Protection Act, 1986;

- (v) The Indian Boilers Act, 1923 and Rules/ Regulation made thereunder;

- (vi) The Indian Electricity Act, 2003 and Rules and Regulations made thereunder;

- (vii) Indian Explosive Act, 1884 and Rules and Regulations made thereunder;

- (viii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal Act, 2013); and

- (ix) Various circulars and notifications issued by SEBI for the FY 2020-21.

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

**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 that took place during the Audit Period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, 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 unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that,** there are 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,** on May 31, 2019 with the completion of preferential issuance and acquisition of shares tendered in the open offer, the aggregate promoter shareholding increased to 81.72% from 74.94%. Consequently, public shareholding in the Company dropped from 25.06% (Prior to the open offer) to 18.28% (post open offer).

Pursuant to Regulation 38 of the SEBI LODR Regulations and other applicable regulations, the Company was required to increase its minimum public shareholding (MPS) to a

minimum of 25% within a period of one year from the date of acquisition of equity shared under the open offer i.e. by May 31, 2020. SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020 had provided relaxation from the penal provisions of SEBI Circular dated October 10, 2017 on Non Compliance with respect to MPS requirement for companies having deadlines falling between March 1, 2020 and August 31, 2020.

On October 5, 2020, a member of the promoter group gave intimation for offer for sale representing 6.72% of the total issued and paid up capital of the Company. Consequent to the offer for sale, the Promoters shareholding in the Company diluted to 75.13% from 81.72%.

On February 15, 2021 again a member of the Promoter Group of the Company divested 3,35,353 equity shares of the Company constituting 0.13% of the issued and paid up equity share capital of the Company through open market sale in accordance with SEBI Circular No. SEBI/HO/CFO/CMD/CIR/P/43/2018 dated February 22, 2018.

Post aforementioned open market sale, the Company complied with MPS requirement on February 15, 2021 as mandated

Place: New Delhi  
Date: May 19, 2021

under Regulation 38 of the of the SEBI LODR Regulations and same was intimated to the NSE and BSE by the Company vide its letter dated February 17, 2021.

**I further report that**, the National Stock Exchange of India Limited vide its letters dated December 7, 2020 and March 24, 2021 and BSE Limited vide its emails dated December 7, 2020 and March 24, 2021 have levied monetary fines on the Company amounting to ₹ 7,19,800/- (Indian Rupees Seven Lakhs Nineteen Thousand Eight Hundred only) each aggregating ₹ 14,39,600/- (Indian Rupees Fourteen Lakhs Thirty Nine Thousand Six Hundred only) for non-compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted waiver requests with both NSE and BSE regarding the monetary fine imposed due to delay in MPS compliance.

Signature:  
**PCS Jaya Yadav**  
FCS No. 10822  
CP No.:12070

# Management Discussion and Analysis

## Industries' Structure and Development

Indian Textile Industry is second largest producer of Natural and Man-made Fibre (MMF) in the world. The Indian Textile Industry consumes 45% MMF and 55% Cotton and other Fibers whereas internationally, Textile Industry consumes 70% MMF and 30% Cotton Fibre.

India produces around 10.0 Million Tons of MMF and Natural Fibre. The growth of MMF has been stagnant for the past many years due to Anti-dumping Duty on Raw Materials, making MMF unviable for the producers to Compete internationally. In the Budget 2020-21, the Government removed the Anti-dumping Duty on PTA after which the capacity utilisation increased to 80-82% from earlier i.e 70-72%. Further, many producers have also announced expansion plans.

## Outlook

Cotton being a Natural Fibre, the total production is more or less same from last four years and the capacity to increase is limited. Any increase in demand of Fiber can be met only from MMF. It is expected that India will need extra 23 Million Tons of MMF by 2026-27 to achieve the Indian Textile Trade of 300 US Billion Dollar from present 150 US Billion Dollar.

## Opportunities and Threats

Realising the growth potential of MMF and also employment potential, the Government of India is planning to come out with a new Textile Policy giving impetus to the growth of the Textile Industry. Presently, the industry employs around 45 Million directly and around 60 Million indirectly. With the removal of Anti-dumping Duty on PTA, and also announcement of the new Textile Policy, we can expect the industry to grow at 5 to 6 % per annum in the next five years.

Your Company will be highly benefited by the growth potential and considering the opportunity have embarked upon an expansion plan with investment of about ₹ 600 Crores.

The basic raw materials required for production of MMF are PTA (Purified Terephthalic Acid) and MEG (Mono Ethylene Glycol) which are petrochemical based products. In India, the main producer is Reliance Industries Limited, who also has a very large capacity of down-stream industry to produce MMF. The other producers of MMF have to compete with Reliance Industries domestically after buying the raw materials from them. Also, there is a shortage of raw material (PTA & MEG) and the industry is dependent on imports from China and other countries.

## Financial performance with respect to operational performance

### Corporate Strengths

- **Over 30 years of rich experience:** With over three decades of presence, the Company has developed market and industry insights that enables it to navigate challenging business landscape. It has an integrated production facility with an annual production capacity of 610,050 tonnes in Butibori (Maharashtra). The Company enjoys a varied product portfolio including Polyester Stable Fibre (PSF), Polyester Filament Yarn (PFY), Draw Texturised Yarn (DTY), Fully Drawn Yarn and polyester Chips
- **Strategically located production unit:** Being centrally located Indo Rama's manufacturing facility allows it to meet demand across India easily
- **Among India's most cost-effective producers:** Indo Rama's integrated facility allows it to maintain its cost and competitive edge in the market
- **Quality-focused and process-driven:** The Company's robust quality and process management systems allows it to deliver best-in-class products consistently and efficiently
- **Technology excellence:** State-of-the-art equipment enables Indo Rama to have streamlined operations and remain cost competitive.
- **Global presence:** The Company enjoys a significant presence for its quality products in major global markets such as the Turkey, MENA, Brazil, Argentina, Mexico, Columbia, Germany, Belgium, Portugal, Spain, Poland, Italy, Bangladesh and Nepal
- **Stable client relationships:** Indo Rama shares long-term bonds with its clients, which ensures offtake and fixed incomes.
- **Strong support from promoter shareholders:** The Company's management is controlled by Indorama Ventures Public Company Limited (IVL) - a world leader in fibre segment - which enables it to share synergies in technology, finance and operations.

## Production and Sales Performance

Particulars	FY 2020-21	FY 2019-20
Total revenue from operations (₹ in Crores)	2,022.79	2,107.51
F.O.B. value of exports (₹ in Crores)	411.01	501.71
Electrical power (MWPH)	0.18	24.49

Particulars	FY 2020-21	FY 2019-20
Polyester Staple Fibre (TPA)	139,745	117,255
Polyester Filament Yarn (TPA)	117,625	134,187
Draw Texturised Yarn (TPA)	86,301	107,868
Polyester Chips (TPA)	7,678	2,904

### Financial performance

Particulars	₹ in Crores	
	FY 2020-21	FY 2019-20
Total income	2,043.59	2,127.94
EBIDTA	113.30	0.66
PBT	2.73	(180.00)
PAT	112.78	(316.10)
Book value per share (₹)	12.76	8.52
Earnings per share (₹)	4.32	(12.13)

### Risks and Concerns

In today's VUCA environment, it is essential to have a robust risk management system for any business. Indo Rama has been building a tough risk management system that enables it to achieve its business objectives and deliver sustainable long-term growth. The Company has decentralised its risk management to facilitate risk mitigation at transactional levels.

### Our key risks and their mitigation processes are:

Risks	Mitigation process
<b>Cost Risk</b> Cost of raw materials fluctuate as polyester making raw materials are crude oil price sensitive	<ul style="list-style-type: none"> <li>Procure major raw material, PTA, mostly from local source with minimum effect on price fluctuations and transit time.</li> <li>Renegotiate with vendors and alternative sourcing of other raw materials has helped the Company to optimise the cost of raw materials</li> <li>Links prices to published price index of various raw materials</li> </ul>
<b>Quality Risk</b> A drop in the quality of products may impair Company's image	<ul style="list-style-type: none"> <li>robust quality measures in place with strong technology backup helping in maintaining the quality of output</li> <li>quality certification ISO-9001:2008</li> <li>fully equipped quality-control laboratory with contemporary equipment and software ensures continuous supply of high-standard products</li> </ul>

Risks	Mitigation process
<b>Employee Risk</b> Inability to attract and retain skilled workforce can have a negative impact on growth	<ul style="list-style-type: none"> <li>Follow a uniform and merit-based recruitment process, sustained by a structured and precise selection procedure to avoid discrimination</li> <li>Conduct impartial assessment process and unbiased performance appraisal to help retain skilled workforce</li> <li>Encourages people with rewards and recognitions</li> <li>Strengthen employee engagement activities and develop a congenial work environment</li> </ul>
<b>Technological Risk</b> Technological obsolescence may hurt operational performance	<ul style="list-style-type: none"> <li>Several technical collaborations with global technology leaders</li> <li>Focus on re-engineering and improvisation to remain competitive.</li> <li>Emphasises continuous investment in technology up-gradations</li> <li>Monitor the entire process to ensure stability</li> </ul>
<b>Customer Risk</b> Inability to reach demand pockets and not catering to evolving needs may have a detrimental effect	<ul style="list-style-type: none"> <li>Maintain a strong sales and marketing team to increase market penetration</li> <li>Undertake various measures to increase customer satisfaction</li> <li>Focus on maintaining long-term relations with customers to ensure repeat business</li> <li>Analysis of market trends to derive demand for customers</li> </ul>
<b>Competition Risk</b> Competition from other players might affect business	<ul style="list-style-type: none"> <li>Focus on widening customer base and catering to specific needs to gain customer trust</li> <li>Addresses broader client base with an expanded value-added product portfolio</li> </ul>
<b>Forex Risk</b> Volatility in global currencies can impact profit margins	<ul style="list-style-type: none"> <li>Maintain an equilibrium between exports receipts and import payments creating a natural hedge against currency fluctuations effect</li> <li>Safeguard against currency volatility, forward contracts are taken on need- and assessment-based approach</li> </ul>

## Power Generation and Sourcing

The Company has captive power generation capacity of 71.08 MW. Its Captive co-generation Power Plant (CPP) has a coal-based thermal power of 40 MW capacity and 31.08 MW FO-based DG capacity.

In the Financial Year 2020-21, from middle of June, the Company has stopped power generation from its captive co-generation facility and started sourcing 100% of required power from state DISCOM. On power being sourced from DISCOM, the Company is eligible and availing, the sector specific and region-specific subsidies extended by the Government of Maharashtra.

While sourcing the power from state DISCOM, the DG power set is always kept in standby mode as back-up power, for meeting critical power requirement during any power failure from State DISCOM. Indo Rama continues to monitor its power usage, internally and externally, for opportunities to reduce cost of production.

## Internal Controls Systems 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 Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

## Statutory Compliance

Company Secretary and Compliance Officer makes a declaration at each Board Meeting regarding the compliance with the provisions of various statutes, after obtaining confirmation form 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.

## Human Resources and Industrial Relations

Indo Rama's success is the result of the expertise, excellence and experience of its people. The Company has incorporated a systematic performance management strategy to ensure its people remained engaged and Indo Rama retains the industry's best talent. The Company further offers opportunities to learn and grow with the organisation and ensures to build a collaborative and congenial work culture, alongside maintaining transparency across the organisation.

## Safety, Health and Environment

The Company is a responsible corporate and takes care of its environmental and social responsibility at every step. Indo Rama works towards enhancing values to workforce, society and the

environment. Its safety, health and environment objectives and procedures empowered it to obtain the ISO: 45001:2018 certification during the previous year.

## Safety

Sustainable development being engrained in corporate philosophy, is directly proportional to the safety, health and environment management. We endeavor 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.

## 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.
- There is a continuous effort from Management of Indo Rama for creating awareness on fire and safety among employees including their family members and contract workers.
- No major fire incidents took place during the year.
- No fatality took place during the year.
- Fire Audits (form B) are conducted during the month of July 2020 and January 2021 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.
- Imparted 5427 hours training on Health, Safety, Environment and Fire to employees including contract workers during the year, which include refresher safety training. Topics for safety training include Safety Management System, COVID-19, Work Permit System, Incident Investigation, Effective Use of PPEs, Fire & Safety including on job safety precautions to ensure work safety.
- Celebrated safety month (4 February to 4 March-2021) to create safety awareness among employees and contract workers. Around 200 participants participated in various 10 competitions directly. Safety Day function held on March 4, 2021 where prizes along with certificates distributed to encourage safety culture at workplace.
- Help extended to nearby industries during fire emergencies in their plant by providing fire tender to extinguish the fire during the year. Indo Rama extended timely help in coordination with Government organisation.
- Fire hydrant system was kept in working condition round the clock to cater any fire emergency.

## Health

Health of employees has assumed paramount importance in the current environment. The Company has adopted several measures to mitigate the risks arising in current situation as a consequence to Novel Corona Virus "COVID -19", which has been declared as a Pandemic by World Health Organisation (WHO).

Various steps initiated to avoid adverse impact on the employees are as under:

- Awareness programs on Corona for workers, contractors, colony residents, security persons etc.
- Monitoring of SPO2 % and Temperature of employees at shop floor on regular intervals.
- Home visit of colony residents to check temp and SPO2.
- Distribution of Do's and Don'ts pamphlets to promote compliant behaviour.
- Display of Do's and Don'ts at prominent places in Site & Township for better awareness.
- Crisis Management team formation to assist in difficult situations
- First Aid lectures at Training Center to more than 150 persons.
- Follow guidelines from Govt. Authority and Local Authorities to implement suitable action at plant.
- Awareness sessions with Department Heads.
- Deployment of COVID Inspector 24x7.
- House keeping of Site & Township to maintain Health and Hygiene.
- Distribution of Arsenic album and Vit C 500mg chewable tab to boost immunity to all Indo Rama Employees & Workers families.
- Free distribution of Masks to all Contract and Indo Rama Employees. Installation of automatic hand sanitisers and steam inhalers across plant area.
- Free distribution of Corona Pustaka to all Contract and Indo Rama Employees and Primary Health Centre, Takalghat.
- Free distribution of Soaps to all Employees and Casual workers.
- RT- PCR TEST / Antigen test for COVID-19 of all Employees/ contract workers who are resuming duty after 3 day of absent with self declaration
- Quarantine centre at Colony no.2 Health Centre.
- Proactive Antigen test of all workers and contract labours at Site.
- Need based Financial assistance for COVID impacted employees.

## Environment

At Indo Rama several new initiatives have been taken to maintain ecological balance in and around production facilities. We have complied with all laws pertaining to solid/ hazardous waste management and initiated measures to reduce effluent discharge

and increase water recycling. This is reflected in continuous efforts to ensure minimal adverse impact on environment.

## Information Technology (IT)

Several measures for improvement in hardware and software have been made across the organisation during the period:

- New Servers to support applications like Document Management System, Attendance Software, New GST related software.
- Comprehensive plan underway to upgrade old servers to have more enhanced security layers, controls and monitoring.
- Upgradation of existing user end resources
- Migration to O365 mail servers

## KEY RATIOS

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

Sr. No.	Particulars	FY 2020-21
1	Debtors Turnover Ratio (times)	18.64
2	Inventory Turnover Ratio (times)	15.83
3	Interest Coverage Ratio (times)	1.59
4	Current Ratio (times)	0.74
5	Debt Equity Ratio (times)	0.92
6	Operating Profit Margin (%)	5.19%
7	Net Profit Margin (%)	5.75%
8	Return on Net Worth (%)	36.07%

## 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 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

(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2021, 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. Your business fosters a culture of ethical behaviour, and disclosures aimed at building trust of your stakeholders. Your Company has adopted various codes and policies to carry out the duties and responsibilities in ethical and transparent manner.

## 2. Board of Directors

### A) Composition and category of Directors:

The Board of the Company is comprised of Executive and Non- Executive Directors including Independent Directors. As on March 31, 2021, the composition of the Board is as under which is headed by Chairman and Managing Director.

Sl. No.	Category	No. of Directors	% of total no. of Directors
1	Executive Director-Promoter	2	25.00
2	Whole-time Director-Non-Promoter	1	12.50

Sl. No.	Category	No. of Directors	% of total no. of Directors
3	Non-Executive Non-Independent Director	1	12.50
4	Non-Executive Independent Directors (Including one Woman Director)	4	50.00
<b>Total</b>		<b>8</b>	<b>100.00</b>

The Composition of the Board is in accordance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The maximum no. of Directorship held by all your Directors are well within the limit of 7 listed entities and none of the Director of your Company serve as an Independent Director in more than 7 listed entities.

The maximum no. of Committee Membership held by all your Directors are well within the Limit of 10 Committees and in case of Chairmanship, your Directors do not act as Chairman in more than 5 committees of listed entities.

Necessary disclosures regarding committee positions in other public companies as on March 31, 2021 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. Hemant Balkrishna Bal	Mr. Dilip Kumar Agarwal	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	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No	Skills / Expertise / Competence identified by the Board	Mr. Om Prakash Lohia	Mr. Vishal Lohia	Mr. Hemant Balkrishna Bal	Mr. Dilip Kumar Agarwal	Dr. Arvind Pandalai	Mr. Suman Jyoti Khaitan	Mrs. Ranjana Agarwal	Mr. Dhanendra Kumar
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	✓	✓	✓	✓	✓	✓	✓	✓
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 the financial year 2020-21, Five (5) Board Meetings were held, i.e., June 24, 2020, August 7, 2020, October 30, 2020, January 20, 2021 and February 24, 2021. Necessary Quorum, as per Regulation 17 (2A) of the SEBI Listing Regulation was present for all the meetings .

The attendance of Directors at the Board Meetings during the financial year 2020-21 and the last Annual General Meeting held on August 26, 2020, is as under:

Name of Directors and Director 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	26.12.2020	Executive Director - Promoter	5	5	Yes
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	2	Yes
Mr. Hemant Balkrishna Bal *** (DIN: 08818797)	30.10.2020	30.10.2020	Executive Director	5	3	NA
Mr. Udeypaul Singh Gill **** (DIN: 00004340)	03.04.2019	NA	Non-Executive Non-Independent Director	5	4	No
Mr. Dilip Kumar Agarwal ***** (DIN: 03487162)	20.01.2021	20.01.2021	Non-Executive Non-Independent Director	5	1	NA
Mr. Suman Jyoti Khaitan (DIN: 00023370)	30.01.2013	15.05.2019	Non-Executive Independent Director	5	5	Yes

Name of Directors and Director 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
Mrs. Ranjana Agarwal (DIN: 03340032)	18.05.2015	18.05.2020	Non-Executive Independent Director	5	5	Yes
Dr. Arvind Pandalai (DIN: 00352809)	20.05.2014	31.08.2016	Non-Executive Independent Director	5	5	Yes
Mr. Dhanendra Kumar (DIN: 05019411)	14.02.2020	14.02.2020	Non-Executive Independent Director	5	5	Yes

\* Reappointed for a further term of 3 years with effect from December 26, 2020 by the Board at its meeting held on October 30, 2020, subject to shareholders approval at the ensuing AGM.

\*\* Ceased as Director with effect from October 29, 2020.

\*\*\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\*\*\* Ceased as Director, with effect from January 20, 2021.

\*\*\*\*\* Appointed as Non-Executive Non-Independent Director, with effect from January 20, 2021.

#### 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 March 31, 2021.

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	Nil	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. Hemant Balkrishna Bal ** (DIN: 08818797)	Nil	1	Nil	Nil	Nil	None
Mr. Dilip Kumar Agarwal *** (DIN: 03487162)	Nil	1	56 ##	Nil	Nil	None
Mr. Suman Jyoti Khaitan (DIN: 00023370)	2	1	1	4	3	Oriental Carbon Chemical Limited- Non-Executive Independent Director Jindal Stainless Limited- Non-Executive Independent Director
Mrs. Ranjana Agarwal (DIN: 03340032)	6	1	Nil	5	1	KDDL Limited- Non-Executive Independent Director ICRA Limited- Non-Executive Independent Director UGRO Capital Limited- Non-Executive Independent Director RBL Bank Limited- Non-Executive Independent Director
Dr. Arvind Pandalai (DIN: 00352809)	Nil	1	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.

\*\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

# Including Chairmanship.

## Directorship of Foreign Companies.

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 Company has proper systems to enable the Board of Directors to periodically review the compliance reports of all laws applicable to the Company.

**F) Independent Directors confirmations by the Board:**

The Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations and are independent of the management. Necessary confirmations have also been taken from the Directors in compliance with Rule 6 Sub Rule 3 of the of the Companies (Appointment and qualification of Directors), Fifth Amendment Rules, 2019, which has come into force with effect from December 1, 2019.

**G) Information supplied to the Board of Directors:**

During the financial year 2020-21, all necessary information as required under the applicable provisions of the Companies Act, 2013, Schedule II Part A of the SEBI Listing Regulations and other applicable laws and rules were placed and discussed at the Board Meeting.

**H) Board Agenda and Circulation:**

The Notice along with necessary papers, comprising the Agenda backed by comprehensive background information, are circulated to the Directors in advance as prescribed by law, to enable the Directors to take as informed decisions and in exceptional cases, the same is tabled at the Board Meeting. The Board also from time to time, take up any matter not included in the Agenda for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the meeting. In case of urgency or where the Board meeting is not practicable to be held, the matters are resolved via Circular Resolution, as permitted by Law, which is noted and confirmed in the subsequent Board Meeting.

The Minutes of the Board Meeting are circulated to all the Directors and confirmed in the subsequent Board Meeting. The Minutes of the meetings of the Committees of the Board are placed at the Board Meeting for its review. Also, Minutes/Resolutions of the Board Meeting of the Subsidiary Company are placed at the Board Meeting of the Company for its review.

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

Sl. No	Agenda	Date of Resolution passed by the Board / Committee
i)	Re-appointment of Mrs. Ranjana Agarwal (DIN 03340032), Independent Director for consecutive term of another five (5) years from May 18, 2020 to May 17, 2025	May 17, 2020
ii)	Renew sub-letting of land admeasuring 24,680 Square meters land and building appurtenant thereto to Indorama Yarns Private Limited.	March 8, 2021

**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. Hemant Balkrishna Bal * (DIN: 08818797)	Whole-time Director	None
Mr. Udeypaul Singh Gill ** (DIN: 00004340)	Non-Executive Non-Independent Director	None
Mr. Dilip Kumar Agarwal *** (DIN: 03487162)	Non-Executive Non-Independent Director	None
Mr. M. N. Sudhindra Rao **** (DIN: 01820347)	Executive Director & CEO	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

\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\* Ceased as Director with effect from January 20, 2021.

\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

\*\*\*\* Ceased as Director with effect from October 29, 2020.

**K) Separate Meeting of Independent Directors:**

During the year under review, a separate meeting of the Independent Directors of the Company was convened on January 20, 2021, *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 is required to 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 them, which inter-alia explain the role, function, duties and responsibilities expected from him/her as an Independent Director of the Company. The Independent Director is also explained in detail the compliance required from him/her under the Companies Act, 2013, Listing Regulations and various other statutes and an affirmation is required.

The familiarisation programme for Independent Directors is prepared after assessment of requirement of such programme in consultation with each Independent Director. Need for familiarisation is also identified through Directors' performance evaluation process. Familiarisation is achieved through broad-based engagement, under which various business heads and functional heads (including those of key subsidiaries) are invited for one-on-one interaction with the Independent Directors. Special presentations are made at the Board/Board Committee/Independent Directors meeting on business.

A special presentation was made to the Independent Directors at their meeting held on January 20, 2021 for familiarising the Directors with nature of industry, products, markets, operations, subsidiaries and its businesses, policies, regulatory aspects affecting the Company, etc.

The details of the familiarisation programme have been disclosed on the website of the Company at the following web-link, <http://www.indoramaindia.com/familiarisation-programme.php>.

**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 Company has adopted the "Code of Conduct for the Board Members and Senior Management personnel" (the "Code"). The Code of conduct contains the duties of

the Independent Directors as laid down in the Act. The Code is available on the Company's website, <http://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf>.

All the Directors including the Chairman and Managing Director and the Senior Management Personnel of the Company have given a declaration of compliance with the Company's code of conduct in accordance with Regulation 26(3) of the SEBI Listing Regulations during the year ended March 31, 2021.

**O) Post Board Meeting Follow-Up System:**

The Governance processes in the Company include an effective post-meeting follow-up and review and reporting process for actions taken/pending on the decisions of the Board and the Committees of the Board.

**P) 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 March 31, 2021, 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;
- (vi) Mr. M. N. Sudhindra Rao (DIN: 01820347), Executive Director & CEO, Member, upto October 29, 2020; and
- (vii) Mr. Hemant Balkrishna Bal (DIN: 008818797), Whole-time Director, Member, with effect from October 30, 2020.

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 Auditors 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 Directors' 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 thereon;
- (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 and/or investment by the holding company in the subsidiary exceeding Indian Rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments 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 the financial year 2020-21, five (5) Meetings of the Audit Committee were held, i.e., June 24, 2020, August 7, 2020, October 30, 2020, January 20, 2021 and February 24, 2021. The attendance of Members Directors, is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Dr. Arvind Pandalai (DIN: 00352809)	Non-Executive Independent Director	5	5
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non-Executive Independent Director	5	5
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	5	5
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	5	5
Mr. Vishal Lohia (DIN: 00206458)	Executive Director-Promoter	5	5

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Hemant Balkrishna Bal * (DIN: 08818797)	Whole-time Director	2	2
Mr. M. N. Sudhindra Rao ** (DIN: 01820347)	Executive Director & CEO	2	2

\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\* Ceased as Director with effect from October 29, 2020.

### E. Role of Internal Auditor

The Internal Auditor has a well laid Internal Audit methodology which assesses and promotes strong ethics and values within the organisation and facilitates in managing changes in the business and regulatory environment. It encompasses all the aspects of business such as operational, financial information system, risk management and all the regulatory compliances are reviewed periodically. The Internal Auditor makes presentations and reports to the Audit Committee of the Board of Directors of the Company on a quarterly basis pertaining to the key Internal Audit findings and the action plan agreed with the Management.

## II. Nomination and Remuneration Committee

### A. Composition:

As on March 31, 2021, the Company's Nomination and Remuneration Committee comprises 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 upto January 20, 2021;
- (iv) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member;
- (v) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Member; and
- (vi) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, with effect from January 20, 2021.

### 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) the 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 the 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; and

(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 2020-21, the Nomination and Remuneration Committee of the Company met three times on June 24, 2020; October 30, 2020; and January 20, 2021. The attendance of the Member Directors, is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Dr. Arvind Pandalai (DIN: 00352809)	Non-Executive Independent Director	3	3
Mr. Suman Jyoti Khaitan (DIN: 0023370)	Non-Executive Independent Director	3	3
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	3	3
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	3	3
Mr. Udeypaul Singh Gill*	Non-Executive Non-Independent Director	3	3
Mr. Dilip Kumar Agarwal ** (DIN: 03487162)	Non-Executive Non-Independent Director	Nil	Nil

\* Ceased as Director with effect from January 20, 2021

\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

#### 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

The remuneration paid or payable to the Directors of the Company, during the year ended March 31, 2021, is as under:

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits	Commission	Sitting Fees for Board and Committee Meetings	Total
Mr. Om Prakash Lohia (DIN: 00206807) Executive Director- Promoter	Father of Mr. Vishal Lohia	1.51	0.63	0.18	-	-	<b>2.32</b>
Mr. Vishal Lohia (DIN: 00206458) Executive Director- Promoter	Son of Mr. Om Prakash Lohia	0.86	0.66	0.08	-	-	<b>1.60</b>
Mr. M.N. Sudhindra Rao * (DIN: 01820347) Executive Director & CEO	None	1.32	-	0.003	-	-	<b>1.35</b>
Mr. Hemant Balkrishna Bal ** (DIN: 08818797) Whole-time Director	None	0.39	0.03	0.02	-	-	<b>0.44</b>
Mr. Udeypaul Singh Gill *** (DIN: 00004340) Non-Executive Non-Independent Director	None	-	-	-	-	-	-
Mr. Dilip Kumar Agarwal **** (DIN: 03487162) Non-Executive Non-Independent Director	None	-	-	-	-	-	-

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 Executive Director & 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.

(₹ in Crores)

Name of the Director	Relationship with other Directors	Salary	Perquisites	Deferred Benefits	Commission	Sitting Fees for Board and Committee Meetings	Total
Dr. Arvind Pandalai (DIN: 00352809) Non-Executive Independent Director	None	-	-	-	-	0.10	<b>0.10</b>
Mr. Suman Jyoti Khaitan (DIN: 00023370) Non-Executive Independent Director	None	-	-	-	-	0.06	<b>0.06</b>
Mrs. Ranjana Agarwal (DIN: 03340032) Non-Executive Independent Director	None	-	-	-	-	0.07	<b>0.07</b>
Mr. Dhanendra Kumar (DIN: 05019411) Non-Executive Independent Director	None	-	-	-	-	0.07	<b>0.07</b>
<b>Total</b>		<b>4.08</b>	<b>1.32</b>	<b>0.31</b>	<b>-</b>	<b>0.30</b>	<b>6.01</b>

\* Ceased as Director with effect from October 29, 2020.

\*\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\*\* Ceased as Director with effect from January 20, 2021.

\*\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

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 March 31, 2021, 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

Name of Director	Category	No of Equity Shares	No of Convertible instruments
Mr. Hemant Balkrishna Bal ** (DIN: 08818797)	Whole-time Director	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. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	Nil	Nil
Mr. Dilip Kumar Agarwal **** (DIN: 03487162)	Non-Executive Non-Independent Director	Nil	Nil

\* Ceased as Director with effect from October 29, 2020.

\*\* Appointed as Whole-time Director with effect from October 30, 2020

\*\*\* Ceased as Director with effect from January 20, 2021.

\*\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

#### 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 March 31, 2021, the Company's Stakeholders Relationship Committee comprises one Non- Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Director-Promoters and one Executive Director, as under:

- (i) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Chairman;
- (ii) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member upto January 20, 2021;
- (iii) Mr. Om Prakash Lohia (DIN: 00206807), Executive Director-Promoter, Member;
- (iv) Mr. Vishal Lohia (DIN: 00206458), Executive Director-Promoter, Member;
- (v) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member with effect from October 30, 2020; and
- (vi) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, Member with effect from January 20, 2021.

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

**B. Terms of Reference:**

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 ('RTA');
- (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 mutation 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 financial year 2020-21:

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	01	01	Nil	Nil

### C. Meeting & Attendance:

During the financial year 2020-21, the Stakeholders Relationship Committee of the Company met on March 17, 2021. The attendance of the Member Directors is as follows:

Name of the Members	Category	No. of Meeting	
		Held under tenure	Attended
Mr. Om Prakash Lohia (DIN: 00206807)	Executive Director-Promoter	1	1
Mr. Vishal Lohia (DIN: 00206458)	Executive Director-Promoter	1	Nil
Mr. Udeypaul Singh Gill * (DIN: 00004340)	Non-Executive Non-Independent Director	NA	NA
Mr. M. N. Sudhindra Rao ** (DIN: 01820347)	Executive Director & CEO	NA	NA
Mr. Dhanendra Kumar (DIN: 05019411)	Non-Executive Independent Director	1	1
Mr. Hemant Balkrishna Bal *** (DIN: 08818797)	Whole-time Director	1	1
Mr. Dilip Kumar Agarwal **** (DIN: 03487162)	Non-Executive Non-Independent Director	1	Nil

\* Ceased as Director with effect from January 20, 2021.

\*\* Ceased as Director with effect from October 29, 2020.

\*\*\* Appointed as Whole-time Director with effect from October 30, 2020.

\*\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

## IV. Corporate Social Responsibility Committee

### A. Composition:

As on March 31, 2021, the Company's Corporate Social Responsibility ("CSR") 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; upto October 29, 2020;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member upto January 20, 2021;
- (v) Mrs. Ranjana Agarwal (DIN: 03340032), Non-Executive Independent Director, Member;
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member;
- (vii) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member, with effect from October 30, 2020; and;
- (viii) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director, Member, with effect from January 20, 2021.

### B. Terms of Reference:

Terms of reference of CSR Committee are 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; and
- (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>.

During the financial year 2020-21, the Corporate Social Responsibility Committee of the Company met one time on October 30, 2020. The attendance of the Member Directors is as follows:

Name of the Members	Category	No. of Meeting	
		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 *	Non-Executive Non-Independent Director	1	Nil
Mr. M. N. Sudhindra Rao ** (DIN: 01820347)	Executive Director & CEO	NA	NA
Mrs. Ranjana Agarwal (DIN: 03340032)	Non-Executive Independent Director	1	1
Dr. Arvind Pandalai (DIN: 00352809)	Non-Executive Independent Director	1	1
Mr. Dilip Kumar Agarwal *** (DIN: 03487162)	Non-Executive Non-Independent Director	NA	NA
Mr. Hemant Balkrishna Bal **** (DIN: 08818797)	Whole-time Director	1	1

\* Ceased as Director with effect from January 20, 2021.

\*\* Ceased as Director with effect from October 29, 2020.

\*\*\* Appointed as Non-Executive Non-Independent Director with effect from January 20, 2021.

\*\*\*\* Appointed as Whole-time Director with effect from October 30, 2020.

## V. Share Allotment and Transfer Committee

### A Composition & Meeting

As on March 31, 2021, 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 & CEO, Member up to October 29, 2020;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member up to January 20, 2021;
- (v) Mr. Dhanendra Kumar (DIN: 05019411), Non-Executive Independent Director, Member;
- (vi) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member;
- (vii) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director, Member with effect from October 30, 2020; and
- (viii) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director with effect from January 20, 2021.

During the financial year 2020-21, the Share Allotment and Transfer Committee met 2 (Two) times on June 24, 2020; and September 28, 2020.

### B. Terms of Reference:

Terms of reference of Share Allotment and Transfer Committee are 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

On May 5, 2021, Securities and Exchange Board of India ('SEBI') notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, effective from May 6, 2021. Vide this notification, SEBI amended Regulation 21 of the Listing Regulations, thereby requiring top one thousand listed Companies (based on market capitalisations at the end of the immediate previous financial year) to mandatorily formulate Risk Management Committee

Indo Rama Synthetics (India) Limited (the “Company”) being one of the top one thousand listed Company as per the criteria mentioned above, with effect from May 6, 2021. Accordingly, the formation of Risk Management Committee is mandatory for the Company. However, the Board had formulated the Risk Management Committee voluntarily.

As on March 31, 2021, the Company’s Risk Management Committee comprises, one Non- Executive Independent Director, one Non-Executive Non-Independent Director, two Executive Director-Promoters 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, upto October 29, 2020;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member; upto January 20, 2021;
- (v) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member;
- (vi) Mr. Hemant Balkrishna Bal, (DIN: 08818797) Whole-time Director, Member with effect from October 30, 2020; and
- (vii) Mr. Dilip Kumar Agarwal (DIN: 03487162), Non-Executive Non-Independent Director with effect from January 20, 2021.

#### Role of Risk Management Committee

The role of the committee shall, inter alia, include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks;
  - (c) Business continuity plan.

- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

#### Power of Risk Management Committee

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Meeting and Attendance

During the financial year 2020-21, the Company was not required to convene the Risk Management Committee Meeting, since it was not in the list of top 500 companies.

#### VII. Banking & Finance Committee

As on March 31, 2021, the Company’s Banking & Finance Committee comprises one Non-Executive Independent Director, one Non-Executive Non-Independent Directors, two Executive Director-Promoters 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 upto October 29, 2020;
- (iv) Mr. Udeypaul Singh Gill (DIN: 00004340), Non-Executive Non-Independent Director, Member; upto January 20, 2021;
- (v) Dr. Arvind Pandalai (DIN: 00352809), Non-Executive Independent Director, Member;

- (vi) Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director Member with effect from October 30, 2020; and
- (vii) Mr. Dilip Kumar Agarwal (DIN: 03487162) Non-Executive Non-Independent Director, Member with effect from January 20, 2021.

During the financial year 2020-21, the Banking & Finance Committee met 6 (six) times on July 4, 2020; September 4, 2020; September 17, 2020; November 23, 2020; February 18, 2021; and March 26, 2021;

#### Terms of Reference

Terms of reference of Banking & Finance Committee are 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 October 30, 2020 re-constituted the Business Responsibility Reporting Committee. The Composition is as under:

- Mr. Om Prakash Lohia (DIN: 00206807), Chairman and Managing Director;
- Mr. Vishal Lohia (DIN: 00206458), Executive Director;
- Mr. M. N. Sudhindra Rao (DIN: 01820347), Executive Director & CEO upto October 29, 2020; and
- Mr. Hemant Balkrishna Bal (DIN: 08818797), Whole-time Director with effect from October 30, 2020.

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

Mr. Hemant Balkrishna Bal, Whole-time Director is responsible for implementation of Business Responsibility 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
March 31, 2020	Wednesday, August 26, 2020	Held through Video Conferencing / Other Audio Visual Means	11:30 AM	3
March 31, 2019	Friday, July 26, 2019	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	7
March 31, 2018	Saturday, July 28, 2018	A-31, MIDC, Industrial Area, Nagpur-441122, Maharashtra	1:30 PM	2

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

#### (a) At the 34th Annual General Meeting held on Wednesday, August 26, 2020:

- Re-appointment of Mrs. Ranjana Agarwal (DIN: 03340032) as a Non-Executive Independent Director of the Company for a second term of five consecutive years commencing from May 18, 2020 to May 17,

2025 and whose office shall not liable to retires by rotation.

- 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 years on June 5, 2021 for the remaining period of his tenure as a Non-Executive

Independent Director of the Company upto February 13, 2025.

- To adopt the restated Articles of Association of the Company.

**(b) At the 33rd Annual General Meeting held on Friday, July 26, 2019**

- Appointment of Mr. M. N. Sudhindra Rao (DIN: 01820347) as an Executive Director & Chief Executive Officer of the Company, for a period of 3 (three) years, commencing from April 8, 2019 up to April 7, 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 April 1, 2019 to March 31, 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 for an aggregating maximum amount not exceeding during the financial year by ₹ 1,500 Crores (Indian Rupees One Thousand Five Hundred Crores only) with related parties as mentioned therein.

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

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

Sl. No	Name of the Proposed Allottee	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 Crores (Indian Rupees

One Thousand Crores only) with related parties as mentioned therein;

**III) Resolutions passed by way of Postal Ballot:**

During the year under review, neither any Special Resolution was passed through Postal Ballot last year nor any Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

**5. SUBSIDIARY**

The Details of 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 subsidiary (s)" 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**

- Disclosure regarding appointment or re-appointment of Directors in accordance with Regulation 36(3) of the SEBI Listing Regulations has been provided in the Notice convening the Annual General Meeting of the Company.
- Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

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. The 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 transactions 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 <https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf>.

**c) Disclosure of Compliance of Law**

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 May 31, 2019 with the completion of preferential issuance and acquisition of shares tendered in the open

offer, the aggregate promoter shareholding increased to 81.72% from 74.94%. Consequently, public shareholding in the Company dropped from 25.06% (Prior to the open offer) to 18.28% (post open offer).

Pursuant to Regulation 38 of the SEBI LODR Regulations and other applicable regulations, the Company was required to increase its Minimum Public Shareholding (MPS) to a minimum of 25% within a period of one year from the date of acquisition of equity shares under the open offer i.e. by May 31, 2020.

SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020 had provided relaxation from the penal provisions of SEBI Circular dated October 10, 2017 on Non Compliance with respect to MPS requirement for companies having deadlines falling between March 1, 2020 and August 31, 2020.

On October 5, 2020, a member of the promoter group gave intimation for offer for sale representing 6.72% of the total issued and paid up capital of the Company. Consequent to the offer for sale, the promoter shareholding in the Company diluted to 75.13% from 81.72%.

On February 15, 2021 again a member of the Promoter Group of the Company divested 3,35,353 equity shares of the Company constituting 0.13% of the issued and paid up equity share capital of the Company through open market sale in accordance with SEBI Circular No. SEBI/HO/ CFO/ CMD/CIR/P/43/2018 dated February 22, 2018.

Post aforementioned open market sale, the Company complied with MPS requirement on February 15, 2021 as mandated under Regulation 38 of the of the SEBI LODR Regulations and same was intimated to both NSE and BSE by the Company vide its letter dated February 17, 2021.

National Stock Exchange of India Limited vide its letters dated December 7, 2020 and March 24, 2021 and BSE Limited vide its emails dated December 7, 2020 and March 24, 2021 have levied monetary fines on the Company amounting to ₹ 7,19,800/- (Indian Rupees Seven Lakhs Nineteen Thousand Eight Hundred only) each aggregating ₹ 14,39,600/- (Indian Rupees Fourteen Lakhs Thirty Nine Thousand Six Hundred only) for non-compliance with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has submitted waiver requests with both NSE and BSE regarding the monetary fine imposed due to delay in MPS compliance.

The Company has complied with mandatory requirements of the stock exchange, SEBI and other statutory authorities on all matters related to capital market during the last three years. No penalties or strictures imposed on the Company by Stock exchange and/or SEBI or any other statutory

authorities, on any matter related to capital markets during the last three years.

#### **d) 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 <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.

#### **e) 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 M/s Pramod Kothari & Co, Practicing Company Secretaries 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 the financial year 2020-21;
- 4) Separate posts of Chairman and Chief Executive Officer: Complied;
- 5) Reporting of Internal Auditors directly to the Audit Committee: Complied;

**f) Policy for determining “material subsidiary(s)”**

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

**g) Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to 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.

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

During the financial year 2020-21, Company has not raised funds through preferential allotment or qualified Institutional placement as specified under Regulation 32 (7A).

- i) 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.
- j) During the financial year 2020-21, 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.
- k) During the financial year 2020-21, 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	₹ in Crores
Statutory Audit Fee	0.39
Other Services	0.15
Out of pocket expenses	0.02

**l) 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 2020-21, are 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

**m) Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI Listing Regulations. The Policy is uploaded on the Company’s website available at the link <http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf>.

**n) Anti- Bribery Policy**

The Company has formulated an Anti-Bribery Policy which explains the Company’s individual responsibility to comply with Anti-Bribery and Anti-Corruption laws around the world and to ensure that any third parties that the Company engages to act on its behalf, do the same. The Policy is posted on the Company’s website available at the link, <http://www.indoramaindia.com/pdf/Anti-Corruption-Policy-IRSL-301020.pdf>

**o) Directors and Officers Insurance (D and O Insurance)**

The Company has in place D and O Insurance Policy for all its Independent Directors of such quantum and covering all such risks as may be determined by the Board of Directors of the Company.

**p) Annual Secretarial Compliance Report**

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2020-21 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder.

Accordingly, the Annual Secretarial Compliance Report for the financial year ended March 31, 2021 was submitted to the stock Exchanges within prescribed timeline.

**q) Code of Conduct for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for prevention of Insider trading in accordance with requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations’), with a view to regulate trading in securities by designated persons (as defined in the said Code of Conduct) of the Company. The Code has been

reviewed effectively from April 1, 2019 in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This Code is applicable to all designated persons and their immediate relatives and they are required to abide by the Code of Conduct for prevention of insider trading of the Company framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code requires pre-clearance from the Compliance Officer for dealing in the Company shares beyond threshold limit. Further, it prohibits the purchase and sale of Company's shares by designated persons directly or indirectly, while in possession of unpublished price sensitive information in relation to the Company and when the trading window is closed. The Company Secretary is the Compliance Officer for monitoring adherence to said PIT Regulations.

- r) In addition to Directors' Report, a Management Discussion and Analysis Report forms part of the Annual Report to the Shareholders.
- s) All members of the Board, Key Managerial Personnel and Senior Management have confirmed that they do not have material, financial and commercial relationship in any transaction with the Company that may have potential conflict with the interest of the Company at Large.
- t) 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.
- u) Shareholding of Non-Executive Director: None of the Non-Executive Director holds any shares in the Company.

#### v) 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
2013-14	August 1, 2014	August 31, 2021
2014-15	July 30, 2015	August 29, 2022
2015-16	September 30, 2016	October 29, 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 August 26, 2020 (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.

#### w) 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, are 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;	2,324	2,73,877
2	Number of shareholders who approached listed entity for transfer of shares from Suspense Account during the year;	Nil	Nil
3	Number of shareholders to whom shares were transferred from Suspense Account during the year;	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares transferred to Suspense Account during the year;	241	36,656
5	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year;	2,565	3,10,533
6	That the voting Rights on these shares shall remain frozen till the rightful owners of such shares claim the shares.	2,565	3,10,533

#### x) 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 36,656 (Thirty Six Thousand Six Hundred Fifty Six) 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 2020-21 and the details thereof uploaded on the Company's website, <http://www.indoramaindia.com/transfer-of-shares-to-iepf-authority.php>, 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”).

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

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

#### aa) CEO and CFO Certifications

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.

### 8. General Shareholder Information

(a) Date, time and venue of the Annual General Meeting	Tuesday, August 24, 2021, at 11:30 AM IST Venue: through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)
(b) Financial Year	Financial year of the Company is from April 1 to March 31. Publication of results for the financial year 2021-22 (tentative and subject to change) First quarter Results: On or before August 14, 2021 Second quarter and half year results: On or before November 14, 2021 Third quarter results: On or before February 14, 2022 Fourth quarter results and results for the year ending March 31, 2022: On or before May 30, 2022.
(c) Dates of book closure	From Wednesday, August 18, 2021 to Tuesday, August 24, 2021 (both days inclusive)
(d) Dividend payment date	No dividend has been recommended for the financial year 2020-21 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	<b>INE 156A 01020.</b>
(h) Market Price Data for the Financial Year 2020-21:	

### 7. MEANS OF COMMUNICATIONS

The quarterly, half yearly/ annual financial results of the Company are sent to the stock exchanges immediately after approval of the same by the Board of Directors. These are also published in the prescribed performa within 48 hours of the conclusion of the meeting of the Board in which they are considered, in English Newspaper circulating the whole or substantially the whole of India and one in vernacular newspaper in the State Maharashtra, where the registered office of the Company is situated. In addition, these results are simultaneously posted on the Company's website, www.indoramaindia.com. The official press release and/or presentation are also available on the Company's website

#### Details of means of communication

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

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

Month	BSE Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2020	15.50	12.11	15.40	11.45
May 2020	13.29	11.73	12.90	11.50
June 2020	19.99	12.50	20.00	12.25
July 2020	18.25	13.75	17.85	13.65
August 2020	21.20	14.01	21.50	14.00
September 2020	25.05	18.70	25.45	18.25
October 2020	25.75	20.50	25.60	20.60
November 2020	25.95	21.00	25.90	20.70
December 2020	41.90	23.85	42.05	24.00
January 2021	47.50	33.65	47.70	34.20
February 2021	38.20	31.10	38.15	30.65
March 2021	41.70	32.65	40.95	34.50

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

**(j) Performance in comparison to broad based indices, i.e., BSE Sensex and Indo Rama shares performance:**


Note: Based on Monthly closing share price on BSE (April, 2020 to March, 2021)

**(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

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 March 31, 2021:**

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 March 31, 2021 are as follows:

No. of Shares Dematerialised	26,06,29,920	99.81%
No. of shareholders in Demat Form	13,369	82.00%

**(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 March 31, 2021:**

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

**(i) Pattern of Shareholding by ownership as on March 31, 2021**

Particulars	No. of Equity Shares	Shareholding (%)
<b>A. Promoters' Holding</b>	<b>19,58,34,863</b>	<b>75</b>
<b>B. Non-Promoters' Holding</b>		
Banks, Financial Institutions, Insurance Companies, Central / State Govt. Institutions, Non-government Institutions	34,00,220	1.3
Foreign Institutional Investors (FIIs)	5,338	0
Foreign Direct Investment (FDI)	-	-
Mutual Funds (including UTI)	90,99,545	3.48
NBFC	10,404	0
Bodies Corporate	38,33,520	1.47
NRIs / OBCs	3,20,58,243	12.28
Central Government/State Government	3,10,533	0.12
Indian Public	1,65,60,485	6.34
<b>Grand Total</b>	<b>26,11,13,151</b>	<b>100</b>

**(ii) Pattern of shareholding by share class as on March 31, 2021:**

Shareholding class	Number of shareholders	Number of shares held	Shareholding %
1 to 500	20,23,993	13,190	0.78
501 to 1,000	12,24,392	1,501	0.47
1,001 to 5,000	28,06,080	1,200	1.08
5,001 to 10,000	14,68,493	190	0.56
10,001 to 50,000	35,37,883	155	1.35
50,001 to 100,000	23,30,769	32	0.89
100,001 and above	24,77,21,541	35	94.87
<b>Total</b>	<b>26,11,13,151</b>	<b>16,303</b>	<b>100</b>

**(q) 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](http://www.indoramaindia.com)

Particulars	Web link
Accounts of Wholly Owned Subsidiary Company	<a href="http://www.indoramaindia.com/accounts-of-wholly-owned-subsidiary-company.php">http://www.indoramaindia.com/accounts-of-wholly-owned-subsidiary-company.php</a>
Annual Report	<a href="https://www.indoramaindia.com/annual_reports.php">https://www.indoramaindia.com/annual_reports.php</a>
Annual Return	<a href="http://www.indoramaindia.com/annual-return.php">http://www.indoramaindia.com/annual-return.php</a>
Anti-Bribery Policy	<a href="http://www.indoramaindia.com/pdf/Anti-Corruption-Policy-IRSL-301020.pdf">http://www.indoramaindia.com/pdf/Anti-Corruption-Policy-IRSL-301020.pdf</a>
Business Responsibility Policy	<a href="http://www.indoramaindia.com/pdf/BR-Policy.pdf">http://www.indoramaindia.com/pdf/BR-Policy.pdf</a>
Code for Independent Directors	<a href="https://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Code-for-Independent-Directors-REVISED.pdf</a>
Code of Conduct for Directors and Senior Management	<a href="http://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf">http://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Directors-n-Sr-Management-REVISED.pdf</a>

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	<a href="https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading-REVISED.pdf</a>
Contact details of Key Managerial Personnel	<a href="https://www.indoramaindia.com/pdf/Contact-Details-of-KMP-Revised.pdf">https://www.indoramaindia.com/pdf/Contact-Details-of-KMP-Revised.pdf</a>
CSR Policy	<a href="https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/CSR-Policy-REVISED.pdf</a>
Familiarisation Programmes for Independent Directors	<a href="http://www.indoramaindia.com/familiarisation-programme.php">http://www.indoramaindia.com/familiarisation-programme.php</a>
Nodal Officer	<a href="http://www.indoramaindia.com/nodal-and-deputy-nodal-officers.php">http://www.indoramaindia.com/nodal-and-deputy-nodal-officers.php</a>
Nomination and Remuneration Policy	<a href="https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Nomination-Remuneration-Policy-REVISED.pdf</a>
Notices/Intimations to Stock Exchanges	<a href="https://www.indoramaindia.com/notices.php">https://www.indoramaindia.com/notices.php</a>
Performance Evaluation Policy	<a href="https://www.indoramaindia.com/pdf/policies/Performance-Evaluation-Policy-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Performance-Evaluation-Policy-REVISED.pdf</a>
Policy for determining "material subsidiary(s)"	<a href="https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-for-Determining-Material-Subsidiary-REVISED.pdf</a>
Policy on Archival of Documents	<a href="https://www.indoramaindia.com/pdf/policies/Policy-on-Archival-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-on-Archival-REVISED.pdf</a>
Policy on determination of Materiality of Events or Information	<a href="https://www.indoramaindia.com/pdf/policies/Policy-for-Determination-of-Materiality-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-for-Determination-of-Materiality-REVISED.pdf</a>
Policy on Diversity of Board of Directors	<a href="https://www.indoramaindia.com/pdf/policies/Policy-on-Diversity-of-Board-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-on-Diversity-of-Board-REVISED.pdf</a>
Policy on Dividend Distribution	<a href="http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf">http://www.indoramaindia.com/pdf/Policy-on-Dividend-Distribution.pdf</a>
Policy on Materiality of Related Party Transactions	<a href="https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-on-Materiality-of-Related-Party-Transaction-REVISED.pdf</a>
Policy on Preservation of Documents	<a href="https://www.indoramaindia.com/pdf/policies/Policy-on-Preservation-of-Documents-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Policy-on-Preservation-of-Documents-REVISED.pdf</a>
Policy on Preservation on Sexual Harassment	<a href="http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-(POSH).pdf">http://www.indoramaindia.com/pdf/policy-on-prevention-of-sexual.harassment-(POSH).pdf</a>
Quarterly/Annual Financial Results	<a href="https://www.indoramaindia.com/financial_results.php">https://www.indoramaindia.com/financial_results.php</a>
Risk Management Policy	<a href="https://www.indoramaindia.com/pdf/policies/Risk-Management-Policy.pdf">https://www.indoramaindia.com/pdf/policies/Risk-Management-Policy.pdf</a>
Terms and conditions of appointment of Independent Directors	<a href="https://www.indoramaindia.com/pdf/policies/Terms-and-Conditions-of-Independent-Directors.pdf">https://www.indoramaindia.com/pdf/policies/Terms-and-Conditions-of-Independent-Directors.pdf</a>
Transfer of Shares to IEPF	<a href="http://www.indoramaindia.com/transfer-of-shares-to-iefp-authority.php">http://www.indoramaindia.com/transfer-of-shares-to-iefp-authority.php</a>
Unpaid and Unclaimed Dividend Amount	<a href="https://www.indoramaindia.com/dividend_amount.php">https://www.indoramaindia.com/dividend_amount.php</a>
Whistle Blower / Vigil Mechanism Policy	<a href="https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf">https://www.indoramaindia.com/pdf/policies/Whistle-Blower-Policy-REVISED.pdf</a>

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

**(s)** Corporate Identification Number (CIN) :  
L17124MH1986PLC166615

**(t) Disclosure of 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.

During the financial year 2020-21, the Company has not entered into any derivative contracts to hedge exposure to fluctuations in commodity price.

**(u) 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

**(v) 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

**w) Address for Correspondence:**

Registered Office	Corporate Office	Registrar and 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: corp@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

**x) Nodal Officer (IEPF):**

Mr. Pawan Kumar Thakur  
Company Secretary and Compliance Officer  
20th Floor, DLF Square, DLF Phase-II, NH-8  
Gurugram-122 002, Haryana  
Tel. No.: +91-124-4997000, Fax No.: +91-124-4997070  
E-mail: pawank.thakur@indorama-ind.com

- y)** 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	Amount (Billion)	Rating/outlook	Rating action
Long term Loan	₹ 4.7 (reduced from ₹ 5)	IND/BBB-/stable	Affirmed
Working Capital Limit	₹ 9	IND/BBB-/stable/IND A3	Affirmed

**z) Green Initiative:**

By Virtue of Ministry of Corporate Affairs (MCA) Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively read with Rule 11 of the Companies (Accounts) Rules, 2014, service of documents may be made to shareholders by electronic mode.

Your Company, 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, must indicate their option by sending a letter or email to the Registrars address or at the email ID admin@mcsregistrars.com, giving their registered Folio No. and/or DP ID/Client ID.

**For and on behalf of the Board**

**Om Prakash Lohia**

Chairman and Managing Director  
(DIN 00206807)

Place: New Delhi  
Date: May 19, 2021

# Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 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 and corporate office at 20th Floor, DLF Square, DLF Phase-II, NH-8, Gurugram-122002 (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 Director 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, 2021 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:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Om Prakash Lohia, Chairman and Managing Director	00206807	28.04.1986
2	Vishal Lohia, Executive Director	00206458	16.04.2002
3	Hemant Balkrishna Bal, Whole-time Director	08818797	30.10.2020
4	Dilip Kumar Agarwal, Non-Executive Non -Independent Director	03487162	20.01.2021
5	Suman Jyoti Khaitan, Non-Executive Independent Director	00023370	30.01.2013
6	Arvind Pandalai, Non-Executive Independent Director	00352809	31.08.2016
7	Ranjana Agarwal, Non-Executive Independent Director	03340032	18.05.2015
8	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 SECRETARIES

(Prakash Chander)

M. No.: F8990

C.P.No: 18534

Place: Delhi  
Date: April 7, 2021

UDIN: F008990C000030935

# 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 Members  
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 financial year ended March 31, 2021.

Place: New Delhi  
Date: May 19, 2021

**For and on behalf of the Board**

**Om Prakash Lohia**  
Chairman and Managing Director  
(DIN 00206807)

# Practising Company Secretaries' Certificate on Corporate Governance

## 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, 2021, 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, 2021.

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 Pramod Kothari & Co.**  
Company Secretaries

(Pramod Kothari)

Proprietor  
C.P. No. 11532

Date: July 13, 2021  
Place: Noida/NCR  
UDIN No. F007091C000624719

# Certificate By Chief Executive Officer 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, Chief Executive Officer (ICAI M. No. 100-35548) and Umesh Kumar Agrawal (ICAI M. No. 055210), Chief Commercial and 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 31 March 2021 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**  
Chief Executive Officer  
(ICAI M. No. 100-35548)

Place : Mumbai  
Date : May 19, 2021

**Umesh Kumar Agrawal**  
Chief Commercial and Financial Officer  
(ICAI M. No.: 055210)

Place : Gurugram  
Date : May 19, 2021

# Financial Statements

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# Independent Auditor's Report

## To the Members of Indo Rama Synthetics (India) Limited

### 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 2021, 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, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, and its profit (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.

## 4. Emphasis of Matters

### (a) Impact of COVID-19

We draw attention to Note 44 to the accompanying standalone financial statements, which describes the 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.

### (b) Change in useful lives of certain assets

We draw attention to note 47 to the accompanying standalone financial statements which indicates that the management has re-assessed and revised the remaining useful lives of certain assets in the block of plant and equipment with effect from 1 April 2020 based on technical assessment performed by an independent expert. The effect of change in such accounting estimate has been recognised prospectively in the accompanying standalone financial statements in accordance with requirements of Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a consequence, there is a reduction in depreciation expense recognised and for the year ended 31 March 2021 by ₹ 51.53 Crores as described in the aforesaid note. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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><b>Recognition of deferred tax assets (Refer note 8(b) and note 46 to the accompanying standalone financial statements)</b></p> <p>As detailed in note 8(b) and note 46 to the accompanying standalone financial statements, the Company has deferred tax assets (net) aggregating to ₹ 208.53 Crores as at 31 March 2021.</p> <p>During the current year, the Company has recognised deferred tax assets amounting to ₹ 98.52 Crores on the basis of improved operational and market performance achieved during the year.</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>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, materialisation 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>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"> <li>• 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.</li> <li>• Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors.</li> <li>• Tested the assumptions used in the aforesaid future projections such as growth rates, expected saving, increased utilisation 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.</li> <li>• Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.</li> <li>• Performed independent sensitivity analysis to test the impact of possible variations in key assumptions.</li> <li>• Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods.</li> <li>• 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.</li> <li>• Evaluated the appropriateness for additional recognition of deferred tax asset during the year. Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements in respect of deferred tax assets in accordance with applicable accounting standards.</li> </ul>
<p><b>Going concern basis of accounting (Refer note 1(iii)(b) and note 45 to the accompanying standalone financial statements)</b></p> <p>During the year ended 31 March 2021, the Company has earned profits before tax of ₹ 2.73 Crores and also as at 31 March 2021 the current liabilities exceed its current assets by ₹ 335.13 Crores.</p> <p>While the above indicates doubt about the Company's ability to continue as a going concern, however, 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"> <li>• The Company has option to arrange additional credit lines with the support of the promoter group company to the tune of USD 35 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies;</li> <li>• Increased capacity utilisation of plants;</li> <li>• Expected additional benefit of GST refund on increased future sales within the state of Maharashtra; and</li> <li>• Improved margins due to reduction in raw material prices.</li> </ul>	<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"> <li>• 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.</li> <li>• 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.</li> <li>• Reconciled the cash flow projections to future business plans of the Company as approved by the Board of Directors.</li> <li>• 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.</li> </ul>

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 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>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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.</li> <li>• Performed independent sensitivity analysis to test the impact of variation in the key assumptions.</li> <li>• Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods.</li> <li>• Inspected the approved unutilized loan sanction letter and evidence of support given by the promoter group company in favour of the Company.</li> <li>• Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements in respect of going concern</li> </ul>
<p><b>Provisions and contingent liabilities relating to litigations (Refer note 18 and note 32 to the accompanying standalone financial statements)</b></p> <p>As detailed in note 18 and 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 ₹ 38.30 Crores as at 31 March 2021 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 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"> <li>• Obtained an understanding of the management process for: <ul style="list-style-type: none"> <li>- identification of legal and tax matters initiated against the Company,</li> <li>- assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and</li> <li>- measurement of amounts involved.</li> </ul> </li> <li>• 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.</li> <li>• 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.</li> <li>• 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 experts involved.</li> <li>• 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.</li> <li>• 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.</li> <li>• Reviewed significant movements in provision with supporting documents.</li> <li>• Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the standalone financial statements.</li> <li>• Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards.</li> </ul>

**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 standalone 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 standalone 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 accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, profit, financial performance 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 is 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 for the year ended 31 March 2021 in excess of the limits laid down under section 197 of the Act by ₹ 0.69 Crores. The remuneration paid to the whole-time director is within the limits prescribed in Schedule V to the Act whereas the remuneration paid to the managing director is in excess of such limits, as further explained in note 41(d) to the accompanying standalone financial statements. Such remuneration has been paid subject to approvals of

the shareholders by way of ordinary resolution/special resolution, as applicable, in the ensuing Annual General Meeting in accordance with the requirements of Section 197 and 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, based on our audit 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 accompanying standalone financial statements;
  - 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 4 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
  - g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 19 May 2021 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 2021;
- 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 2021;
- 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 2021;
- 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 Chandok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

## 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 2021 (Cont'd)

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 (property, plant and equipment)
- (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 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.
- (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/services 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became 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	0.26	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	0.51	-	March-2008 to December-2010	Hon'ble High Court, Mumbai
The Central Excise Act, 1944	Duty of excise	2.01	2.00	2006-07	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	1.98	-	September-2005 to April-2007	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	1.12	0.42	2005-2007	Customs, Excise & Service Tax Appellate Tribunal
The Central Excise Act, 1944	Duty of excise	0.38	-	2005-06	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.05	-	March 2009	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.04	-	April 2009 to November 2009	Assistant /Deputy Commissioner, Nagpur
The Central Excise Act, 1944	Duty of excise	0.04	-	2004-05 to 2005-06	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.09	-	January 2011 to December 2013	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	0.10	-	2000-01	Commissioner (Appeals), Nagpur
The Central Excise Act, 1944	Duty of excise	0.31	-	2002-03	Commissioner (Appeals), 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	6.01	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	Joint Commissioner Sales Tax (Appeals), Nagpur
Maharashtra Value Added Tax Act, 2002	Value added tax	7.35	0.10	2014-15 to 2015-16	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	0.02	-	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) The Company has not defaulted in repayment of loans or borrowings to any bank. 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 by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act, except in case of two directors wherein the remuneration paid to the whole-time director is in excess of limits laid down under section 197 by ₹ 0.22 Crores but within the limits as laid down in Schedule V to the Act and the remuneration paid to the managing director is in excess of such limits by ₹ 0.47 Crore. Such remuneration has been paid subject to approvals of the shareholders by way of ordinary resolution/special resolution, as applicable, in the ensuing Annual General Meeting in accordance with the requirements of Section 197 and 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 standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or 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

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAAABY5637

Place: New Delhi

Date: 19 May 2021

## Annexure II

### Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of Indo Rama Synthetics (India) Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.
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.

#### 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control 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.

#### 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

# Standalone Balance Sheet

as at 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	2	687.53	702.75
b) Capital work-in-progress	3	8.80	7.19
c) Intangible assets	4	0.08	0.14
d) Financial assets			
i) Investments	5(a)	3.00	1.00
ii) Loans	6	3.56	3.35
iii) Other financial assets	7	1.18	1.53
e) Deferred tax assets [net]	8(b)	208.53	110.01
f) Non-current tax assets [net]	8(a)	7.06	10.54
g) Other non-current assets	9	25.27	16.89
<b>Total non-current assets</b>		<b>945.01</b>	<b>853.40</b>
<b>Current assets</b>			
a) Inventories	10	387.00	250.54
b) Financial assets			
i) Investments	5(b)	0.07	0.06
ii) Trade receivables	11	105.21	91.46
iii) Cash and cash equivalents	12	2.42	12.50
iv) Bank balances other than cash and cash equivalents	13	5.62	9.96
v) Other financial assets	7	190.53	207.00
c) Other current assets	9	57.46	58.58
<b>Total current assets</b>		<b>748.31</b>	<b>630.10</b>
<b>Total assets</b>		<b>1,693.32</b>	<b>1,483.50</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	14	261.11	261.11
b) Other equity	15	71.98	(38.66)
<b>Total equity</b>		<b>333.09</b>	<b>222.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	16	232.85	306.50
ii) Other financial liabilities	17	12.46	16.99
b) Provisions	18	31.48	27.53
<b>Total non-current liabilities</b>		<b>276.79</b>	<b>351.02</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	71.18	92.87
ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises; and		1.56	3.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		852.44	548.42
iii) Other financial liabilities	17	93.75	99.24
b) Other current liabilities	21	21.89	109.15
c) Provisions	18	42.62	57.10
<b>Total current liabilities</b>		<b>1,083.44</b>	<b>910.03</b>
<b>Total equity and liabilities</b>		<b>1,693.32</b>	<b>1,483.50</b>

Notes 1 to 50 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

**Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN: 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN: 00352809

Place: New Delhi

Date: 19 May 2021

**M N Sudhindra Rao**

Chief Executive Officer

ICAI Membership No.: 100-35548

Place: Mumbai

Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Standalone Statement of Profit and Loss

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Income</b>			
Revenue from operations	22	2,022.79	2,107.51
Other income	23	20.80	20.43
<b>Total income</b>		<b>2,043.59</b>	<b>2,127.94</b>
<b>II. Expenses</b>			
Cost of materials consumed	24	1,429.72	1,619.96
Purchases of stock-in-trade	25	1.65	0.75
Changes in inventories of finished goods and work-in-progress	26	(12.34)	(17.14)
Employee benefits expense	27	89.95	90.13
Other expenses	28	421.31	433.58
<b>Expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation (gain)/loss and exceptional item</b>		<b>1,930.29</b>	<b>2,127.28</b>
<b>Profit/(loss) before depreciation and amortisation expense, finance costs, foreign exchange fluctuation (gain)/ loss and exceptional items</b>		<b>113.30</b>	<b>0.66</b>
Depreciation and amortisation expense	30	33.78	86.00
Finance costs	29	65.92	92.31
Foreign exchange fluctuation (gain)/loss		(0.76)	2.35
<b>Total expenses</b>		<b>2,029.23</b>	<b>2,307.94</b>
<b>III. Profit/(loss) before exceptional item and tax [I-II]</b>		<b>14.36</b>	<b>(180.00)</b>
<b>IV. Exceptional items</b>		<b>(11.63)</b>	<b>-</b>
<b>V. Profit/(loss) before tax [III-IV]</b>		<b>2.73</b>	<b>(180.00)</b>
<b>VI. Tax</b>			
Current tax credit		(11.53)	-
Deferred tax (credit)/expense	8 (b)	(98.52)	136.10
<b>Total tax (credit)/expense</b>		<b>(110.05)</b>	<b>136.10</b>
<b>VII. Profit/(loss) for the year [V-VI]</b>		<b>112.78</b>	<b>(316.10)</b>
<b>VIII. Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to income</b>			
Re-measurement of defined benefit liability		(2.14)	(1.46)
<b>Other comprehensive income for the year</b>		<b>(2.14)</b>	<b>(1.46)</b>
<b>IX. Total comprehensive income for the year</b>			
<b>X. Earnings/(loss) per equity share [nominal value of equity share ₹ 10]</b>		<b>110.64</b>	<b>(317.56)</b>
Basic and diluted	31	4.32	(12.13)

Notes 1 to 50 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 Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited****Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN : 00352809

Place: New Delhi

Date: 19 May 2021

**M N Sudhindra Rao**

Chief Executive Officer

ICAI Membership No.: 100-35548

Place: Mumbai

Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Standalone cash flow statement

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax	2.73	(180.00)
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	(2.14)	(1.46)
Depreciation and amortisation expense	33.78	86.00
Loss on disposal/discard of property, plant and equipment	0.19	0.44
Finance cost	65.92	92.31
Interest income	(3.97)	(6.19)
Liabilities/provisions no longer required, written back	(16.47)	(17.93)
Debts/advances written off	14.79	2.12
Fair valuation of investments through profit and loss	(0.01)	(0.07)
<b>Operating profit/(loss) before working capital changes</b>	<b>94.82</b>	<b>(24.78)</b>
Adjustments for movement in:		
Changes in trade receivables and other receivables	(16.19)	(32.01)
Changes in financial assets-loans	(0.02)	0.07
Changes in other financial assets	(0.79)	(0.26)
Changes in other assets	(4.07)	(18.70)
Changes in inventories	(136.46)	(66.91)
Changes in trade and other payables	309.46	(23.66)
Changes in provisions	3.81	(10.35)
Changes in other financial liabilities	2.33	(39.91)
Changes in other liabilities	(87.26)	97.49
<b>Cash generated from/(used in) operating activities</b>	<b>165.63</b>	<b>(119.02)</b>
Income tax refund (net)	15.01	0.53
<b>Net cash generated from/(used in) operating activities [A]</b>	<b>180.64</b>	<b>(118.49)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment [including capital work-in-progress, capital advances and creditors for capital goods]	(23.16)	(10.77)
Proceeds from sale of investments	-	0.39
Investment in subsidiary	(2.00)	(1.00)
Bank balances other than cash and cash equivalents [net]	4.61	42.83
Interest received	3.80	7.22
<b>Net cash (used in)/generated from investing activities [B]</b>	<b>(16.75)</b>	<b>38.67</b>
<b>C. Cash flow from financing activities</b>		
Repayment of non-current borrowings	(72.00)	(248.51)
Proceeds from non-current borrowings	-	344.18
Movement in current borrowings [net]	(21.69)	(199.47)

# Standalone cash flow statement

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Payment of lease liabilities	(5.93)	(6.09)
Proceeds from issue of share capital [including premium on allotment of equity shares]	-	298.80
Dividend paid	(0.08)	(0.06)
Finance cost paid	(74.27)	(101.50)
<b>Net cash (used in)/generated from financing activities [C]</b>	<b>(173.97)</b>	<b>87.35</b>
<b>Net (decrease)/increase in cash and cash equivalents [A+B+C]</b>	<b>(10.08)</b>	<b>7.53</b>
Cash and cash equivalents at the beginning of the year	12.50	4.97
<b>Closing cash and cash equivalents</b>	<b>2.42</b>	<b>12.50</b>
<b>Cash and cash equivalents include:</b>		
Cash on hand	0.04	0.22
Balances with banks	2.38	12.28
<b>Cash and bank balances</b>	<b>2.42</b>	<b>12.50</b>

**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.
- Refer note 16 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Notes 1 to 50 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 Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited****Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN : 00352809

Place: New Delhi

Date: 19 May 2021

**M N Sudhindra Rao**

Chief Executive Officer

ICAI Membership No.: 100-35548

Place: Mumbai

Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Standalone statement of changes in Equity

for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

## A. Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	261.11	178.11
Issued during the year	-	83.00
<b>Balance at the end of the year</b>	<b>261.11</b>	<b>261.11</b>

## B. Other equity

### Attributable to the equity holders

Particulars	Reserve and surplus						Total
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings	Other comprehensive income	
<b>Balance at 31 March 2019</b>	<b>20.38</b>	<b>231.79</b>	<b>48.13</b>	<b>10.00</b>	<b>(248.40)</b>	<b>1.20</b>	<b>63.10</b>
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
<b>Balance at 31 March 2020</b>	<b>20.38</b>	<b>447.59</b>	<b>58.13</b>	<b>-</b>	<b>(564.50)</b>	<b>(0.26)</b>	<b>(38.66)</b>
Profit for the year	-	-	-	-	112.78	-	112.78
Other comprehensive income for the year	-	-	-	-	-	(2.14)	(2.14)
<b>Balance at 31 March 2021</b>	<b>20.38</b>	<b>447.59</b>	<b>58.13</b>	<b>-</b>	<b>(451.72)</b>	<b>(2.40)</b>	<b>71.98</b>

Notes 1 to 50 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

 For **Indo Rama Synthetics (India) Limited**
**Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

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Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

## 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.
- Certain financial assets and liabilities at amortised cost.

## (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 judgements in applying accounting policies that have most significant effect of the amounts recognised in the financial statements is included in the following notes:

- Note 8(b) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 35 – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 and 4 - estimation of useful lives of property, plant and equipment and intangible assets
- Note 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### b. Going concern

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 business 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.

# Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

## 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.

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 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(iii)(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.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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)	45/20/18 years	25/3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipment	20 years/6 years	5 years

Leasehold land is depreciated over the period of lease.

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, (refer note 47).

## 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

# Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 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

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 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 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.

# Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

### 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.

The Company operates a defined benefit gratuity plan in India.

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 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. Revenue grants are recognised over periods to which they relate.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

## 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.

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;

# Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- 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 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.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- 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.

## 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

## Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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.

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 and trading 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.

### u. Recent accounting pronouncements

MCA issued notifications dated 24 March 2021 to amend schedule III to the Companies Act 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, except for share data and if otherwise stated)

## 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
<b>A. Gross carrying value</b>										
<b>Balance as at 31 March 2019</b>	<b>0.16</b>	<b>2.89</b>	<b>106.94</b>	<b>-</b>	<b>1.27</b>	<b>949.13</b>	<b>4.18</b>	<b>4.76</b>	<b>8.84</b>	<b>1,078.17</b>
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
<b>Balance as at 31 March 2020</b>	<b>0.16</b>	<b>2.89</b>	<b>106.94</b>	<b>24.38</b>	<b>1.27</b>	<b>951.62</b>	<b>4.35</b>	<b>4.97</b>	<b>9.73</b>	<b>1,106.31</b>
Additions during the year [refer note 2 below]	-	-	0.30	-	-	16.56	0.03	0.02	1.77	18.68
Disposals during the year	-	-	0.01	-	-	0.29	0.04	0.18	0.03	0.55
<b>Balance as at 31 March 2021</b>	<b>0.16</b>	<b>2.89</b>	<b>107.23</b>	<b>24.38</b>	<b>1.27</b>	<b>967.89</b>	<b>4.34</b>	<b>4.81</b>	<b>11.47</b>	<b>1,124.44</b>
<b>B. Accumulated depreciation</b>										
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>0.16</b>	<b>15.06</b>	<b>-</b>	<b>1.27</b>	<b>295.58</b>	<b>0.90</b>	<b>1.78</b>	<b>4.17</b>	<b>318.92</b>
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
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.20</b>	<b>18.83</b>	<b>4.15</b>	<b>1.27</b>	<b>370.78</b>	<b>1.34</b>	<b>2.26</b>	<b>4.73</b>	<b>403.56</b>
Additions during the year [refer note 47]	-	0.04	3.84	5.34	-	22.77	0.44	0.50	0.78	33.71
Disposals during the year	-	-	-	-	-	0.17	0.01	0.17	0.01	0.36
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.24</b>	<b>22.67</b>	<b>9.49</b>	<b>1.27</b>	<b>393.38</b>	<b>1.77</b>	<b>2.59</b>	<b>5.50</b>	<b>436.91</b>
<b>Net carrying value</b>										
<b>As at 31 March 2020</b>	<b>0.16</b>	<b>2.69</b>	<b>88.11</b>	<b>20.23</b>	<b>-</b>	<b>580.84</b>	<b>3.01</b>	<b>2.71</b>	<b>5.00</b>	<b>702.75</b>
<b>As at 31 March 2021</b>	<b>0.16</b>	<b>2.65</b>	<b>84.56</b>	<b>14.89</b>	<b>-</b>	<b>574.51</b>	<b>2.57</b>	<b>2.22</b>	<b>5.97</b>	<b>687.53</b>

Notes:

- Disposal to plant and equipments include capital subsidy under TUF scheme received for purchase of plant and equipments amounting to nil [31 March 2020 : ₹ 1.57 Crores].
- Additions to plant and equipments include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipments amounting to ₹ 1.57 Crores [31 March 2020 : ₹ 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 Company.
- Refer note 39 for information on assets taken on lease.

## 3. Capital work-in-progress

	As at 31 March 2021	As at 31 March 2020
<b>Balance at the beginning of the year</b>	<b>7.19</b>	<b>2.45</b>
Additions during the year	18.76	7.91
Capitalisation during the year	(17.15)	(3.17)
<b>Balance as at end of the year</b>	<b>8.80</b>	<b>7.19</b>

Notes:

- 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 Company.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 4. Intangible assets

	As at 31 March 2021	As at 31 March 2020
<b>Software</b>		
<b>A. Gross carrying amount</b>		
<b>Balance at the beginning of the year</b>	<b>0.24</b>	<b>0.05</b>
Additions during the year	0.01	0.19
<b>Balance as at end of the year</b>	<b>0.25</b>	<b>0.24</b>
<b>B. Accumulated amortisation</b>		
<b>Balance at the beginning of the year</b>	0.10	0.05
Additions during the year	0.07	0.05
<b>Balance as at end of the year</b>	<b>0.17</b>	<b>0.10</b>
<b>Net carrying value</b>		
<b>As at 31 March 2020</b>	0.14	-
As at 31 March 2021	0.08	0.14

## 5. Investments

	As at 31 March 2021	As at 31 March 2020
<b>5 (a) Non-current investments</b>		
<b>Unquoted equity shares</b>		
<b>Equity shares carried at fair value through profit or loss ['FVTPL']</b>		
<b>Subsidiary [refer note 40 and 41]</b>		
3,000,000 (31 March 2020: 1,000,000) equity shares of Indorama Yarns Private Limited (₹10 each, fully paid up)	3.00	1.00
<b>Others</b>		
1,500,000 (31 March 2020: 1,500,000) equity shares of Ritspin Synthetics Limited (₹10 each, fully paid up)	1.50	1.50
	<b>4.50</b>	<b>2.50</b>
Less: Provision for impairment in the value of investment	(1.50)	(1.50)
	<b>3.00</b>	<b>1.00</b>
Aggregate amount of unquoted investments	4.50	2.50
Aggregate provision for diminution in value of investments	1.50	1.50
<b>5 (b) Current investments</b>		
<b>Quoted equity shares</b>		
<b>Equity shares carried at fair value through profit or loss ['FVTPL']</b>		
52,501 [31 March 2020 : 52,501] equity shares of Optel Telecommunications Limited [₹10 each, fully paid up]*	-	-
708,400 [31 March 2020 : 708,400] equity shares of Sanghi Polyesters Limited [₹10 each, fully paid up]*	-	-
20 [31 March 2020 : 20] equity shares of Reliance Industries Limited [₹10 each, fully paid up]**	-	-
72,601 [31 March 2020 : 72,601] equity shares of Balasore Alloys Limited [₹5 each, fully paid up]	0.06	0.05
	<b>0.06</b>	<b>0.05</b>
<b>Quoted preference shares</b>		
56,500 [31 March 2020 : 56,500] 0.01% cumulative redeemable preference of JSW Steel Limited [₹10 each, fully paid up]	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
	<b>0.07</b>	<b>0.06</b>
Aggregate amount of quoted investments	2.93	2.93
Market value of quoted investments	0.07	0.06

Notes:

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 2020 : nil]

\*\* ` 40,113 [31 March 2020 : ` 22,275], amount in absolute rupees.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 6. Loans

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
[Unsecured considered good, unless otherwise stated]				
Security deposits	3.56	3.35	-	-
	<b>3.56</b>	<b>3.35</b>	-	-

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits	-	-	0.15	0.17
Non-current bank balances*	1.18	1.53	-	-
Advance to employees	-	-	1.09	1.54
Claims and other receivables [refer note 49]	-	-	257.13	273.13
Less : Provision for claims and other receivables	-	-	(67.84)	(67.84)
	<b>1.18</b>	<b>1.53</b>	<b>190.53</b>	<b>207.00</b>

Notes:

1. Refer note 34 for information on other financial assets pledged as security by the Company.

2. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.

\*Pledged with banks for credit limits.

## 8. (a) Non-current tax assets

	As at 31 March 2021	As at 31 March 2020
Advance tax [net of provisions ₹ 49.15 (31 March 2020: ₹ 106.42 Crores)]	7.06	10.54
	<b>7.06</b>	<b>10.54</b>

## 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	-	-	(78.61)	(151.02)	(78.61)	(151.02)
Investment at FVTPL	0.72	1.00	-	-	0.72	1.00
Provision for employee benefits	6.87	6.08	-	-	6.87	6.08
Provision for doubtful debts and advances	33.10	44.87	-	-	33.10	44.87
Brought forward business losses unabsorbed depreciation	235.57	189.21	-	-	235.57	189.21
Provision for contingencies	9.64	18.88	-	-	9.64	18.88
Other items	1.24	1.05	-	(0.06)	1.24	0.99
	<b>287.14</b>	<b>261.09</b>	<b>(78.61)</b>	<b>(151.08)</b>	<b>208.53</b>	<b>110.01</b>
Offsetting of deferred tax assets and deferred tax liabilities	(78.61)	(151.08)	78.61	151.08	-	-
	<b>208.53</b>	<b>110.01</b>	-	-	<b>208.53</b>	<b>110.01</b>

Note:

1. Based on the current developments as stated in note 46 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.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## II. Movement in temporary differences

	As at 31 March 2021	As at 31 March 2020
Opening balance of deferred tax asset	110.01	246.11
Tax credit/(expense) during the year recognised in the statement of profit or loss*	98.52	(136.10)
<b>Closing balance of deferred tax asset</b>	<b>208.53</b>	<b>110.01</b>

\* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence.

## III. Unrecognised deferred tax assets and unrecognised minimum alternate tax credit entitlement

	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unrecognised minimum alternate tax credit entitlement**		-		57.70
Brought forward business losses and unabsorbed depreciation**	518.12	130.40	1,060.46	370.57

\* Minimum alternate tax credit entitlement carried in Income-tax 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.

# Pursuant to Sec 115BAA of the Income-tax Act, 1961 (inserted by Taxation Laws (Amendment) Act, 2019 w.e.f. 1 April 2019), domestic companies have the option to pay corporate income tax at a concessional tax rate of 22% with effective tax rate of 25.17%. The said concessional tax regime is accompanied with immediate expiry of carry forward balance of minimum alternative tax credit and certain other concessional tax rate benefits enjoyed by the Company presently. During the previous year ended 31 March 2020, Company continued under the old tax regime. Based on further internal analysis made by the management, Company has filed its income tax return for financial year 2019-20 (AY 2020-21) under the new tax regime by opting concessional tax regime as per Section 115BAA of the Income-tax Act, 1961. Consequently, the relevant adjustment to the deferred tax asset has been made during the current year."

## IV. Effective tax rate

	As at 31 March 2021	As at 31 March 2020
Book profit/(loss)	0.59	(181.46)
Enacted tax rate	25.17%	34.94%
Current tax expense/(income) on profit before tax at the enacted income tax rate in India	0.15	(63.41)
Recognition/(de-recognition) of deferred tax asset*	93.78	(136.10)
Deferred tax asset not recognised	-	(63.41)
Other adjustments	4.89	-
<b>Tax income/(expense) reported in the statement of profit and loss</b>	<b>98.52</b>	<b>(136.10)</b>
<b>Tax income/(expense) during the year recognised in statement of profit or loss</b>	<b>98.52</b>	<b>(136.10)</b>
<b>Tax expense during the year recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>
	<b>98.52</b>	<b>(136.10)</b>

\* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence. Accordingly, deferred tax asset of ₹ 98.52 Crores has been recognised during the current 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 current and earlier year(s).

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 9. Other assets

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	4.73	1.54	-	-
Claims and other receivables [refer note 49]	19.55	14.84	7.75	9.24
GST receivable	-	-	17.54	22.52
Prepaid expenses	0.68	-	7.50	4.73
"National Savings Certificates VIth issue* (pledged with sales tax authorities)"	-	-	-	-
Advance rent	0.31	0.51	0.20	0.20
Advances to vendors	5.88	5.21	24.47	21.89
Less : Provision for doubtful advances to vendors	(5.88)	(5.21)	-	-
	<b>25.27</b>	<b>16.89</b>	<b>57.46</b>	<b>58.58</b>

Notes:

1. Refer note 34 for information on other assets pledged as security by the Company.

\* Non-current includes ₹ 4,000 [31 March 2020 : ₹ 4,000], amount in absolute rupees.

## 10. Inventories

[valued at lower of cost or net realisable value, unless otherwise stated]

	As at 31 March 2021	As at 31 March 2020
Raw materials [include in transit ₹ 121.05 Crores (31 March 2020 : ₹ 21.13 Crores)]	213.76	79.75
Work-in-progress	17.39	5.92
Finished goods [include in transit ₹ 30.99 Crores (31 March 2020 : ₹ 12.59 Crores)]*	119.21	128.56
Stores and spares [include in transit ₹ 0.90 Crores(31 March 2019 : ₹ 1.14 Crores)]	30.16	28.37
Packing material	2.33	2.33
Waste**	4.15	5.56
Stock-in-trade	-	0.05
	<b>387.00</b>	<b>250.54</b>

Notes:

1. Refer note 34 for information on inventories pledged as security by the Company.

\* The inventories were reduced by ₹ 0.09 Crores[31 March 2020 : ₹ 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 2021	As at 31 March 2020
Unsecured, considered good	105.21	91.46
Credit impaired	57.80	55.36
	<b>163.01</b>	<b>146.82</b>
Less : Provision for expected credit loss [refer note 28]	(57.80)	(55.36)
	<b>105.21</b>	<b>91.46</b>

Notes:

"1. The Company limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%.

2. Refer note 34 for information on trade receivables pledged as security by the Company

3. The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 38.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 12. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks	2.38	12.28
Cash on hand	0.04	0.22
	<b>2.42</b>	<b>12.50</b>

Note:

- Refer note 34 for information on cash and cash equivalents pledged as security by the Company.

## 13. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity more than three months but remaining maturity of less than twelve months	5.40	9.66
Unpaid dividend	0.22	0.30
	<b>5.62</b>	<b>9.96</b>

Note:

- Refer note 34 for information on bank balances other than cash and cash equivalents pledged as security by the Company.

## 14. Equity share capital

	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
275,000,000 equity shares of ₹ 10 each [31 March 2020 : 275,000,000]	275.00	275.00
	<b>275.00</b>	<b>275.00</b>
<b>Issued, subscribed and fully paid up</b>		
261,113,151 equity shares of ₹ 10 each fully paid-up [31 March 2020: 261,113,151]	261.11	261.11
	<b>261.11</b>	<b>261.11</b>

Notes:

- Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	261,113,151	261.11	178,113,151	178.11
Add: Issued during the year	-	-	83,000,000	83.00
Balance at the end of the year	<b>261,113,151</b>	<b>261.11</b>	<b>261,113,151</b>	<b>261.11</b>

- 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.

- Shares in the Company held by each shareholder holding more than 5% are as under:

Names of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Brookgrange Investments Limited	53,564,057	20.51	53,564,057	20.51
Mr. Om Prakash Lohia [Chairman and Managing Director]	38,473,369	14.73	38,473,369	14.73
Mrs. Urmila Lohia	-	-	18,184,518	6.96
Siam Stock Holding Limited	17,200,000	6.59	17,200,000	6.59
Indorama Netherlands B.V. [controlling Company, refer note vi below]	100,696,588	38.56	100,696,588	38.56
	<b>209,934,014</b>	<b>80.39</b>	<b>228,118,532</b>	<b>87.35</b>

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

iv) Shares in the Company held by controlling Company are as under:

Names of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company, refer note vi below]	100,696,588	38.56	100,696,588	38.56
	<b>100,696,588</b>	<b>38.56</b>	<b>100,696,588</b>	<b>38.56</b>

- 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 previous year ended 31 March 2020 and pursuant to the decision of the Board of Directors and Shareholders, the Company had raised additional equity by way of preferential allotment, by issuing 83,000,000 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 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. Further, INBV made mandatory open offer in accordance with Regulation 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 post direct acquisitions of the Company by way of a preferential issue, and acquired 17,696,588 shares whereby the shareholding of INBV increased to 38.56%.
- vii) The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. During the year, the promoters have sold 17,550,000 equity shares to reduce promoter's shareholding to 75% thereby complying with the requirement of 25% (twenty five percent) public shareholding as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

## 15. Other equity

	As at 31 March 2021	As at 31 March 2020
<b>a. Capital reserve</b>		
Balance at the beginning of the year	20.38	<b>20.38</b>
<b>Balance at the end of the year</b>	<b>20.38</b>	<b>20.38</b>
<b>b. Securities premium</b>		
Balance at the beginning of the year	447.59	231.79
Add : Additions during the year	-	215.80
<b>Balance at the end of the year</b>	<b>447.59</b>	<b>447.59</b>
<b>c. General reserve</b>		
Balance at the beginning of the year	58.13	48.13
Add : Transfer from debenture redemption reserve	-	10.00
<b>Balance at the end of the year</b>	<b>58.13</b>	<b>58.13</b>
<b>d. Debenture redemption reserve</b>		
Balance at the beginning of the year	-	10.00
Less : Transfer to general reserve	-	(10.00)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>e. Retained earnings</b>		
Balance at the beginning of the year	(564.50)	(248.40)
Add : Profit/(loss) during the year	112.78	(316.10)
<b>Balance at the end of the year</b>	<b>(451.72)</b>	<b>(564.50)</b>
<b>f. Other comprehensive income</b>		
Balance at the beginning of the year	(0.26)	1.20
Add : Loss during the year	(2.14)	(1.46)
<b>Balance at the end of the year</b>	<b>(2.40)</b>	<b>(0.26)</b>
<b>Total other equity [a+b+c+d+e+f]</b>	<b>71.98</b>	<b>(38.66)</b>

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## Nature or 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.

### Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

## 16. Borrowings

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Secured loan</b>				
<b>Term loans - from banks</b>				
Rupee loans	232.85	306.50	73.65	35.64
Foreign currency loans	-	-	-	36.36
	<b>232.85</b>	<b>306.50</b>	<b>73.65</b>	<b>72.00</b>
Less : Current maturities on borrowings [refer note 17]	-	-	(73.65)	(72.00)
	<b>232.85</b>	<b>306.50</b>	-	-

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:

### a) Rupee term loans from banks

Nature of security	Terms of repayment
i) ₹ 85.50 Crores (31 March 2020 : ₹ 114.00 Crores) are 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 9 equal quarterly installments each aggregating to ₹ 9.50 Crores repayment of which commenced on various dates from August 2020 and September 2020. Rate of interest at 8.80% to 10.15%.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Nature of security	Terms of repayment
ii) ₹ 150.00 Crores (31 March 2020 : ₹ 150.00 Crores) are 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 ₹ 25.00 Crores each repayment of which would be commencing from 25 October 2021 onwards. Rate of interest at 9.96%.
iii) ₹ 71.00 Crores (31 March 2020 : ₹ 71.00 Crores) are 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%.
iv) Nil (31 March 2020 : ₹ 7.14 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.	Rupee term loan from bank has been repaid during the current year.

## b) Foreign currency term loans from banks

- i) Nil (31 March 2020 : ₹ 36.36 Crores) were 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.

## Reconciliation of movements of liabilities to cash flows arising from financing activities:

	As at 31 March 2021		As at 31 March 2020	
	Non-current borrowings *	Current borrowings**	Non-current borrowings*	Current borrowings**
<b>Borrowings:</b>				
Balance at beginning of the year	378.50	92.87	280.54	292.34
Proceeds from non-current borrowings	-	-	344.18	-
Repayment of non-current borrowings	(72.00)	-	(248.51)	-
Movement in short-term borrowings [net]	-	(21.69)	-	(199.47)
Foreign exchange movement	-	-	2.29	-
<b>Balance as at the end of the year</b>	<b>306.50</b>	<b>71.18</b>	<b>378.50</b>	<b>92.87</b>
<b>Lease liabilities:</b>		<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>
Balance at beginning of the year		21.56		-
Payment of lease liabilities		(5.92)		(6.09)
Interest expense		1.85		2.42
Adjustment on modification of lease		-		(2.57)
Adjustment on adoption of Ind AS 116		-		27.80
		<b>17.49</b>		<b>21.56</b>

\* Non-current borrowings includes current maturity.

\*\* Refer note 19

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 17. Other financial liabilities

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings [refer note 16]	-	-	73.65	72.00
Lease liabilities [refer note 39]	12.46	16.99	5.03	4.57
Interest accrued and due on borrowings	-	-	-	0.10
Interest accrued and not due on borrowings	-	-	0.17	10.27
Book overdraft	-	-	3.71	-
Unpaid dividends [refer note 1 below]	-	-	0.22	0.30
Forward cover payable	-	-	-	0.18
Payable to employees	-	-	8.77	9.97
Creditors towards property, plant and equipment	-	-	2.20	1.85
	<b>12.46</b>	<b>16.99</b>	<b>93.75</b>	<b>99.24</b>

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for gratuity [refer note 35]*	19.33	16.25	1.51	1.14
Provision for compensated absences [refer note 35]*	12.15	11.28	2.81	1.94
Provision for contingencies [refer note 32]**	-	-	38.30	54.02
	<b>31.48</b>	<b>27.53</b>	<b>42.62</b>	<b>57.10</b>
* Includes amounts due to Key Managerial Personnel [refer note 41]	0.67	0.28	1.22	0.90
			<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
** Movement in provision for contingencies				
Balance at the beginning of the year			54.02	84.00
Less : Provision reversed during the year			(15.72)	(14.15)
Less : Payment made during the year			-	(15.83)
Balance at the end of the year			<b>38.30</b>	<b>54.02</b>

## 19. Borrowings

	As at 31 March 2021	As at 31 March 2020
<b>Secured loan</b>		
Short-term loans from banks	71.18	92.87
	<b>71.18</b>	<b>92.87</b>

Notes:

Details of rate of interest, terms of repayment and security for short-term loans from banks:

- Short-term loans from banks amounting to ₹ 35.50 Crores [31 March 2020 : ₹ 92.87 cores] 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.
- ₹ 35.68 Crores [31 March 2020 : nil] backed by Stand By Letter of Credit (SBLC) by promotor group company, carry interest rate of 6.25%.

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 20. Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises [refer note 36]	1.56	3.25
Total outstanding dues of creditors other than micro enterprises and small enterprises#*	852.44	548.42
	<b>854.00</b>	<b>551.67</b>
# Includes amounts due to related entities [refer note 41]	50.44	<b>23.11</b>

\* Includes acceptances/arrangements with operational suppliers of goods and services where the Company continues to recognise the liability till settlement with the banks.

## 21. Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers*	19.17	106.15
Statutory dues	2.13	2.51
Others	0.59	0.49
	<b>21.89</b>	<b>109.15</b>
* Includes amounts due to related entities [refer note 41]	10.91	<b>100.75</b>

## 22. Revenue from operations

	As at 31 March 2021	As at 31 March 2020
<b>Disaggregated revenue information</b>		
Sale of products [refer notes below]		
Finished goods		
Domestic	1,620.46	1,600.51
Export	429.24	513.64
Traded goods	1.14	0.74
	<b>2,050.84</b>	<b>2,114.89</b>
Less: Rebates and discounts to customers	90.18	65.96
	<b>1,960.66</b>	<b>2,048.93</b>
Other operating income		
Scrap sales	8.54	6.95
GST refund	48.33	35.23
Interest from customers	1.75	4.72
Others [refer note 49]	3.51	11.68
	<b>62.13</b>	<b>58.58</b>
	<b>2,022.79</b>	<b>2,107.51</b>

Notes:

	As at 31 March 2021	As at 31 March 2020
<b>i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Gross sale of products	2,053.05	2,127.11
Less : Adjustment on account of returns	2.24	8.46
Less : Adjustment on account of discounts and price differences	90.15	69.72
	<b>1,960.66</b>	<b>2,048.93</b>
<b>ii) Contract balances</b>		
Trade receivables [refer note 11]	105.21	91.46

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Advance from customers [refer note 21] *	19.17	106.15
<b>iii) Revenue recognised in relation to contract liabilities</b>		
a. Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	5.50	7.89
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

\* The Company has repaid the advance from customers amounting to ₹ 100.65 Crores after taking the requisite approvals from the relevant authorities which was included in the contract liability balance at the beginning of the period.

## 23. Other income

	As at 31 March 2021	As at 31 March 2020
<b>Interest income</b>		
from banks	0.53	1.20
from others	1.50	0.09
Unwinding of discount on security deposits	0.19	0.18
Fair valuation of investments through profit and loss	0.01	0.07
Liabilities/provisions no longer required, written back [refer note 49]	16.47	14.54
Others	2.10	4.35
	<b>20.80</b>	<b>20.43</b>

## 24. Cost of raw materials consumed

	As at 31 March 2021	As at 31 March 2020
<b>Category of materials consumed</b>		
Purified terephthalic acid		
Mono ethylene glycol	1,013.86	1,185.61
Others	354.35	364.48
	61.51	69.87
	<b>1,429.72</b>	<b>1,619.96</b>

## 25. Purchase of stock in trade

	As at 31 March 2021	As at 31 March 2020
Purchase of stock-in-trade	1.65	0.75
	<b>1.65</b>	<b>0.75</b>

## 26. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Closing stock</b>		
Finished goods	119.21	128.56
Work-in-progress	17.39	5.92
Waste	4.15	5.56
	<b>140.75</b>	<b>140.04</b>
<b>Opening stock</b>		
Finished goods	128.56	111.36
Work-in-progress	5.92	10.29
Waste	5.56	1.25
	<b>140.04</b>	<b>122.90</b>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
	<b>(0.71)</b>	<b>(17.14)</b>
Write down of inventory, considered as exceptional item [refer note 42]	<b>(11.63)</b>	-
	<b>(12.34)</b>	<b>(17.14)</b>

## 27. Employee benefits expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, wages and bonus	81.60	80.54
Contribution to provident and other funds [refer note 35(a)]	4.30	5.31
Staff welfare expenses	4.05	4.28
	<b>89.95</b>	<b>90.13</b>

## 28. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	41.77	36.61
Power and fuel	153.83	180.88
Rent and hire charges [refer note 39]	7.01	4.06
Repairs and maintenance	21.17	21.87
Insurance	5.10	5.88
Less : recovery	0.92	4.18
	4.18	0.39
Rates and taxes [out of provision for contingencies, nil (31 March 2020 : ₹ 15.83 Crores) debited and credited to rates and taxes]	3.75	2.05
Packing materials consumed	57.57	60.16
Freight and forwarding charges	73.85	67.79
Less : recovery	9.57	64.28
	64.28	10.96
Brokerage and commission	4.53	5.40
Discounts and claims	0.92	1.24
Directors' sitting fees	0.30	0.17
Legal and professional charges*	5.15	6.75
Donations	0.07	0.03
Provision for doubtful debts/advances	-	-
Debts/advances/other financial assets written off [out of provision for doubtful debts, nil (31 March 2020 : ₹ 0.18 Crore) debited and credited to debts written off and out of provision for contingencies, ₹ 5.00 Crores (31 March 2020 : nil) debited and credited to other financial assets written off]	14.79	2.12
Loss on disposal/discard of property, plant and equipment	0.19	0.44
Miscellaneous	41.80	49.48
	<b>421.31</b>	<b>433.58</b>

\* Includes payment to auditors

As auditor:	0.36	0.36
Audit fee	0.15	0.09
Other services	0.02	0.06
Out of pocket expenses	<b>0.53</b>	<b>0.51</b>

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 29. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest</b>		
fixed loans using effective interest rate method	-	0.24
term loans	32.65	33.17
debentures	-	13.75
short-term loans	10.57	3.40
lease liabilities [refer note 39]	1.85	2.42
others	12.90	25.94
Other borrowing cost	5.88	11.46
Remeasurement of actuarial interest cost [refer note 35]	2.07	1.93
	<b>65.92</b>	<b>92.31</b>

## 30. Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment [refer note 2]	33.71	85.95
Amortisation on intangible assets [refer note 4]	0.07	0.05
	<b>33.78</b>	<b>86.00</b>

## 31. Earning/(loss) per share

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit/(loss) attributable to the equity shareholders (A)	112.78	(316.10)
Number of equity shares at the beginning of the year	261,113,151	178,113,151
Total number of shares outstanding at the end of the year	261,113,151	261,113,151
Weighted-average number of equity shares (B)	261,113,151	260,659,599
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	4.32	(12.13)
Nominal value of equity share (₹)	10.00	10.00

## 32. Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
<b>a) Claims against the Company not acknowledged as debt # [refer note 1 below]</b>		
Income tax matters under dispute [gross of amount paid under protest amounting to nil (31 March 2020 : ₹ 0.26 Crore)]	3.39	4.30
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹ 3.18 Crores (31 March 2020 : ₹ 3.59 Crores)]	46.47	55.06
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹ 0.54 Crores(31 March 2020 : ₹ 0.14 Crore)]	5.26	4.42
Others under dispute* [gross of amount paid under protest amounting to ₹ 14.93 Crores (31 March 2020 : ₹ 8.53 Crores)]	22.91	22.91
	<b>78.03</b>	<b>86.69</b>
<b>b) Other money for which the Company is contingently liable # [refer note 1 below]</b>		
Claims by ex-employees, vendors, customers and civil cases	1.92	1.57
	1.92	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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Notes:

- Out of the above litigations, the Company has provided ₹ 38.30 Crores (31 March 2020 : ₹ 54.02 Crores) against various litigations and remaining contingent liabilities is ₹ 41.65 Crores (31 March 2020 : ₹ 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 (31 March 2020 : ₹ 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 standalone 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 2021	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]	18.91	10.78
b) The Company has commitments to export 37,789 MT [31 March 2020 : 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

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31 March 2021	As at 31 March 2020
<b>Current assets</b>		
<b>Financial assets</b>		
Floating charge		
Trade receivables	105.21	91.46
Cash and cash equivalents	2.42	12.50
Bank balances other than cash and cash equivalents	5.62	9.96
Other financial assets	190.53	207.00
<b>Non financial assets</b>		
Floating charge		
Inventories	387.00	250.54
Other current assets	57.46	58.58
<b>Total current assets pledged as security</b>	<b>748.24</b>	<b>630.04</b>
<b>Non-current assets</b>		
<b>Financial assets</b>		
First charge		
Non-current bank balances	1.18	1.53
<b>Non financial assets</b>		
First charge		
Property, plant and equipment	672.64	682.52
Capital work-in-progress	8.80	7.19
Other non-current assets	5.72	2.05

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(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>Total non-current assets pledged as security</b>	<b>688.34</b>	<b>693.29</b>

## 35. Employee benefits

### a) Defined contribution plan

An amount of ₹ 4.07 Crores [31 March 2020 : ₹ 4.48 Crores] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, an amount of ₹ 0.09 Crores [31 March 2020 : ₹ 0.65 Crore] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance and an amount of ₹ 0.14 Crores [31 March 2020 : ₹ 0.16 Crore] 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

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 2021	As at 31 March 2020
<b>(i) Changes in present value obligation</b>		
Present value obligation as at the start of the year	17.39	15.61
Interest cost	1.17	1.20
Current service cost	1.17	1.01
Actuarial loss/(gain) on obligation	2.05	0.54
Benefits paid	(0.94)	(0.97)
<b>Present value obligation as at the end of the year</b>	<b>20.84</b>	<b>17.39</b>
<b>(ii) Net liability recognised in the Balance Sheet</b>		
Present value obligation at the beginning and end of the year	(20.84)	(17.39)
<b>Net liability in the Balance Sheet</b>	<b>(20.84)</b>	<b>(17.39)</b>
<b>(iii) Amount recognised in the statement of profit and loss</b>		
Current service cost	1.17	1.01
Interest cost	1.17	1.20
<b>Expense recognised in the statement of profit and loss</b>	<b>2.34</b>	<b>2.21</b>
<b>(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)</b>		
Changes in financial assumptions	(2.05)	(0.54)
<b>Amount recognised in other comprehensive income</b>	<b>(2.05)</b>	<b>(0.54)</b>
<b>(v) Actuarial assumptions</b>		
Discount rate (p.a.)	6.67%	6.74%
Salary escalation rate (p.a.)	3.00%	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

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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.

The above defined benefit plan exposes the Company to following risks:

### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

### Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee

### Funding

This is an unfunded benefit plan for qualifying employees.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

	As at 31 March 2021	As at 31 March 2020
<b>(vi) Sensitivity analysis for gratuity liability</b>		
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:		
Present value of obligation at the end of the year		
<b>Impact of the change in discount rate (p.a.)</b>		
Impact due to decrease of 0.50%	0.81	0.71
Impact due to increase of 0.50%	(0.77)	(0.67)
<b>Impact of change in salary escalation rate (p.a.)</b>		
Impact due to increase of 0.50%	0.83	0.73
Impact due to decrease of 0.50%	(0.80)	(0.70)
<b>(vii) Expected future cash flows</b>		
The expected future cash flows in respect of gratuity (undiscounted) were as follows:		
31 March 2021	1.51	1.14
31 March 2022	0.89	0.84
31 March 2023	1.28	0.88
31 March 2024	0.98	1.12
31 March 2025	1.28	0.72
31 March 2026	1.06	1.03
Beyond 31 March 2026	13.84	11.66

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## (viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 2.58 Crores as at 31 March 2021 [31 March 2020 : ₹ 2.24 Crores].

## c) Other long-term employee benefits

An amount of ₹ 1.10 Crores [31 March 2020 : ₹ 0.96 Crore] 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	As at
	31 March 2021	31 March 2020
Principal amount remaining unpaid	1.56	3.25
Interest due thereon	0.15	0.07
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	20.35	6.81
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	0.53	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 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. 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 and trading 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	For the year ended
	31 March 2021	31 March 2020
<b>a) Revenue:</b>		
Domestic	1,593.55	1,593.87
Overseas*	429.24	513.64
	<b>2,022.79</b>	<b>2,107.51</b>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>*Revenue from overseas countries:</b>		
Turkey	83.54	186.41
Nepal	106.89	76.91
Bangladesh	62.88	30.66
Other overseas countries	175.92	219.65
	As at 31 March 2021	As at 31 March 2020
<b>b) Trade receivables:</b>		
Domestic	52.35	52.87
Overseas*	52.86	38.59
	<b>105.21</b>	<b>91.46</b>
<b>*Trade receivables from overseas countries:</b>		
Turkey	7.32	8.92
Nepal	22.61	4.65
Bangladesh	6.95	0.68
Other overseas countries	15.98	24.34
	<b>52.86</b>	<b>38.59</b>
<b>c) Non-current assets:</b>		
Domestic*	729.42	732.88
Overseas	-	-
	<b>729.42</b>	<b>732.88</b>

\*excluding deferred tax and income tax assets

Note:

1. Gross revenues from none of the customer [31 March 2020 : none] 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:

1. Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

**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.

As at 31 March 2021 Financial instruments by category	Level 1	Level 2	Level 3	Total
<b>Financial assets at amortised costs</b>				
Trade receivables	-	-	105.21	105.21
Cash and cash equivalents	-	-	2.42	2.42
Bank balances other than cash and cash equivalents	-	-	5.62	5.62
Other financial assets	-	-	190.53	190.53
Loans [non-current]	-	3.56	-	3.56
Non-current bank balances	-	1.18	-	1.18
<b>Financial assets at FVTPL</b>				
Non-current investments	-	-	3.00	3.00
Current investments	0.07	-	-	0.07
<b>Total</b>	<b>0.07</b>	<b>4.74</b>	<b>306.78</b>	<b>311.59</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings	-	71.18	-	71.18
Trade payables	-	854.00	-	854.00
Other financial liabilities	-	15.07	-	15.07
Long-term borrowings [including current maturities]	-	306.50	-	306.50
Non-current lease liabilities	-	12.46	-	12.46
Current lease liabilities	-	5.03	-	5.03
<b>Total</b>	<b>-</b>	<b>1,264.24</b>	<b>-</b>	<b>1,264.24</b>

As at 31 March 2020 Financial instruments by category	Level 1	Level 2	Level 3	Total
<b>Financial assets at amortised costs</b>				
Trade receivables	-	-	91.46	91.46
Cash and cash equivalents	-	-	12.50	12.50
Bank balances other than cash and cash equivalents	-	-	9.96	9.96
Other financial assets	-	-	207.00	207.00
Loans [non-current]	-	3.35	-	3.35
Non-current bank balances	-	1.53	-	1.53
<b>Financial assets at FVTPL</b>				
Non-current investments	-	-	1.00	1.00
Current investments	0.06	-	-	0.06
<b>Total</b>	<b>0.06</b>	<b>4.88</b>	<b>321.92</b>	<b>326.86</b>
<b>Financial liabilities at amortised cost</b>				
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
<b>Total</b>	<b>-</b>	<b>1,067.27</b>	<b>-</b>	<b>1,067.27</b>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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## 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 fair value of the financial assets and liabilities is 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 sale. The following methods and assumptions were used to estimate the fair values:

1. The management assessed that the fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, non-current bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair value of Company's fixed interest-bearing loans that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.
3. All the other long-term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values:

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1.00	-
Additions during the year	2.00	1.00
<b>Balance at the end of the year</b>	<b>3.00</b>	<b>1.00</b>

## C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## (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. Credit 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 credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%. 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 monitored 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 2021		As at 31 March 2020	
	Gross carrying amount	Expected credit loss	"Gross carrying amount"	Expected credit loss
Less than 180 days	100.43	-	86.69	-
More than 180 days	62.58	57.80	60.13	55.36
	163.01	57.80	146.82	55.36

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(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 2021	As at 31 March 2020
Balance at the beginning of the year	55.36	55.54
Expected credit loss during the year [net of reversal]	2.44	(0.18)
<b>Balance at the end of the year</b>	<b>57.80</b>	<b>55.36</b>

### (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:

	Not more than 1 year	Later than 1 year	Total
<b>As at 31 March 2021</b>			
Long-term borrowings*	73.65	232.85	306.50
Trade payables	854.00	-	854.00
Short-term borrowings*	71.18	-	71.18
Other financial liabilities	20.10	12.46	32.56
<b>Total</b>	<b>1,018.93</b>	<b>245.31</b>	<b>1,264.24</b>
	Not more than 1 year	Later than 1 year	Total
<b>As at 31 March 2020</b>			
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
<b>Total</b>	<b>743.78</b>	<b>323.49</b>	<b>1,067.27</b>

\* excluding contractual interest payable at prevalent/agreed rate of interest.

"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 2021, the Company has not complied with certain financial covenants mentioned under the terms of borrowings for which waiver has already been requested from the lenders. However, based on the past experience and/or on the discussions with the banks and considering the facts of the case, the management believes that the default is minor and waiver will be granted in due course in respect of these financial covenants and 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## (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.

### 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:

As at 31 March 2021				
Particulars	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged amount (in ₹ Crores)
<b>Trade payables</b>	USD	46.11	73.12	337.15
	Euro	0.02	85.80	0.19
	JPY	69.37	0.66	4.58
Trade receivables	USD	(7.23)	73.11	(52.86)
<b>Net exposure in respect of recognised assets and liabilities</b>				<b>289.06</b>

As at 31 March 2020				
Particulars	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	Unhedged amount (in ₹ Crores)
<b>Trade payables</b>	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)
<b>Net exposure in respect of recognised assets and liabilities</b>				<b>136.63</b>

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(All amounts in ₹ crores, unless stated otherwise)

## (ii) Hedged foreign currency risk exposure:

		As at 31 March 2021			
		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	-	-	-
		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
					<b>7.44</b>

### 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 2021		As at 31 March 2020	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	14.22	(14.22)	4.50	(4.50)
Euro	5% movement	0.01	(0.01)	2.12	(2.12)
JPY	5% movement	0.23	(0.23)	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 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
On term loans	1.63	(1.63)	1.66	(1.66)
On short-term loans	0.53	(0.53)	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.

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Total liabilities	1,360.23	1,261.05
Less: cash and cash equivalents	2.42	12.50
<b>Adjusted net debt</b>	<b>1,357.81</b>	<b>1,248.55</b>
Total equity	333.09	333.09
Adjusted net debt to equity ratio	4.08	4.08

## 39. Leases

**Lease liabilities are presented in the statement of financial position as follows:**

	As at 31 March 2021	As at 31 March 2020
Current	5.03	4.57
Non-current	12.46	16.99
	<b>17.49</b>	<b>21.56</b>

### Adoption of Ind AS 116 'Leases'

Ind AS 116 'Leases' replaced 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 had 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 had 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 had 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 had 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 Company had 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 had 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

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Particulars	Amount
Lease liabilities at 1 April 2019	27.80

## B. The following are amounts recognised in profit or loss :

	31 March 2021	31 March 2020
Depreciation expense of right-of-use assets	5.34	5.30
Interest expense on lease liabilities	1.85	2.42
Rent expense*	7.01	4.06
<b>Total</b>	<b>14.20</b>	<b>11.78</b>

\*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					
- 31 March 2021	3	3-7 years	3.20	2	-
- 31 March 2020	3	3-7 years	4.20	2	-

The maturity analysis of lease liabilities are disclosed in note 39.

### 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 ₹ 7.01 Crores (31 March 2020 : ₹ 4.06 Crores)

At 31 March 2021, the Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹ 5.24 Crores (31 March 2020 : ₹ 0.70 Crore)

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2021 was ₹ 7.23 Crores (31 March 2020 : ₹ 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).

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 41. Related party disclosure

### a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
<b>i) Key managerial personnel</b>	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Alope Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of ED]
	Mr. Udey Paul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019 till 20 January 2021]
	Mr. Dhanendra Kumar [Non-Executive Independent Director] [appointed w.e.f. 14 February 2020]
	Mr. Dilip Kumar Agrawal [Non-Executive Non-Independent Director] [appointed w.e.f. 20 January 2021]
	Mr. M N Sudhindra Rao [Chief Executive Officer] [also appointed as Executive Director w.e.f. 3 April 2019 till 29 October 2020]
	Mr. Hemant Balkrishna Bal [Whole Time Director ('WTD')] appointed w.e.f 30 October 2020]
	Mrs. Ranjana Agarwal [Non-Executive Independent Director]
	Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]
	Dr. Arvind Pandalai [Non-Executive Independent Director]
<b>ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)</b>	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama Industries Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
	StarPet Inc.
	Trevira -Indorama Ventures Company
PT. Indorama Polychem Indonesia	
<b>iii) Enterprises having significant influence on the Company</b>	Brookgrange Investments Limited
<b>iv) Controlling Company</b>	Indorama Netherlands BV [controlling company]*
	Indorama Ventures Public Company Limited [ultimate controlling company]**
<b>v) Subsidiary Company</b>	Indorama Yarns Private Limited [incorporated on 16 August 2019]

\* During the previous 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.

The Company has availability of additional credit lines with the support of the promoter Group Company to the tune of USD 35 million [31 March 2020 : USD 50 million] by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, Company has utilised credit lines towards fund based and non fund based facilities with the support of the promoter Group Company amounting to ₹ 290.33 Crores [31 March 2020 : nil].

### b) Disclosure of transactions between the Company and its related parties

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence</b>		
<b>Foreign currency fluctuations</b>		
Indorama Petrochem Limited	-	1.48
<b>Purchases of goods and services</b>		

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Indorama Industries Limited	7.87	11.84
Indorama Petrochem Limited	78.95	5.75
TPT Petrochemicals Public Company Limited	-	6.04
IVL Dhunseri Petrochem Industries Private Limited	7.91	-
StarPet Inc.	-	0.59
Trevira -Indorama Ventures Company	0.02	-
PT. Indorama Polychem Indonesia	-	0.10
<b>Sale of goods and services</b>		
Indorama Polyester Industries Public Company Limited	77.87	-
Indorama Industries Limited	0.71	12.53
Indorama Yarns Private Limited	1.06	-
<b>ii) Key Managerial Personnel</b>		
<b>Remuneration</b>		
Short-term employee benefits	5.72	7.83
Other long-term benefits	0.65	(0.11)
Post-employment defined benefit	0.06	0.02
	<b>6.43</b>	<b>7.74</b>
<b>Other transactions [Non-executive independent director]</b>		
Rent income	0.16	0.16
	<b>0.16</b>	<b>0.16</b>
Director sitting fees	0.30	0.17
	<b>0.30</b>	<b>0.17</b>
<b>Interest on optionally convertible debentures</b>		
Mr. Om Prakash Lohia	-	0.74
	-	0.74

## c) Disclosure of related parties year end balances

	As at 31 March 2021	As at 31 March 2020
<b>i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence</b>		
<b>Trade payables</b>		
Indorama Industries Limited	2.69	1.54
Indorama Petrochem Limited	47.75	17.15
IVL Dhunseri Petrochem Industries Private Limited	-	3.83
StarPet Inc.	-	0.59
<b>Advance from customers</b>		
Indorama Industries Limited	0.01	0.10
Indorama Polyester Industries Public Company Limited	10.90	100.65
<b>ii) Key managerial personnel</b>		
Provision for gratuity and compensated absences [based on actuarial valuation]		
Employee benefits	1.89	1.18

d) During the year ended 31 March 2021, the Company has paid remuneration to its managing director of ₹ 2.32 Crores which is in excess of the limits laid down under section 197 read with the Schedule V of the Companies Act, 2013 by ₹ 0.47 Crores and has also paid remuneration to its whole time director of ₹ 0.40 Crores which is in excess of limits laid down under section 197 by ₹ 0.22 Crores but within the limits as laid down in Schedule V to the Companies Act, 2013. The Company is in the process of obtaining necessary approvals from its shareholders as per the provisions of Section 197 and Schedule V to the Companies Act, 2013 at the ensuing Annual General Meeting by way of ordinary resolution/special resolution, as applicable. Also, if the

## Notes to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

aforsaid approvals are not granted by the shareholders of the Company in the ensuing Annual General Meeting, such directors will comply with requirements of Section 197 (9) of the Companies Act, 2013

management will continue to monitor any material change arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

### 42. Exceptional item

The exceptional item for the year ended 31 March 2021 is towards significant write down in valuation of inventories below cost amounting to ₹ 11.63 Crores [31 March 2020 : Nil] which was on account of unprecedented decline in global crude oil prices as an outcome of COVID-19 Pandemic.

45. The Company has availability of additional credit lines with the support of the promoter Group Company to the tune of USD 35 million [31 March 2020 : USD 50 million] by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, Company has utilised credit lines towards fund based and non fund based facilities with the support of the promoter Group Company amounting to ₹ 290.33 Crores [31 March 2020 : nil].

### 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.

46. The Company's business comprises of manufacture and sale of polyester products. The management has reassessed the carrying value of deferred tax assets amounting to ₹ 110.01 Crores and additionally recognised ₹ 98.52 Crores on the basis of improved operational and market performance achieved during the year ended 31 March 2021. Management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax amounting to ₹ 208.53 Crores is fully recoverable.

44. In March 2020, World Health Organisation (WHO) had declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. Complying with the directives of Government, the plant and offices of the Company had been under lock-down impacting the operations for the year.

47. The management reassessed remaining useful life of certain assets in the block of plant and equipment with effect from 1 April 2020 on the basis of assessment made by external technical experts. Depending upon the operating conditions and usability of assets, the useful life of the said assets which was hitherto 18 years have been revised to 20 years in case of utilities and to 45 years for the processing plants. Due to this reassessment of remaining useful life, the depreciation for the year ended 31 March 2021 is lower by ₹ 51.53 Crores, whereas the profit for the corresponding period is higher by ₹ 47.48 Crores respectively.

However, the recent second wave of COVID-19 has resulted in re-imposition of partial lockdowns/restrictions in various states, which might continue to impact the Company's performance.

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. The

48. Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The

# Notes

to the Standalone financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Company has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertaken during the financial year are on an "arm's length basis". The Company is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

**49.** During the year ended 31 March 2021, the Company has reclassified/regrouped certain previous year's balances. Refer below for details:-

### Reclassification of financial information of previous year ended 31 March 2020

Details	Nature of reclassification	Amount (₹ Crores)
Balance recoverable from Government authorities	Reclassified from 'Other Current Assets' disclosed under note 9 to 'Other Current Financial Assets' disclosed under note 7	202.12
Excess liabilities written back	Reclassified from 'Other operating income' disclosed under note 22 to 'Other Income' disclosed under note 23	14.54

**50.** The standalone financial statements were approved for issue by the board of directors on 19 May 2021.

Notes 1 to 50 forms an integral part of these standalone financial statements

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

**Tarun Gupta**  
Partner  
Membership No.: 507892  
UDIN: 21507892AAAABY5637  
Place: New Delhi  
Date: 19 May 2021

**Om Prakash Lohia**  
Chairman and Managing Director  
DIN : 00206807  
Place: New Delhi  
Date: 19 May 2021

**Arvind Pandalai**  
Director  
DIN : 00352809  
Place: New Delhi  
Date: 19 May 2021

**M N Sudhindra Rao**  
Chief Executive Officer  
ICAI Membership No.: 100-35548  
Place: Mumbai  
Date: 19 May 2021

**Umesh Kumar Agrawal**  
Chief Commercial and Financial Officer  
ICAI Membership No.: 055210  
Place: Gurugram  
Date: 19 May 2021

**Pawan Kumar Thakur**  
Company Secretary  
ICSI Membership No.: FCS6474  
Place: Gurugram  
Date: 19 May 2021

# 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 2021, 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 2021, and their consolidated profit (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.

#### 4. Emphasis of Matter

##### (a) Impact of COVID-19

We draw attention to note 45 to the accompanying consolidated financial statements, which describes management's assessment of uncertainties relating to the effects of the COVID-19 pandemic on the Group's operations. Our opinion is not modified in respect of this matter.

##### (b) Change in useful lives of certain assets

We draw attention to note 48 to the accompanying consolidated financial statements which indicates that the management has re-assessed and revised the remaining useful lives of certain assets in the block of plant and equipment with effect from 1 April 2020 based on technical assessment performed by an independent expert. The effect of change in such accounting estimate has been recognised prospectively in the accompanying consolidated financial statements in accordance with requirements of Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a consequence, there is a reduction in depreciation expense recognised and for the year ended 31 March 2021 by ₹ 51.53 Crores as described in the aforesaid note. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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><b>Recognition of deferred tax assets (Refer note 8(b) and note 47 to the accompanying consolidated financial statements)</b></p> <p>As detailed in note 8(b) and note 47 to the accompanying consolidated financial statements, the holding Company has deferred tax assets (net) aggregating to ₹ 208.53 Crores as at 31 March 2021.</p> <p>During the current year, the holding Company has recognised deferred tax assets amounting to ₹ 98.52 Crores on the basis of improved operational and market performance achieved during the year.</p> <p>The holding 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 holding 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>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 holding 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>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"> <li>• Evaluated the design and tested the operating effectiveness of key controls implemented by the holding Company over recognition of deferred tax assets based on the assessment of holding 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.</li> <li>• Reconciled the future taxable profit projections to future business plans of the holding Company as approved by the Board of Directors.</li> <li>• 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.</li> <li>• Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.</li> <li>• Performed independent sensitivity analysis to test the impact of possible variations in key assumptions.</li> <li>• Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods.</li> <li>• 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.</li> <li>• Evaluated the appropriateness for additional recognition of deferred tax asset during the year. Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in respect of deferred tax assets in accordance with applicable accounting standards.</li> </ul>
<p><b>Going concern basis of accounting (Refer note 1(iv)(b) and note 46 to the accompanying consolidated financial statements)</b></p> <p>During the year ended 31 March 2021, the Group has earned profits before tax of ₹ 3.39 Crores and also as at 31 March 2021 the current liabilities exceed its current assets by ₹ 335.08 Crores.</p> <p>While the above indicates doubt about the Group's ability to continue as a going concern, however, 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"> <li>• The holding Company has option to arrange additional credit lines with the support of the promoter group company to the tune of USD 35 million by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies;</li> <li>• Increased capacity utilization of plants;</li> <li>• Expected additional benefit of GST refund on increased future sales within the state of Maharashtra; and</li> <li>• Improved margins due to reduction in raw material prices.</li> </ul>	<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"> <li>• 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.</li> <li>• 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.</li> <li>• Reconciled the cash flow projections to future business plans of the holding Company as approved by the Board of Directors.</li> <li>• 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.</li> <li>• 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.</li> </ul>

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 to 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"> <li>• Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management.</li> <li>• Performed independent sensitivity analysis to test the impact of variation in the key assumptions.</li> <li>• Reviewed the historical accuracy of the cash flow projections prepared by the management in prior periods.</li> <li>• Inspected the approved unutilized loan sanction letter and evidence of support given by the promoter group company in favour of the holding Company.</li> <li>• Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in respect of going concern.</li> </ul>
<p><b>Provisions and contingent liabilities relating to litigations (Refer note 18 and note 32 to the accompanying consolidated financial statements)</b></p>	<p>Our audit procedures in relation to the assessment of litigations and provisions included, but were not limited to, the following:</p>
<p>As detailed in note 18 and note 32 to the consolidated financial statements, the holding 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 holding Company, if the potential exposures were to materialize.</p> <p>Provision for such litigations amounts to ₹ 38.30 Crores as at 31 March 2021 based on its estimate of the likelihood of such liability devolving upon the holding 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 holding 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 legal and tax experts, this matter has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding of the management process for: <ul style="list-style-type: none"> <li>- identification of legal and tax matters initiated against the holding Company,</li> <li>- assessment of accounting treatment for each such litigation identified under Ind AS 37 accounting principles, and</li> <li>- measurement of amounts involved.</li> </ul> </li> <li>• 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 holding Company.</li> <li>• Obtained understanding of the developments during the year in each existing litigation, and understanding of the new litigations initiated against the holding Company during the year by inquiry with the management, inspection of case related documents such as notices, orders, etc. and correspondence of the holding Company with their external counsels handling such matters on behalf of the holding Company.</li> <li>• 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 experts involved.</li> <li>• Exercised our professional judgment to assess the management's assessment of the potential likelihood of liability devolving upon the holding Company with respect to each legal case.</li> <li>• Involved auditor's experts to assess the holding 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.</li> <li>• Reviewed significant movements in provision with supporting documents.</li> <li>• Tested the underlying calculations of amount of liability recognized and contingent liability disclosed in the consolidated financial statements.</li> <li>• Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements with respect to provisions and contingent liability in accordance with applicable accounting standards</li> </ul>

### 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, we report that the holding Company has paid remuneration to its directors for the year ended 31 March 2021 in excess of the limits laid down under section 197 of the Act by ₹ 0.69

Crores. The remuneration paid to the whole-time director is within the limits prescribed in Schedule V to the Act whereas the remuneration paid to the managing director is in excess of such limits, as further explained in note 41(d) to the accompanying consolidated financial statements. Such remuneration has been paid subject to approvals of the shareholders by way of ordinary resolution/special resolution, as applicable, in the ensuing Annual General Meeting in accordance with the requirements of Section 197 and Schedule V to the Act. Further, we report that subsidiary Company covered under the Act have not paid or provided for any managerial remuneration during the year.

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 4 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 subsidiary Company 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 2021 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 2021;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor

Education and Protection Fund by its subsidiary company covered under the Act, during the year ended 31 March 2021; 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

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAABW7985

Place: New Delhi

Date: 19 May 2021

# Annexure I

## 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 (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and 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**

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 internal financial controls with reference to financial statements of the Holding Company and 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.

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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

### **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 Holding Company and 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 2021, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Tarun Gupta

Partner

Membership No.: 507892

UDIN: 21507892AAAAABW7985

Place: New Delhi

Date: 19 May 2021

# Consolidated Balance Sheet

as at 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	2	690.64	702.75
b) Capital work-in-progress	3	8.80	7.19
c) Intangible assets	4	0.08	0.14
d) Financial assets			
i) Investments	5(a)	-	-
ii) Loans	6	3.56	3.35
iii) Other financial assets	7	1.18	1.53
e) Deferred tax assets [net]	8(b)	208.53	110.01
f) Non-current tax assets [net]	8(a)	7.11	10.54
g) Other non-current assets	9	25.28	16.89
<b>Total non-current assets</b>		<b>945.18</b>	<b>852.40</b>
<b>Current assets</b>			
a) Inventories	10	402.89	250.54
b) Financial assets			
i) Investments	5(b)	0.07	0.06
ii) Trade receivables	11	105.21	91.46
iii) Cash and cash equivalents	12	3.69	13.02
iv) Bank balances other than cash and cash equivalents	13	5.62	9.96
v) Other financial assets	7	190.53	207.00
c) Other current assets	9	58.11	58.65
<b>Total current assets</b>		<b>766.12</b>	<b>630.69</b>
<b>Total assets</b>		<b>1,711.30</b>	<b>1,483.09</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	14	261.11	261.11
b) Other equity	15	72.14	(39.10)
<b>Total equity</b>		<b>333.25</b>	<b>222.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	16	232.85	306.50
ii) Other financial liabilities	17	12.46	16.99
b) Deferred tax liabilities	8(b)	0.06	-
c) Provisions	18	31.48	27.53
<b>Total non-current liabilities</b>		<b>276.85</b>	<b>351.02</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	71.18	92.87
ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises; and		1.68	3.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		869.36	548.45
iii) Other financial liabilities	17	94.11	99.24
b) Other current liabilities	21	22.25	109.15
c) Provisions	18	42.62	57.10
<b>Total current liabilities</b>		<b>1,101.20</b>	<b>910.06</b>
<b>Total equity and liabilities</b>		<b>1,711.30</b>	<b>1,483.09</b>

Notes 1 to 51 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

**Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

 For **Indo Rama Synthetics (India) Limited**
**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN : 00352809

Place: New Delhi

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

**M N Sudhindra Rao**

Chief Executive Officer

ICAI Membership No.: 100-35548

Place: Mumbai

Date: 19 May 2021

# Consolidated Statement of Profit and Loss

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I. Income</b>			
Revenue from operations	22	2,042.89	2,107.51
Other income	23	20.82	20.44
<b>Total income</b>		<b>2,063.71</b>	<b>2,127.95</b>
<b>II. Expenses</b>			
Cost of materials consumed	24	1,429.72	1,619.96
Purchases of stock-in-trade	25	20.45	0.75
Changes in inventories of finished goods and work-in-progress	26	(12.34)	(17.14)
Employee benefits expense	27	89.97	90.13
Other expenses	28	421.98	434.03
<b>Expenses before depreciation and amortisation expense, finance costs, foreign exchange fluctuation (gain)/loss and exceptional item</b>		<b>1,949.78</b>	<b>2,127.73</b>
<b>Profit/(loss) before depreciation and amortisation expense, finance costs, foreign exchange fluctuation loss and exceptional items</b>		<b>113.93</b>	<b>0.22</b>
Depreciation and amortisation expense	30	33.78	86.00
Finance costs	29	65.93	92.31
Foreign exchange fluctuation (gain)/loss		(0.80)	2.35
<b>Total expenses</b>		<b>2,048.69</b>	<b>2,308.39</b>
<b>III. Profit/(loss) before exceptional item and tax [I-II]</b>		<b>15.02</b>	<b>(180.44)</b>
<b>IV. Exceptional items</b>	42	(11.63)	-
<b>V. Profit/(loss) before tax [III-IV]</b>		<b>3.39</b>	<b>(180.44)</b>
<b>VI. Tax</b>			
Current tax credit		(11.53)	-
Deferred tax (credit)/expense	8 (b)	(98.46)	136.10
<b>Total tax (credit)/expense</b>		<b>(109.99)</b>	<b>136.10</b>
<b>VII. Profit/(loss) for the year [V-VI]</b>		<b>113.38</b>	<b>(316.54)</b>
<b>VIII. Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to income</b>			
Re-measurement of defined benefit liability		(2.14)	(1.46)
<b>Other comprehensive income for the year</b>		<b>(2.14)</b>	<b>(1.46)</b>
<b>IX. Total comprehensive income for the year</b>		<b>111.24</b>	<b>(318.00)</b>
<b>X. Earnings/(loss) per equity share [nominal value of equity share ₹ 10]</b>			
Basic and diluted	31	<b>4.34</b>	<b>(12.14)</b>

Notes 1 to 51 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****Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN : 00352809

Place: New Delhi

Date: 19 May 2021

**M N Sudhindra Rao**

Chief Executive Officer

ICAI Membership No.: 100-35548

Place: Mumbai

Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Consolidated cash flow statement

for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax	3.39	(180.44)
Add : Adjustment for non-cash and non-operating items		
Re-measurement gains on defined benefit plan	(2.14)	(1.46)
Depreciation and amortisation expense	33.78	86.00
Loss on disposal/discard of property, plant and equipment	0.19	0.44
Finance cost	65.93	92.31
Interest income	(3.99)	(6.20)
Liabilities/provisions no longer required, written back	(16.47)	(17.93)
Debts/advances written off	14.79	2.12
Fair valuation of investments through profit and loss	(0.01)	(0.07)
<b>Operating profit/(loss) before working capital changes</b>	<b>95.47</b>	<b>(25.23)</b>
Adjustments for movement in:		
Changes in trade receivables and other receivables	(16.19)	(32.01)
Changes in financial assets-loans	(0.02)	0.07
Changes in other financial assets	(0.79)	(0.26)
Changes in other assets	(4.65)	(18.77)
Changes in inventories	(152.35)	(66.91)
Changes in trade and other payables	326.47	(23.63)
Changes in provisions	3.81	(10.35)
Changes in other financial liabilities	2.34	(39.91)
Changes in other liabilities	(86.90)	97.49
<b>Cash generated from/(used in) operating activities</b>	<b>167.19</b>	<b>(119.51)</b>
Income tax refund (net)	14.96	0.53
<b>Net cash generated from/(used in) operating activities [A]</b>	<b>182.15</b>	<b>(118.98)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment [including capital work-in-progress, capital advances and creditors for capital goods]	(25.93)	(10.77)
Proceeds from sale of investments	-	0.39
Bank balances other than cash and cash equivalents [net]	4.61	42.83
Interest received	3.82	7.23
<b>Net cash (used in)/generated from investing activities [B]</b>	<b>(17.50)</b>	<b>39.68</b>

# Consolidated cash flow statement

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C. Cash flow from financing activities</b>		
Repayment of non-current borrowings	(72.00)	(248.51)
Proceeds from non-current borrowings	-	344.18
Movement in current borrowings [net]	(21.69)	(199.47)
Payment of lease liabilities	(5.93)	(6.09)
Proceeds from issue of share capital [including premium on allotment of equity shares]	-	298.80
Dividend paid	(0.08)	(0.06)
Finance cost paid	(74.28)	(101.50)
<b>Net cash (used in)/generated from financing activities [C]</b>	<b>(173.98)</b>	<b>87.35</b>
<b>Net (decrease)/increase in cash and cash equivalents [A+B+C]</b>	<b>(9.33)</b>	<b>8.05</b>
Cash and cash equivalents at the beginning of the year	13.02	4.97
<b>Closing cash and cash equivalents</b>	<b>3.69</b>	<b>13.02</b>
<b>Cash and cash equivalents include:</b>		
Cash on hand	0.04	0.22
Deposits with original maturity less than three months	1.25	0.45
Balances with banks	2.40	12.35
<b>Cash and bank balances</b>	<b>3.69</b>	<b>13.02</b>

**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.
- Refer note 16 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Notes 1 to 51 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**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

**Tarun Gupta**  
Partner  
Membership No.: 507892  
UDIN: 21507892AAAABY5637  
Place: New Delhi  
Date: 19 May 2021

**Om Prakash Lohia**  
Chairman and Managing Director  
DIN : 00206807  
Place: New Delhi  
Date: 19 May 2021

**Arvind Pandalai**  
Director  
DIN : 00352809  
Place: New Delhi  
Date: 19 May 2021

**M N Sudhindra Rao**  
Chief Executive Officer  
ICAI Membership No.: 100-35548  
Place: Mumbai  
Date: 19 May 2021

**Umesh Kumar Agrawal**  
Chief Commercial and Financial Officer  
ICAI Membership No.: 055210  
Place: Gurugram  
Date: 19 May 2021

**Pawan Kumar Thakur**  
Company Secretary  
ICSI Membership No.: FCS6474  
Place: Gurugram  
Date: 19 May 2021

# Consolidated statement of changes in Equity

## for the year ended 31 March 2021

(All amounts in ₹ Crores, except for share data and if otherwise stated)

### A. Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	261.11	178.11
Issued during the year	-	83.00
<b>Balance at the end of the year</b>	<b>261.11</b>	<b>261.11</b>

### B. Other equity

#### Attributable to the equity holders

Particulars	Reserve and surplus					Other comprehensive income	Total
	Capital reserve	Securities premium	General reserve	Debenture redemption reserve	Retained earnings		
<b>Balance at 31 March 2019</b>	<b>20.38</b>	<b>231.79</b>	<b>48.13</b>	<b>10.00</b>	<b>(248.40)</b>	<b>1.20</b>	<b>63.10</b>
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
<b>Balance at 31 March 2020</b>	<b>20.38</b>	<b>447.59</b>	<b>58.13</b>	<b>-</b>	<b>(564.94)</b>	<b>(0.26)</b>	<b>(39.10)</b>
Profit for the year	-	-	-	-	113.38	-	113.38
Other comprehensive income for the year	-	-	-	-	-	(2.14)	(2.14)
<b>Balance at 31 March 2021</b>	<b>20.38</b>	<b>447.59</b>	<b>58.13</b>	<b>-</b>	<b>(451.56)</b>	<b>(2.40)</b>	<b>72.14</b>

Notes 1 to 51 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

 For **Indo Rama Synthetics (India) Limited**
**Tarun Gupta**

Partner

Membership No.: 507892

UDIN: 21507892AAAABY5637

Place: New Delhi

Date: 19 May 2021

**Om Prakash Lohia**

Chairman and Managing Director

DIN : 00206807

Place: New Delhi

Date: 19 May 2021

**Arvind Pandalai**

Director

DIN : 00352809

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Date: 19 May 2021

**Umesh Kumar Agrawal**

Chief Commercial and Financial Officer

ICAI Membership No.: 055210

Place: Gurugram

Date: 19 May 2021

**Pawan Kumar Thakur**

Company Secretary

ICSI Membership No.: FCS6474

Place: Gurugram

Date: 19 May 2021

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

## 1.(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 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 Group is into the business of trading and manufacture of polyester filament yarn (PFY), polyester staple fibre (PSF), draw texturised yarn (DTY), specialty fiber and chips. The Group is also engaged in trading of spun yarn, and also engaged in power generation, which is used primarily for captive consumption.

Following are the details of the subsidiary consolidated in these financial statements:

Name of the entity	Country of incorporation	Principal activities	Interest (in %)	
			31 March 2020	31 March 2021
Indorama Yarns Private Limited	India	Trading of polyester	100%	100%

## (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 has 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.
- Certain financial assets and liabilities at amortised cost.

## (iii) Basis of consolidation

Subsidiary is the entity over which the holding 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 holding 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 financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement, consolidated statement of changes in equity and the summary of significant accounting policies and other explanatory information that form an integral part thereof.

Consolidated subsidiary is having consistent reporting date of 31 March 2021.

## (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.

# Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 judgements in applying accounting policies that have most significant effect of the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 8(b) – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used
- Note 35 – measurement of defined benefit obligations: key actuarial assumptions
- Note 2 and 4 - estimation of useful lives of property, plant and equipment and intangible assets
- Note 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## b. Going concern

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 business 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 holding 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 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

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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(iv)(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 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

Particulars	Management estimate of useful life	Useful life as per Schedule II
Building (factory buildings/ non factory buildings) RCC frame structure	58 years	60 years
Plant and equipment (continuous process plant)	45/20/18 years	25/3 years
Furniture and fixtures	15 years	10 years
Vehicles	10 years	8 years
Office equipment	20 years/6 years	5 years

Leasehold land is depreciated over the period of lease.

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, (refer note 48).

## e. Intangible assets

### Recognition and measurement

Intangible assets include software, that are acquired by the holding 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

# Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 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.

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 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.

# Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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 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 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.

The Group operates a defined benefit gratuity plan in India.

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.

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

## ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

## i. 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 conditions will be complied with. Revenue grants are recognised over periods to which they relate.

## 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;

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

- 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 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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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.
- 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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.

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 and trading 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.

## u. Recent accounting pronouncements

MCA issued notifications dated 24 March 2021 to amend schedule III to the Companies Act 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021.

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(All amounts in ₹ crores, except for share data and if otherwise stated)

## 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
<b>A. Gross carrying value</b>										
<b>Balance as at 31 March 2019</b>	<b>0.16</b>	<b>2.89</b>	<b>106.94</b>	<b>-</b>	<b>1.27</b>	<b>949.13</b>	<b>4.18</b>	<b>4.76</b>	<b>8.84</b>	<b>1,078.17</b>
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
<b>Balance as at 31 March 2020</b>	<b>0.16</b>	<b>2.89</b>	<b>106.94</b>	<b>24.38</b>	<b>1.27</b>	<b>951.62</b>	<b>4.35</b>	<b>4.97</b>	<b>9.73</b>	<b>1,106.31</b>
Additions during the year [refer note 2 below]	-	-	0.30	-	-	19.67	0.03	0.02	1.77	21.79
Disposals during the year	-	-	0.01	-	-	0.29	0.04	0.18	0.03	0.55
<b>Balance as at 31 March 2021</b>	<b>0.16</b>	<b>2.89</b>	<b>107.23</b>	<b>24.38</b>	<b>1.27</b>	<b>971.00</b>	<b>4.34</b>	<b>4.81</b>	<b>11.47</b>	<b>1,127.55</b>
<b>B. Accumulated depreciation</b>										
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>0.16</b>	<b>15.06</b>	<b>-</b>	<b>1.27</b>	<b>295.58</b>	<b>0.90</b>	<b>1.78</b>	<b>4.17</b>	<b>318.92</b>
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
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>0.20</b>	<b>18.83</b>	<b>4.15</b>	<b>1.27</b>	<b>370.78</b>	<b>1.34</b>	<b>2.26</b>	<b>4.73</b>	<b>403.56</b>
Additions during the year [refer note 48]	-	0.04	3.84	5.34	-	22.77	0.44	0.50	0.78	33.71
Disposals during the year	-	-	-	-	-	0.17	0.01	0.17	0.01	0.36
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>0.24</b>	<b>22.67</b>	<b>9.49</b>	<b>1.27</b>	<b>393.38</b>	<b>1.77</b>	<b>2.59</b>	<b>5.50</b>	<b>436.91</b>
<b>Net carrying value</b>										
<b>As at 31 March 2020</b>	<b>0.16</b>	<b>2.69</b>	<b>88.11</b>	<b>20.23</b>	<b>-</b>	<b>580.84</b>	<b>3.01</b>	<b>2.71</b>	<b>5.00</b>	<b>702.75</b>
<b>As at 31 March 2021</b>	<b>0.16</b>	<b>2.65</b>	<b>84.56</b>	<b>14.89</b>	<b>-</b>	<b>577.62</b>	<b>2.57</b>	<b>2.22</b>	<b>5.97</b>	<b>690.64</b>

Notes:

- Disposal to plant and equipments include capital subsidy under TUF scheme received for purchase of plant and equipments amounting to nil [31 March 2020 : ₹ 1.57 Crores].
- Additions to plant and equipments include loss on foreign exchange fluctuation on long-term monetary items for purchase of plant and equipments amounting to ₹ 1.57 Crores [31 March 2020 : ₹ 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
- Refer note 39 for information on assets taken on lease

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 3. Capital work-in-progress

	As at 31 March 2021	As at 31 March 2020
<b>Balance at the beginning of the year</b>	7.19	2.45
Additions during the year	21.87	7.91
Capitalisation during the year	(20.26)	(3.17)
<b>Balance as at end of the year</b>	<b>8.80</b>	<b>7.19</b>

Notes:

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 holding Company.

## 4. Intangible assets

	As at 31 March 2021	As at 31 March 2020
<b>Software</b>		
<b>A. Gross carrying amount</b>		
<b>Balance at the beginning of the year</b>	<b>0.24</b>	<b>0.05</b>
Additions during the year	0.01	0.19
<b>Balance as at end of the year</b>	<b>0.25</b>	<b>0.24</b>
<b>B. Accumulated amortisation</b>		
<b>Balance at the beginning of the year</b>	0.10	0.05
Additions during the year	0.07	0.05
<b>Balance as at end of the year</b>	<b>0.17</b>	<b>0.10</b>
<b>Net carrying value</b>		
<b>As at 31 March 2020</b>	0.14	-
<b>As at 31 March 2021</b>	<b>0.08</b>	<b>0.14</b>

## 5. Investments

	As at 31 March 2021	As at 31 March 2020
<b>5 (a) Non-current investments</b>		
<b>Unquoted equity shares</b>		
<b>Equity shares carried at fair value through profit or loss ['FVTPL']</b>		
1,500,000 (31 March 2020: 1,500,000) equity shares of Ritspin Synthetics Limited (₹10 each, fully paid up)	1.50	1.50
	<b>1.50</b>	<b>1.50</b>
Less: Provision for impairment in the value of investment	(1.50)	(1.50)
Aggregate amount of unquoted investments	1.50	1.50
Aggregate provision for diminution in value of investments	1.50	1.50
<b>5 (b) Current investments</b>		
<b>Quoted equity shares</b>		
<b>Equity shares carried at fair value through profit or loss ['FVTPL']</b>		
52,501 [31 March 2020 : 52,501] equity shares of Optel Telecommunications Limited [₹ 10 each, fully paid up]*	-	-
708,400 [31 March 2020 : 708,400] equity shares of Sanghi Polyesters Limited [₹ 10 each, fully paid up]*	-	-
20 [31 March 2020 : 20] equity shares of Reliance Industries Limited [₹ 10 each, fully paid up]**	-	-
72,601 [31 March 2020 : 72,601] equity shares of Balasore Alloys Limited [₹ 5 each, fully paid up]	0.06	0.05
	<b>0.06</b>	<b>0.05</b>

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(All amounts in ₹ crores, unless stated otherwise)

Quoted preference shares		
56,500 [31 March 2020 : 56,500] 0.01% cumulative redeemable preference of JSW Steel Limited [₹ 10 each, fully paid up]	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
	<b>0.07</b>	<b>0.06</b>
Aggregate amount of quoted investments	2.93	2.93
Market value of quoted investments	0.07	0.06

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 2020 : nil]

\*\* ₹ 40,113 [31 March 2020 : ₹ 22,275], amount in absolute rupees.

## 6. Loans

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
[Unsecured considered good, unless otherwise stated]				
Security deposits	3.56	3.35	-	-
	<b>3.56</b>	<b>3.35</b>	<b>-</b>	<b>-</b>

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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits	-	-	0.15	0.17
Non-current bank balances*	1.18	1.53	-	-
Advance to employees	-	-	1.09	1.54
Claims and other receivables [refer note 50]	-	-	257.13	273.13
Less : Provision for claims and other receivables	-	-	(67.84)	(67.84)
	<b>1.18</b>	<b>1.53</b>	<b>190.53</b>	<b>207.00</b>

Notes:

1. Refer note 34 for information on other financial assets pledged as security by the holding Company.

2. Refer note 38 for disclosure of fair values in respect of financial assets measured at amortised cost.

\*Pledged with banks for credit limits.

## 8. (a) Non-current tax assets

	As at 31 March 2021	As at 31 March 2020
Advance tax [net of provisions ₹ 49.15 (31 March 2020: ₹ 106.42 Crores)]	7.11	10.54
	<b>7.11</b>	<b>10.54</b>

## 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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment	-	-	(78.67)	(151.02)	(78.67)	(151.02)
Investment at FVTPL	0.72	1.00	-	-	0.72	1.00

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	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax assets (liabilities)	
Provision for employee benefits	6.87	6.08	-	-	6.87	6.08
Provision for doubtful debts and advances	33.10	44.87	-	-	33.10	44.87
Brought forward business losses unabsorbed depreciation	235.57	189.21	-	-	235.57	189.21
Provision for contingencies	9.64	18.88	-	-	9.64	18.88
Other items	1.24	1.05	-	(0.06)	1.24	0.99
	<b>287.14</b>	<b>261.09</b>	<b>(78.67)</b>	<b>(151.08)</b>	<b>208.47</b>	<b>110.01</b>
Offsetting of deferred tax assets and deferred tax liabilities	(78.67)	(151.08)	78.67	151.08	-	-
<b>Net deferred tax assets</b>	<b>208.47</b>	<b>110.01</b>	<b>-</b>	<b>-</b>	<b>208.47</b>	<b>110.01</b>

## Amounts presented in consolidated statement of financial position:

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets [net]	208.53	110.01
Deferred tax liabilities [net]	0.06	-
<b>Net</b>	<b>208.47</b>	<b>110.01</b>

Note: Based on the current developments as stated in note 47 and business plan, the holding 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.

## II. Movement in temporary differences

	As at 31 March 2021	As at 31 March 2020
Opening balance of deferred tax asset	110.01	246.11
Tax credit/(expense) during the year recognised in the statement of profit or loss*	98.46	(136.10)
<b>Closing balance of deferred tax asset</b>	<b>208.47</b>	<b>110.01</b>

\* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence.

## III. Unrecognised deferred tax assets and unrecognised minimum alternate tax credit entitlement

	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unrecognised minimum alternate tax credit entitlement**		-		57.70
Brought forward business losses and unabsorbed depreciation**	518.12	130.40	1,060.46	370.57

\* Minimum alternate tax credit entitlement carried in Income-tax 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 holding Company can use the benefits therefrom.

# Pursuant to Sec 115BAA of the Income-tax Act, 1961 (inserted by Taxation Laws (Amendment) Act, 2019 w.e.f. 1 April 2019), domestic companies have the option to pay corporate income tax at a concessional tax rate of 22% with effective tax rate of 25.17%. The said concessional tax regime is accompanied with immediate expiry of carry forward balance of minimum alternative tax credit and certain other concessional tax rate benefits enjoyed by the holding Company presently. During the previous year ended 31 March 2020, Group continued under the old tax regime. Based on further internal analysis made by the management, holding Company has filed its income tax return for financial year 2019-20 (AY 2020-21) under the new tax regime by opting concessional tax regime as per Section 115BAA of the Income-tax Act, 1961. Consequently, the relevant adjustment to the deferred tax asset has been made during the current year."

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(All amounts in ₹ crores, unless stated otherwise)

## IV. Effective tax rate

	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Book profit/(loss)		1.25		(181.90)
Enacted tax rate		25.17%		34.94%
Current tax expense/(income) on profit before tax at the enacted income tax rate in India		0.32		(63.56)
Recognition/(de-recognition) of deferred tax asset*		93.78		(136.10)
Deferred tax asset not recognised		-		(63.56)
Other adjustments		5.00		-
<b>Tax income/(expense) reported in the statement of profit and loss</b>		<b>98.46</b>		<b>(136.10)</b>
<b>Tax income/(expense) during the year recognised in statement of profit or loss</b>		<b>98.46</b>		<b>(136.10)</b>
<b>Tax expense during the year recognised in other comprehensive income</b>		<b>-</b>		<b>-</b>
		<b>98.46</b>		<b>(136.10)</b>

\* The management has reassessed the carrying value of deferred taxes and made appropriate adjustment based on prudence. Accordingly, deferred tax asset of ₹ 98.46 Crores has been recognised during the current 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 current and earlier year(s).

## 9. Other assets

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Capital advances	4.74	1.54	-	-
Claims and other receivables [refer note 50]	19.55	14.84	7.75	9.24
GST receivable	-	-	18.17	22.59
Prepaid expenses	0.68	-	7.50	4.73
"National Savings Certificates VIth issue* (pledged with sales tax authorities)"	-	-	-	-
Advance rent	0.31	0.51	0.20	0.20
Advances to vendors	5.88	5.21	24.49	21.89
Less : Provision for doubtful advances to vendors	(5.88)	(5.21)	-	-
	<b>25.28</b>	<b>16.89</b>	<b>58.11</b>	<b>58.65</b>

Notes:

1. Refer note 34 for information on other assets pledged as security by the holding Company.

\* Non-current includes ₹ 4,000 [31 March 2020 : ₹ 4,000], amount in absolute rupees.

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 10. Inventories

	As at 31 March 2021	As at 31 March 2020
Raw materials [include in transit ₹ 121.05 Crores (31 March 2020 : ₹ 21.13 Crores)]	213.76	79.75
Work-in-progress	17.39	5.92
Finished goods [include in transit ₹ 30.99 Crores (31 March 2020 : ₹ 12.59 Crores)]*	119.21	128.56
Stores and spares [include in transit ₹ 0.90 Crores(31 March 2019 : ₹ 1.14 Crores)]	30.16	28.37
Packing material	2.33	2.33
Waste**	4.15	5.56
Stock-in-trade [include in transit ₹ 15.89 Crores (31 March 2020 : nil)]	15.89	0.05
	<b>402.89</b>	<b>250.54</b>

Note:

1. Refer note 34 for information on inventories pledged as security by the holding Company.

\* The inventories were reduced by ₹ 0.09 Crores[31 March 2020 : ₹ 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 2021	As at 31 March 2020
Unsecured, considered good	105.21	91.46
Credit impaired	57.80	55.36
	<b>163.01</b>	<b>146.82</b>
Less : Provision for expected credit loss [refer note 28]	(57.80)	(55.36)
	<b>105.21</b>	<b>91.46</b>

Notes:

1. The holding Company limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%.

2. Refer note 34 for information on trade receivables pledged as security by the holding Company.

3. The holding Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 38.

## 12. Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balances with banks	2.40	12.35
Deposits with original maturity less than three months	1.25	0.45
Cash on hand	0.04	0.22
	<b>3.69</b>	<b>13.02</b>

Note:

1. 1. Refer note 34 for information on cash and cash equivalents pledged as security by the holding Company.

## 13. Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Deposits with original maturity more than three months but remaining maturity of less than twelve months	5.40	9.66
Unpaid dividend	0.22	0.30
	<b>5.62</b>	<b>9.96</b>

Note:

1. Refer note 34 for information on other bank balances not considered as cash and cash equivalents 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 2021

(All amounts in ₹ crores, unless stated otherwise)

## 14. Equity share capital

	As at 31 March 2021	As at 31 March 2020
<b>Authorised</b>		
275,000,000 equity shares of ₹ 10 each [31 March 2020 : 275,000,000]	275.00	275.00
	<b>275.00</b>	<b>275.00</b>
<b>Issued, subscribed and fully paid up</b>		
261,113,151 equity shares of ₹ 10 each fully paid-up [31 March 2020: 261,113,151]	261.11	261.11
	<b>261.11</b>	<b>261.11</b>

Note:

i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Balance at the beginning of the year	261,113,151	261.11	178,113,151	178.11
Add: Issued during the year	-	-	83,000,000	83.00
Balance at the end of the year	<b>261,113,151</b>	<b>261.11</b>	<b>261,113,151</b>	<b>261.11</b>

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 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Brookgrange Investments Limited	53,564,057	20.51	53,564,057	20.51
Mr. Om Prakash Lohia [Chairman and Managing Director]	38,473,369	14.73	38,473,369	14.73
Mrs. Urmila Lohia	-	-	18,184,518	6.96
Siam Stock Holding Limited	17,200,000	6.59	17,200,000	6.59
Indorama Netherlands B.V. [controlling Company of the Group, refer note vi]	100,696,588	38.56	100,696,588	38.56
	<b>209,934,014</b>	<b>80.39</b>	<b>228,118,532</b>	<b>87.35</b>

iv) Shares in the holding Company held by controlling Company of the Group are as under:

Names of shareholders	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of shareholding	Number of shares	% of shareholding
Indorama Netherlands B.V. [controlling Company of the Group, refer note vi]	100,696,588	38.56	100,696,588	38.56
	<b>100,696,588</b>	<b>38.56</b>	<b>100,696,588</b>	<b>38.56</b>

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 previous year ended 31 March 2020 and pursuant to the decision of the Board of Directors and Shareholders, the holding Company had raised additional equity by way of preferential allotment, by issuing 83,000,000 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 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. Further, INBV made mandatory open offer in accordance with Regulation 3(1)

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 post direct acquisitions of the holding Company by way of a preferential issue, and acquired 17,696,588 shares whereby the shareholding of INBV increased to 38.56%.

vii) The equity shares of the holding Company are listed on BSE Limited and National Stock Exchange of India Limited. During the year, the promoters have sold 17,550,000 equity shares to reduce promoter's shareholding to 75% thereby complying with the requirement of 25% (twenty five percent) public shareholding as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

## 15. Other equity

	As at 31 March 2021	As at 31 March 2020
<b>a. Capital reserve</b>		
Balance at the beginning of the year	20.38	<b>20.38</b>
<b>Balance at the end of the year</b>	<b>20.38</b>	<b>20.38</b>
<b>b. Securities premium</b>		
Balance at the beginning of the year	447.59	231.79
Add : Additions during the year	-	215.80
<b>Balance at the end of the year</b>	<b>447.59</b>	<b>447.59</b>
<b>c. General reserve</b>		
Balance at the beginning of the year	58.13	48.13
Add : Transfer from debenture redemption reserve	-	10.00
<b>Balance at the end of the year</b>	<b>58.13</b>	<b>58.13</b>
<b>d. Debenture redemption reserve</b>		
Balance at the beginning of the year	-	10.00
Less : Transfer to general reserve	-	(10.00)
<b>Balance at the end of the year</b>	-	-
<b>e. Retained earnings</b>		
Balance at the beginning of the year	(564.94)	(248.40)
Add : Profit/(loss) during the year	113.38	(316.54)
<b>Balance at the end of the year</b>	<b>(451.56)</b>	<b>(564.94)</b>
<b>f. Other comprehensive income</b>		
Balance at the beginning of the year	(0.26)	1.20
Add : Loss during the year	(2.14)	(1.46)
<b>Balance at the end of the year</b>	<b>(2.40)</b>	<b>(0.26)</b>
<b>Total other equity [a+b+c+d+e+f]</b>	<b>72.14</b>	<b>(39.10)</b>

### Nature or 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.

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Group for its core business activities.

## Other comprehensive income

Other comprehensive income comprise of re-measurement of defined benefit liability.

## 16. Borrowings

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>Secured loan</b>				
<b>Term loans - from banks</b>				
Rupee loans	232.85	306.50	73.65	35.64
Foreign currency loans	-	-	-	36.36
	<b>232.85</b>	<b>306.50</b>	<b>73.65</b>	<b>72.00</b>
Less : Current maturities on borrowings [refer note 17]	-	-	(73.65)	(72.00)
	<b>232.85</b>	<b>306.50</b>	-	-

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
<b>a) Rupee term loans from banks</b>	
i) ₹ 85.50 Crores (31 March 2020 : ₹ 114.00 Crores) are 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 9 equal quarterly installments each aggregating to ₹ 9.50 Crores repayment of which commenced on various dates from August 2020 and September 2020. Rate of interest at 8.80% to 10.15%.
ii) ₹ 150.00 Crores (31 March 2020 : ₹ 150.00 Crores) are 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 ₹ 25.00 Crores each repayment of which would be commencing from 25 October 2021 onwards. Rate of interest at 9.96%.
iii) ₹ 71.00 Crores (31 March 2020 : ₹ 71.00 Crores) are 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) Nil (31 March 2020 : ₹ 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.	Rupee term loan from bank has been repaid during the current year

# Notes to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Nature of security	Terms of repayment
<b>b) Foreign currency term loans from banks</b>	
i) Nil (31 March 2020 : ₹ 36.36 Crores) were 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.

## Reconciliation of movements of liabilities to cash flows arising from financing activities:

	As at 31 March 2021		As at 31 March 2020	
	Non-current borrowings *	Current borrowings**	Non-current borrowings*	Current borrowings**
<b>Borrowings:</b>				
Balance at beginning of the year	378.50	92.87	280.54	292.34
Proceeds from non-current borrowings	-	-	344.18	-
Repayment of non-current borrowings	(72.00)	-	(248.51)	-
Movement in short-term borrowings [net]	-	(21.69)	-	(199.47)
Foreign exchange movement	-	-	2.29	-
<b>Balance as at the end of the year</b>	<b>306.50</b>	<b>71.18</b>	<b>378.50</b>	<b>92.87</b>
<b>Lease liabilities:</b>		<b>As at 31 March 2021</b>		<b>As at 31 March 2020</b>
Balance at beginning of the year		21.56		-
Payment of lease liabilities		(5.92)		(6.09)
Interest expense		1.85		2.42
Adjustment on modification of lease		-		(2.57)
Adjustment on adoption of Ind AS 116		-		27.80
		<b>17.49</b>		<b>21.56</b>

\* Non-current borrowings includes current maturity.

\*\* Refer note 19

## 17. Other financial liabilities

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings [refer note 16]	-	-	73.65	72.00
Lease liabilities [refer note 39]	12.46	16.99	5.03	4.57
Interest accrued and due on borrowings	-	-	-	0.10
Interest accrued and not due on borrowings	-	-	0.17	10.27
Bank overdraft	-	-	3.71	-
Unpaid dividends [refer note 1 below]	-	-	0.22	0.30
Forward cover payable	-	-	-	0.18
Payable to employees	-	-	8.78	9.97
Creditors towards property, plant and equipment	-	-	2.55	1.85
	<b>12.46</b>	<b>16.99</b>	<b>94.11</b>	<b>99.24</b>

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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 18. Provisions

	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for gratuity [refer note 35]*	19.33	16.25	1.51	1.14
Provision for compensated absences [refer note 35]*	12.15	11.28	2.81	1.94
Provision for contingencies [refer note 32]**	-	-	38.30	54.02
	<b>31.48</b>	<b>27.53</b>	<b>42.62</b>	<b>57.10</b>
* Includes amounts due to Key Managerial Personnel [refer note 41]	0.67	0.28	1.22	0.90
			<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
** Movement in provision for contingencies				
Balance at the beginning of the year			54.02	84.00
Less : Provision reversed during the year			(15.72)	(14.15)
Less : Payment made during the year			-	(15.83)
Balance at the end of the year			<b>38.30</b>	<b>54.02</b>

## 19. Borrowings

	As at 31 March 2021	As at 31 March 2020
<b>Secured loan</b>		
Short-term loans from banks	71.18	92.87
	<b>71.18</b>	<b>92.87</b>

Notes:

Details of rate of interest, terms of repayment and security for short-term loans from banks:

- Short-term loans from banks amounting to ₹ 35.50 Crores [31 March 2020 : ₹ 92.87 cores] 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.
- ₹ 35.68 Crores [31 March 2020 : nil] backed by Stand By Letter of Credit (SBLC) by promotor group company, carry interest rate of 6.25%.

## 20. Trade payables

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises [refer note 36]	1.68	3.25
Total outstanding dues of creditors other than micro enterprises and small enterprises#*	869.36	548.45
	<b>871.04</b>	<b>551.70</b>
# Includes amounts due to related entities [refer note 41]	66.33	23.11

\* Includes acceptances/arrangements with operational suppliers of goods and services where the holding Company continues to recognise the liability till settlement with the banks.

## 21. Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers*	19.49	106.15
Statutory dues	2.17	2.51
Others	0.59	0.49
	<b>22.25</b>	<b>109.15</b>
* Includes amounts due to related entities [refer note 41]	10.91	100.75

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 22. Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Disaggregated revenue information</b>		
Sale of products [refer notes below]		
Finished goods		
Domestic	1,620.29	1,600.51
Export	429.24	513.64
Traded goods	22.43	0.74
	<b>2,071.96</b>	<b>2,114.89</b>
Less: Rebates and discounts to customers	90.47	65.96
	<b>1,981.49</b>	<b>2,048.93</b>
Other operating income		
Scrap sales	8.54	6.95
GST refund	48.33	35.23
Interest from customers	1.75	4.72
Others [refer note 50]	2.78	11.68
	<b>61.40</b>	<b>58.58</b>
	<b>2,042.89</b>	<b>2,107.51</b>

Notes:

### i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Gross sale of products	2,074.17	2,127.11
Less : Adjustment on account of returns	2.24	8.46
Less : Adjustment on account of discounts and price differences	90.44	69.72
	<b>1,981.49</b>	<b>2,048.93</b>

### ii) Contract balances

Trade receivables [refer note 11]	105.21	91.46
Advance from customers [refer note 21] *	19.49	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	5.50	7.89
b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

\* The holding Company has repaid the advance from customers amounting to ₹ 100.65 Crores after taking the requisite approvals from the relevant authorities which was included in the contract liability balance at the beginning of the period.

## 23. Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest income</b>		
from banks	0.55	1.21
from others	1.50	0.09
Unwinding of discount on security deposits	0.19	0.18
Fair valuation of investments through profit and loss	0.01	0.07
Liabilities/provisions no longer required, written back [refer note 50]	16.47	14.54
Others	2.10	4.35
	<b>20.82</b>	<b>20.44</b>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 24. Cost of raw materials consumed

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Category of materials consumed</b>		
Purified terephthalic acid	1,013.86	1,185.61
Mono ethylene glycol	354.35	364.48
Others	61.51	69.87
	<b>1,429.72</b>	<b>1,619.96</b>

## 25. Purchase of stock in trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock-in-trade	20.45	0.75
	<b>20.45</b>	<b>0.75</b>

## 26. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Closing stock</b>		
Finished goods	119.21	128.56
Work-in-progress	17.39	5.92
Waste	4.15	5.56
	<b>140.75</b>	<b>140.04</b>
<b>Opening stock</b>		
Finished goods	128.56	111.36
Work-in-progress	5.92	10.29
Waste	5.56	1.25
	<b>140.04</b>	<b>122.90</b>
	<b>(0.71)</b>	<b>(17.14)</b>
Write down of inventory, considered as exceptional item [refer note 42]	<b>(11.63)</b>	-
	<b>(12.34)</b>	<b>(17.14)</b>

## 27. Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary, wages and bonus	81.62	80.54
Contribution to provident and other funds [refer note 35(a)]	4.30	5.31
Staff welfare expenses	4.05	4.28
	<b>89.97</b>	<b>90.13</b>

## 28. Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	41.77	36.61
Power and fuel	153.83	180.88
Rent and hire charges [refer note 39]	7.09	4.06
Repairs and maintenance	21.17	22.23
Insurance	5.10	5.88
Less : recovery	0.95	4.15
	4.15	0.39
	<b>4.15</b>	<b>5.49</b>

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(All amounts in ₹ crores, unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Rates and taxes [out of provision for contingencies, nil (31 March 2020 : ₹ 15.83 Crores) debited and credited to rates and taxes]	3.80	2.10
Packing materials consumed	57.57	60.16
Freight and forwarding charges	73.86	67.79
Less : recovery	9.58	10.96
Brokerage and commission	4.83	5.40
Discounts and claims	0.92	1.24
Directors' sitting fees	0.30	0.17
Legal and professional charges*	5.25	6.78
Donations	0.07	0.03
Provision for doubtful debts/advances	-	-
Debts/advances/other financial assets written off [out of provision for doubtful debts, nil (31 March 2020 : ₹ 0.18 Crores) debited and credited to debts written off and out of provision for contingencies, ₹ 5.00 Crores (31 March 2020 : nil) debited and credited to other financial assets written off]	14.79	2.12
Loss on disposal/discard of property, plant and equipment	0.19	0.44
Miscellaneous	41.97	49.49
	<b>421.98</b>	<b>434.03</b>

\* Includes payment to auditors

As auditor:		
Audit fee	0.39	0.39
Other services	0.15	0.09
Out of pocket expenses	0.02	0.06
	<b>0.56</b>	<b>0.54</b>

## 29. Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Interest</b>		
fixed loans using effective interest rate method	-	0.24
term loans	32.65	33.17
debentures	-	13.75
short-term loans	10.57	3.40
lease liabilities [refer note 39]	1.85	2.42
others	12.90	25.94
Other borrowing cost	5.89	11.46
Remeasurement of actuarial interest cost [refer note 35]	2.07	1.93
	<b>65.93</b>	<b>92.31</b>

# Notes

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 30. Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment [refer note 2]	33.71	85.95
Amortisation on intangible assets [refer note 4]	0.07	0.05
	<b>33.78</b>	<b>86.00</b>

## 31. Earning/(loss) per share

	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit/(loss) attributable to the equity shareholders (A)	113.38	(316.54)
Number of equity shares at the beginning of the year	261,113,151	178,113,151
Total number of shares outstanding at the end of the year	261,113,151	261,113,151
Weighted-average number of equity shares (B)	261,113,151	260,659,599
Earnings/(loss) per share (₹) (A/B) - Basic and Diluted	4.34	(12.14)
Nominal value of equity share (₹)	10.00	10.00

## 32. Contingent liabilities

	As at 31 March 2021	As at 31 March 2020
There are contingent liabilities in respect of:		
<b>a) Claims against the Company not acknowledged as debt # [refer note 1 below]</b>		
Income tax matters under dispute [gross of amount paid under protest amounting to nil (31 March 2020 : ₹ 0.26 Crore)]	3.39	4.30
Excise/customs/service tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹ 3.18 Crores (31 March 2020 : ₹ 3.59 Crores)]	46.47	55.06
Sales tax/value added tax matters in dispute/under appeal [gross of amount paid under protest amounting to ₹ 0.54 Crores (31 March 2020 : ₹ 0.14 Crore)]	5.26	4.42
Others under dispute* [gross of amount paid under protest amounting to ₹ 14.93 Crores (31 March 2020 : ₹ 8.53 Crores)]	22.91	22.91
	<b>78.03</b>	<b>86.69</b>
<b>b) Other money for which the Company is contingently liable # [refer note 1 below]</b>		
Claims by ex-employees, vendors, customers and civil cases	1.92	1.57
	1.92	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 holding 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 holding Company has provided ₹ 38.30 Crores (31 March 2020 : ₹ 54.02 Crores) against various litigations and remaining contingent liabilities is ₹ 41.65 Crores (31 March 2020 : ₹ 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 (31 March 2020 : ₹ 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..

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 consolidated 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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## 33. Capital commitments and other commitments

	As at 31 March 2021	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]	19.08	10.78
b) The holding Company has commitments to export 37,789 MT [31 March 2020 : 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 2021	As at 31 March 2020
<b>Current assets</b>		
<b>Financial assets</b>		
Floating charge		
Trade receivables	105.21	91.46
Cash and cash equivalents	2.42	12.50
Bank balances other than cash and cash equivalents	5.62	9.96
Other financial assets	190.53	207.00
<b>Non financial assets</b>		
Floating charge		
Inventories	387.00	250.54
Other current assets	57.46	58.58
<b>Total current assets pledged as security</b>	<b>748.24</b>	<b>630.04</b>
<b>Non-current assets</b>		
<b>Financial assets</b>		
First charge		
Non-current bank balances	1.18	1.53
<b>Non financial assets</b>		
First charge		
Property, plant and equipment	672.64	682.52
Capital work-in-progress	8.80	7.19
Other non-current assets	5.72	2.05
<b>Total non-current assets pledged as security</b>	<b>688.34</b>	<b>693.29</b>

## 35. Employee benefits

### a) Defined contribution plan

An amount of ₹ 4.07 Crores [31 March 2020 : ₹ 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 ₹ 0.09 Crores [31 March 2020 : ₹ 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 ₹ 0.14 Crores [31 March 2020 : ₹ 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

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:

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	As at 31 March 2021	As at 31 March 2020
<b>(i) Changes in present value obligation</b>		
Present value obligation as at the start of the year	17.39	15.61
Interest cost	1.17	1.20
Current service cost	1.17	1.01
Actuarial loss/(gain) on obligation	2.05	0.54
Benefits paid	(0.94)	(0.97)
<b>Present value obligation as at the end of the year</b>	<b>20.84</b>	<b>17.39</b>
<b>(ii) Net liability recognised in the Balance Sheet</b>		
Present value obligation at the beginning and end of the year	(20.84)	(17.39)
<b>Net liability in the Balance Sheet</b>	<b>(20.84)</b>	<b>(17.39)</b>
<b>(iii) Amount recognised in the statement of profit and loss</b>		
Current service cost	1.17	1.01
Interest cost	1.17	1.20
<b>Expense recognised in the statement of profit and loss</b>	<b>2.34</b>	<b>2.21</b>
<b>(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)</b>		
Changes in financial assumptions	(2.05)	(0.54)
<b>Amount recognised in other comprehensive income</b>	<b>(2.05)</b>	<b>(0.54)</b>
<b>(v) Actuarial assumptions</b>		
Discount rate (p.a.)	6.67%	6.74%
Salary escalation rate (p.a.)	3.00%	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.

The above defined benefit plan exposes the Company to following risks:

#### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### Salary inflation risk

Expected increases in salary will increase the defined benefit obligation.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee

## Funding

This is an unfunded benefit plan for qualifying employees.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

	As at 31 March 2021	As at 31 March 2020
<b>(vi) Sensitivity analysis for gratuity liability</b>		
The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:		
<b>Present value of obligation at the end of the year</b>		
<b>Impact of the change in discount rate (p.a.)</b>		
Impact due to decrease of 0.50%	0.81	0.71
Impact due to increase of 0.50%	(0.77)	(0.67)
<b>Impact of change in salary escalation rate (p.a.)</b>		
Impact due to increase of 0.50%	0.83	0.73
Impact due to decrease of 0.50%	(0.80)	(0.70)
<b>(vii) Expected future cash flows</b>		
The expected future cash flows in respect of gratuity (undiscounted) were as follows:		
31 March 2021	1.51	1.14
31 March 2022	0.89	0.84
31 March 2023	1.28	0.88
31 March 2024	0.98	1.12
31 March 2025	1.28	0.72
31 March 2026	1.06	1.03
Beyond 31 March 2026	13.84	11.66

## (viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 2.58 Crores as at 31 March 2021 [31 March 2020 : ₹ 2.24 Crores].

## c) Other long-term employee benefits

An amount of ₹ 1.10 Crores [31 March 2020 : ₹ 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 Group, the following are the details:

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid	1.68	3.25
Interest due thereon	0.15	0.07
Interest paid by the Group 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	21.23	6.81
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	0.53	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. 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 and trading 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 2021	For the year ended 31 March 2020
<b>a) Revenue:</b>		
Domestic	1,613.65	1,593.87
Overseas*	429.24	513.64
	<b>2,042.89</b>	<b>2,107.51</b>
<b>*Revenue from overseas countries:</b>		
Turkey	83.54	186.41
Nepal	106.89	76.91
Bangladesh	62.88	30.66
Other overseas countries	175.92	219.65

	As at 31 March 2021	As at 31 March 2020
<b>b) Trade receivables:</b>		
Domestic	52.35	52.87
Overseas*	52.86	38.59
	<b>105.21</b>	<b>91.46</b>
<b>*Trade receivables from overseas countries:</b>		
Turkey	7.32	8.92
Nepal	22.61	4.65
Bangladesh	6.95	0.68
Other overseas countries	15.98	24.34

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
	<b>52.86</b>	<b>38.59</b>
<b>c) Non-current assets:</b>		
Domestic*	729.54	732.88
Overseas	-	-
	<b>729.54</b>	<b>732.88</b>

\*excluding deferred tax and income tax assets

Note:

1. Gross revenues from none of the customer [31 March 2020 : none] 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 other than cash and cash equivalents, 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 Group 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.

As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial instruments by category</b>				
<b>Financial assets at amortised costs</b>				
Trade receivables	-	-	105.21	105.21
Cash and cash equivalents	-	-	3.69	3.69
Bank balances other than cash and cash equivalents	-	-	5.62	5.62
Other financial assets	-	-	190.53	190.53
Loans [non-current]	-	3.56	-	3.56
Non-current bank balances	-	1.18	-	1.18
<b>Financial assets at FVTPL</b>				
Non-current investments	-	-	-	-
Current investments	0.07	-	-	0.07
<b>Total</b>	<b>0.07</b>	<b>4.74</b>	<b>305.05</b>	<b>309.86</b>
<b>Financial liabilities at amortised cost</b>				

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

As at 31 March 2021 Financial instruments by category	Level 1	Level 2	Level 3	Total
Borrowings	-	71.18	-	71.18
Trade payables	-	871.04	-	871.04
Other financial liabilities	-	15.43	-	15.43
Long-term borrowings [including current maturities]	-	306.50	-	306.50
Non-current lease liabilities	-	12.46	-	12.46
Current lease liabilities	-	5.03	-	5.03
<b>Total</b>	-	<b>1,281.64</b>	-	<b>1,281.64</b>

As at 31 March 2020 Financial instruments by category	Level 1	Level 2	Level 3	Total
<b>Financial assets at amortised costs</b>				
Trade receivables	-	-	91.46	91.46
Cash and cash equivalents	-	-	13.02	13.02
Bank balances other than cash and cash equivalents	-	-	9.96	9.96
Other financial assets	-	-	207.00	207.00
Loans [non-current]	-	3.35	-	3.35
Non-current bank balances	-	1.53	-	1.53
<b>Financial assets at FVTPL</b>				
Non-current investments	-	-	-	-
Current investments	0.06	-	-	0.06
<b>Total</b>	<b>0.06</b>	<b>4.88</b>	<b>321.44</b>	<b>326.38</b>
<b>Financial liabilities at amortised cost</b>				
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
<b>Total</b>	-	<b>1,067.30</b>	-	<b>1,067.30</b>

## 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 Group 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.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

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The fair value of the financial assets and liabilities is 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 sale. The following methods and assumptions were used to estimate the fair values:

1. The management assessed that the fair values of cash and cash equivalents, bank balances other than cash and cash equivalents, non-current bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair value of Group's fixed interest-bearing loans that approximate to their carrying amounts as it is based on discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.
3. All the other long-term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

## C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

### (i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The Group's risk committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the maximum credit risk exposure.

#### Trade receivables

The Group'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 Group's standard payment and delivery terms and conditions are offered. The Group review includes external information, if they are available, financial statements, credit agency information, industry information and

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

in some cases bank references. Credit limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade receivables by establishing a credit period for all customer categories. In case of delay beyond credit period, the interest is generally recovered at the rate of 12% to 18%. Most of the Group's customers have been transacting with the Group 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 Group monitors ageing of its trade receivables regularly and based on the same takes corrective action. Trade receivables having ageing more than 180 days is monitored individually and loss allowance is created based on such assessment.

A summary of the Group's exposure to credit risk for trade receivables based on the ageing is as follows:

## Ageing of receivables

	As at 31 March 2021		As at 31 March 2020	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
Less than 180 days	100.43	-	86.69	-
More than 180 days	62.58	57.80	60.13	55.36
	<b>163.01</b>	<b>57.80</b>	<b>146.82</b>	<b>55.36</b>

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	55.36	55.54
Expected credit loss during the year [net of reversal]	2.44	(0.18)
Balance at the end of the year	57.80	55.36

## (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation. The Group 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

	Not more than 1 year	Later than 1 year	Total
<b>As at 31 March 2021</b>			
Long-term borrowings*	73.65	232.85	306.50
Trade payables	871.04	-	871.04
Short-term borrowings*	71.18	-	71.18
Other financial liabilities	20.46	12.46	32.92
<b>Total</b>	<b>1,036.33</b>	<b>245.31</b>	<b>1,281.64</b>

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	Not more than 1 year	Later than 1 year	Total
<b>As at 31 March 2020</b>			
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
<b>Total</b>	<b>743.81</b>	<b>323.49</b>	<b>1,067.30</b>

\* excluding contractual interest payable at prevalent/agreed rate of interest.

The holding Company has secured bank loans that contains certain loan covenants. A future breach of covenant may require the holding 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 2021, the holding Company has not complied with certain financial covenants mentioned under the terms of borrowings for which waiver has already been requested from the lenders. However, based on the past experience and/or on the discussions with the banks and considering the facts of the case, the management believes that the default is minor and waiver will be granted in due course in respect of these financial covenants and no material financial obligation on part of the holding 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 holding 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 Group'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 Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Group's commodity risk is managed centrally through well-established control processes. In accordance with the risk management policy, the Group enters into various transactions using derivatives to hedge its exposure, as and when required.

## Currency risk

The Group 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 Group 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 Group'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 2021			Unhedged amount (in ₹ Crores)
	Currency	Amount in foreign currency (in million)	Exchange rate (in ₹)	
Trade payables	USD	48.28	73.12	353.03
	Euro	0.02	85.80	0.19
	JPY	69.37	0.66	4.58

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(All amounts in ₹ crores, unless stated otherwise)

Trade receivables	USD	(7.23)	73.11	(52.86)
Net exposure in respect of recognised assets and liabilities				<b>304.94</b>

Particulars	Currency	As at 31 March 2020		
		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				<b>136.63</b>

## (ii) Hedged foreign currency risk exposure:

		As at 31 March 2021			
		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	-	-	-

		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
					<b>7.44</b>

## 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 2021		As at 31 March 2020	
		Increase in profit	Decrease in profit	Increase in profit	Decrease in profit
USD	5% movement	15.02	(15.02)	4.50	(4.50)
Euro	5% movement	0.01	(0.01)	2.13	(2.13)
JPY	5% movement	0.23	(0.23)	0.21	(0.21)

## Exposure to interest rate risk

The following table demonstrates the sensitivity on the Group'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:

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021		As at 31 March 2020	
	Increase	Decrease	Increase	Decrease
<b>Changes in interest cost by 5%</b>				
On term loans	1.63	(1.63)	1.66	(1.66)
On short-term loans	0.53	(0.53)	0.17	(0.17)

## D. Capital management

The Group'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 Group'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 2021	As at 31 March 2020
Total liabilities	1,378.05	1,261.08
Less: cash and cash equivalents	3.69	13.02
<b>Adjusted net debt</b>	<b>1,374.36</b>	<b>1,248.06</b>
Total equity	333.25	222.01
Adjusted net debt to equity ratio	4.12	5.62

## 39. Leases

Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2021	As at 31 March 2020
Current	5.03	4.57
Non-current	12.46	16.99
	<b>17.49</b>	<b>21.56</b>

### Adoption of Ind AS 116 'Leases'

Ind AS 116 'Leases' replaced 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 had 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 had 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 had 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 had 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 had 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 had 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.

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to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

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. 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 2021	31 March 2020
Depreciation expense of right-of-use assets	5.34	5.30
Interest expense on lease liabilities	1.85	2.42
Rent expense*	7.09	4.06
<b>Total</b>	<b>14.28</b>	<b>11.78</b>

\*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 holding 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					
- 31 March 2021	3	3-7 years	3.20	2	-
- 31 March 2020	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 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 ₹ 7.09 Crores (31 March 2020 : ₹ 4.06 Crores).

At 31 March 2021, the holding Company was committed to short term-leases and leases of low value, and the total commitment as at that date was ₹ 5.24 Crores (31 March 2020 : ₹ 0.70 Crores).

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2021 was ₹ 7.23 Crores (31 March 2020 : ₹ 3.84 Crores).

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

**40.** The consolidated financial statements were approved for issue by the board of directors on 19 May 2021

## 41. Related party disclosure

### a) Disclosure of related parties and relationship between the parties

Nature of relationship	Name of related party
<b>i) Key managerial personnel</b>	Mr. Om Prakash Lohia [Chairman and Managing Director ('CMD')]
	Mr. Vishal Lohia [Whole Time Director ('WTD')]
	Mrs. Urmila Lohia [Relative of CMD]
	Mr. Alope Lohia [Relative of CMD]
	Mrs. Ritika Kumar [Relative of CMD]
	Mrs. Rimple Lohia [Relative of ED]
	Mr. Udey Paul Singh Gill [Non-Executive Non-Independent Director] [appointed w.e.f. 3 April 2019 till 20 January 2021]
	Mr. Dhanendra Kumar [Non-Executive Independent Director] [appointed w.e.f. 14 February 2020]
	Mr. Dilip Kumar Agrawal [Non-Executive Non-Independent Director] [appointed w.e.f. 20 January 2021]
	Mr. M N Sudhindra Rao [Chief Executive Officer] [also appointed as Executive Director w.e.f. 3 April 2019 till 29 October 2020]
	Mr. Hemant Balkrishna Bal [(Whole Time Director ('WTD')) appointed w.e.f. 30 October 2020]
	Ms. Ranjana Agarwal [Non-Executive Independent Director]
	Mr. Suman Jyoti Khaitan [Non-Executive Independent Director]
	Dr. Arvind Pandalai [Non-Executive Independent Director]
<b>ii) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence (with whom transaction have taken place)</b>	Indorama Petrochem Limited
	Indorama Polyester Industries Public Company Limited
	Indorama Industries Limited
	TPT Petrochemicals Public Company Limited
	IVL Dhunseri Petrochem Industries Private Limited
	StarPet Inc.
	Trevira -Indorama Ventures Company
PT. Indorama Polychem Indonesia	
PT Indorama Ventures Indonesia	
<b>iii) Enterprises having significant influence on the Company</b>	Brookgrange Investments Limited
<b>iv) Controlling Company</b>	Indorama Netherlands BV [controlling company]*
	Indorama Ventures Public Company Limited [ultimate controlling company]**

\* During the previous 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 holding Company, refer note 14.

The holding Company has availability of additional credit lines with the support of the promoter Group Company to the tune of USD 35 million [31 March 2020 : USD 50 million] by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, holding Company has utilised credit lines with the support of the promoter Group Company amounting to ₹ 290.33 Crores [31 March 2020 : nil].

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

## b) Disclosure of transactions between the Company and its related parties

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence</b>		
<b>Foreign currency fluctuations</b>		
Indorama Petrochem Limited	-	1.48
<b>Purchases of goods and services</b>		
Indorama Industries Limited	7.87	11.84
Indorama Petrochem Limited	78.95	5.75
TPT Petrochemicals Public Company Limited	-	6.04
PT Indorama Ventures Indonesia	27.08	-
IVL Dhunseri Petrochem Industries Private Limited	7.91	-
StarPet Inc.	-	0.59
Trevira -Indorama Ventures Company	0.02	-
PT. Indorama Polychem Indonesia	-	0.10
<b>Sale of goods and services</b>		
Indorama Polyester Industries Public Company Limited	77.87	-
Indorama Industries Limited	0.71	12.53
<b>ii) Key Managerial Personnel</b>		
<b>Remuneration</b>		
Short-term employee benefits	5.72	7.83
Other long-term benefits	0.65	(0.11)
Post-employment defined benefit	0.06	0.02
	<b>6.43</b>	<b>7.74</b>
<b>Other transactions [Non-executive independent director]</b>		
Rent income	0.16	0.16
	<b>0.16</b>	<b>0.16</b>
Director sitting fees	0.30	0.17
	<b>0.30</b>	<b>0.17</b>
<b>Interest on optionally convertible debentures</b>		
Mr. Om Prakash Lohia	-	0.74
	-	0.74

## c) Disclosure of related parties year end balances

	As at 31 March 2021	As at 31 March 2020
<b>i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence</b>		
<b>Trade payables</b>		
Indorama Industries Limited	2.69	1.54
Indorama Petrochem Limited	47.75	17.15
PT Indorama Ventures Indonesia	15.89	-
IVL Dhunseri Petrochem Industries Private Limited	-	3.83
StarPet Inc.	-	0.59

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
<b>Advance from customers</b>		
Indorama Industries Limited	0.01	0.10
Indorama Polyester Industries Public Company Limited	10.90	100.65
<b>ii) Key managerial personnel</b>		
<b>Provision for gratuity and compensated absences [based on actuarial valuation]</b>		
Employee benefits	1.89	1.18

d) During the year ended 31 March 2021, the holding Company has paid remuneration to its managing director of ₹ 2.32 Crores which is in excess of the limits laid down under section 197 read with the Schedule V of the Companies Act, 2013 by ₹ 0.47 Crores and has also paid remuneration to its whole time director of ₹ 0.40 Crores which is in excess of limits laid down under section 197 by ₹ 0.22 Crores but within the limits as laid down in Schedule V to the Companies Act, 2013. The holding Company is in the process of obtaining necessary approvals from its shareholders as per the provisions of Section 197 and Schedule V to the Companies Act, 2013 at the ensuing Annual General Meeting by way of ordinary resolution/special resolution, as applicable. Also, if the aforesaid approvals are not granted by the shareholders of the holding Company in the ensuing Annual General Meeting, such directors will comply with requirements of Section 197 (9) of the Companies Act, 2013.

**42.** Indorama Yarns Private Limited, a wholly owned subsidiary of the holding Company, incorporated on 16 August 2019. The holding Company had subscribed ₹ 10,000,000 towards its share capital during the previous year. During the current year, holding Company has further subscribed ₹ 20,000,000 towards its share capital.

#### 43. Exceptional item

The exceptional item for the year ended 31 March 2021 is towards significant write down in valuation of inventories below cost amounting to ₹ 11.63 Crores [31 March 2020 : Nil] which was on account of unprecedented decline in global crude oil prices as an outcome of COVID-19 Pandemic.

#### 44. 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.

**45.** In March 2020, World Health Organisation (WHO) had declared the outbreak of Novel Corona virus "COVID-19" as a pandemic. Complying with the directives of Government, the plant and offices of the holding Company had been under lock-down impacting the operations for the year.

However, the recent second wave of COVID-19 has resulted in re-imposition of partial lockdowns/restrictions

in various states, which might continue to impact the holding Company's performance.

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. The management will continue to monitor any material change 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.

**46.** The holding Company has availability of additional credit lines with the support of the promoter Group Company to the tune of USD 35 million [31 March 2020 : USD 50 million] by way of the Stand By Letter of Credit (SBLC) to meet any unforeseen exigencies. Further, holding Company has utilised credit lines with the support of the promoter Group Company amounting to ₹ 290.33 Crores [31 March 2020 : nil].

**47.** The holding Company's business comprises of manufacture and sale of polyester products. The management has reassessed the carrying value of deferred tax assets amounting to ₹ 110.01 Crores and additionally recognised ₹ 98.52 Crores on the basis of improved operational and

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ crores, unless stated otherwise)

market performance achieved during the year ended 31 March 2021. Management is confident about the achievement of its long-term business plans and availability of sufficient future taxable profits against which deferred tax amounting to ₹ 208.53 Crores is fully recoverable.

**48.** The management reassessed remaining useful life of certain assets in the block of plant and equipment with effect from 1 April 2020 on the basis of assessment made by external technical experts. Depending upon the operating conditions and usability of assets, the useful life of the said assets which was hitherto 18 years have been revised to 20 years in case of utilities and to 45 years for the processing plants. Due to this reassessment of remaining useful life, the depreciation for the year ended 31 March 2021 is lower by ₹ 51.53 Crores, whereas the profit for the corresponding period is higher by ₹ 47.48 Crores respectively.

**49.** Per transfer pricing legislation under section 92-92F of the Income-tax Act 1961, the Group is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintains adequate documentation in this respect. The legislations require that such information and documentation to be contemporaneous in nature. The Group has appointed independent consultants for conducting the Transfer Pricing Study to determine whether the transactions with associated enterprises undertake during the financial year are on an "arm's length basis". The Group is in the process of conducting a transfer pricing study for the current financial year and expects such records to be in existence latest by the due date as required by law. However, in the opinion of the management the update would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

**50.** During the year ended 31 March 2021, the holding Company has reclassified/regrouped certain previous year's balances. Refer below for details:-

## Reclassification of financial information of previous year ended 31 March 2020

Details	Nature of reclassification	Amount (₹ Crores)
Balance recoverable from Government authorities	Reclassified from 'Other Current Assets' disclosed under note 9 to 'Other Current Financial Assets' disclosed under note 7	202.12
Excess liabilities written back	Reclassified from 'Other operating income' disclosed under note 22 to 'Other Income' disclosed under note 23	14.54

**51.** 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)
<b>Holding Company</b>								
Indo Rama Synthetics (India) Limited	99.95%	333.09	99.47%	112.78	100.00%	(2.14)	99.46%	110.64
	<b>[100.20%]</b>	<b>[222.45]</b>	<b>[99.86%]</b>	<b>[-316.10]</b>	<b>[100.00%]</b>	<b>[-1.46]</b>	<b>[99.86%]</b>	<b>[-317.56]</b>

# Notes

to the Consolidated financial statements

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in ₹ Crores, unless stated otherwise)

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	
<b>Subsidiary</b>								
Indorama Yarns Private Limited	0.05%	0.16	0.53%	0.60	0.00%	-	0.54%	0.60
	[-0.20%]	[-0.44]	[0.14%]	[-0.44]	[0.00%]	-	[0.14%]	[-0.44]
<b>Total</b>	<b>100.00%</b>	<b>333.25</b>	<b>100.00%</b>	<b>113.38</b>	<b>100.00%</b>	<b>(2.14)</b>	<b>100.00%</b>	<b>111.24</b>
	[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.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandik & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/N500013

For **Indo Rama Synthetics (India) Limited**

**Tarun Gupta**  
 Partner  
 Membership No.: 507892  
 UDIN: 21507892AAAABY5637  
 Place: New Delhi  
 Date: 19 May 2021

**Om Prakash Lohia**  
 Chairman and Managing Director  
 DIN : 00206807  
 Place: New Delhi  
 Date: 19 May 2021

**Arvind Pandalai**  
 Director  
 DIN : 00352809  
 Place: New Delhi  
 Date: 19 May 2021

**M N Sudhindra Rao**  
 Chief Executive Officer  
 ICAI Membership No.: 100-35548  
 Place: Mumbai  
 Date: 19 May 2021

**Umesh Kumar Agrawal**  
 Chief Commercial and Financial Officer  
 ICAI Membership No.: 055210  
 Place: Gurugram  
 Date: 19 May 2021

**Pawan Kumar Thakur**  
 Company Secretary  
 ICSI Membership No.: FCS6474  
 Place: Gurugram  
 Date: 19 May 2021

# 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 since when subsidiary was acquired	Reporting Period	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Effective Shareholding	Country
1	Indorama Yarns Private Limited	16 August 2019	1 April 2020 to 31.03,2021	INR	3.00	0.17	20.98	20.98	NIL	21.03	0.66	0.06	0.60	-	100%	India

## For Indo Rama Synthetics (India) Limited

**Om Prakash Lohia**  
Chairman and Managing Director  
DIN: 00206807  
Place: New Delhi  
Date: 19 May 2021

**M N Sudhindra Rao**  
Chief Executive Officer  
ICAI Membership No.: 100-35548  
Place: Mumbai  
Date: 19 May 2021

**Umesh Kumar Agrawal**  
Chief Commercial and Financial Officer  
ICAI Membership No.: 055210  
Place: Gurugram  
Date: 19 May 2021

**Pawan Kumar Thakur**  
Company Secretary  
ICSI Membership No.: FCS6474  
Place: Gurugram  
Date: 19 May 2021







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