

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
21st Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurugram - 122 002  
India

T +91 124 462 8099  
F +91 124 462 8001

## Independent Auditor's Report

**To the Members of Indorama Ventures Yarns Private Limited**

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Indorama Ventures Yarns Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information 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 financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiok & Co LLP

## **Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited, on the financial statements for the year ended 31 March 2025 (cont'd)**

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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.
6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

8. 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.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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



# Walker ChandioK & Co LLP

## Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited, on the financial statements for the year ended 31 March 2025 (cont'd)

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 Board of Directors' 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; 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.

10. 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.

### Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, 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 financial statements;
  - b) Except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) 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 2025 from being appointed as a director in terms of section 164(2) of the Act;



# Walker ChandioK & Co LLP

## Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited, on the financial statements for the year ended 31 March 2025 (cont'd)

- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; 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:
  - i. The Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2025.;
  - 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 2025;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2025.



# Walker Chandiok & Co LLP

## Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited, on the financial statements for the year ended 31 March 2025 (cont'd)

- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes, as described in note 39 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention other than the consequential impact of the exception given above.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Kartik Gogia**

Partner

Membership No.: 512371

UDIN: 25512371BMNUCY1991



**Place:** Gurugram

**Date:** 12 May 2025



# Walker Chandio & Co LLP

## **Annexure A referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and capital work-in-progress.  
  
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and capital work-in-progress under which the assets are physically 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 programme, certain property, plant and equipment and capital work-in-progress were verified during the year and no material discrepancies were noticed on such verification.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has adopted cost model for its Property, Plant and Equipment. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipts and/or dispatch inventory records.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 189 & 20 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.



# Walker Chandiok & Co LLP

## **Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025 (Cont'd)**

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays 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) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

# Walker Chandiok & Co LLP

## **Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025 (Cont'd)**

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 1,563.80 lakhs and Rs. 1,917.09 lakhs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions,



# Walker Chandiok & Co LLP

## Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025 (Cont'd)

nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Kartik Gogia**

Partner

Membership No.: 512371

UDIN: 25512371BMNUCY1991



**Place:** Gurugram

**Date:** 12 May 2025

# Walker ChandioK & Co LLP

## **Annexure B to the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025**

### **Independent Auditor's Report on the internal financial controls with reference to the 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 financial statements of Indorama Ventures Yarns Private Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

Chartered Accountants



# Walker Chandiok & Co LLP

## Annexure B to the Independent Auditor's Report of even date to the members of Indorama Ventures Yarns Private Limited on the financial statements for the year ended 31 March 2025 (Cont'd)

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 2025, 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



**Kartik Gogia**  
Partner  
Membership No.: 512371  
UDIN: 25512371BMNUCY1991

**Place:** Gurugram  
**Date:** 12 May 2025



Chartered Accountants

**Indorama Ventures Yarns Private Limited**  
**CIN: U17299MH2021PTC363295**  
**Balance Sheet as at 31 March 2025**  
*(All amounts in ₹ lakhs, unless stated otherwise)*

| Particulars                                                           | Notes | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------------------------|-------|------------------------|------------------------|
| <b>Assets</b>                                                         |       |                        |                        |
| <b>Non-current assets</b>                                             |       |                        |                        |
| (a) Property, plant and equipment                                     | 2     | 20,416.37              | 17,859.80              |
| (b) Capital work-in-progress                                          | 3     | 520.40                 | 3,225.48               |
| (c) Financial assets                                                  |       |                        |                        |
| (i) Other financial assets                                            | 4     | 41.33                  | 2.48                   |
| (d) Non-current tax assets (net)                                      | 5     | 44.03                  | 29.98                  |
| (e) Other non-current assets                                          | 6     | 0.07                   | 27.30                  |
| <b>Total non-current assets</b>                                       |       | <b>21,022.20</b>       | <b>21,145.04</b>       |
| <b>Current assets</b>                                                 |       |                        |                        |
| (a) Inventories                                                       | 7     | 3,939.86               | 3,132.76               |
| (b) Financial assets                                                  |       |                        |                        |
| (i) Trade receivables                                                 | 8     | 1,253.10               | 742.64                 |
| (ii) Cash and cash equivalents                                        | 9     | 232.05                 | 55.03                  |
| (iii) Other financial assets                                          | 4     | 1.22                   | 302.61                 |
| (c) Other current assets                                              | 10    | 2,026.86               | 1,409.13               |
| <b>Total current assets</b>                                           |       | <b>7,453.09</b>        | <b>5,642.17</b>        |
| <b>Total assets</b>                                                   |       | <b>28,475.29</b>       | <b>26,787.21</b>       |
| <b>Equity and liabilities</b>                                         |       |                        |                        |
| <b>Equity</b>                                                         |       |                        |                        |
| (a) Equity share capital                                              | 11    | 700.00                 | 700.00                 |
| (b) Other equity                                                      | 12    | (4,174.65)             | (2,166.98)             |
| <b>Total equity</b>                                                   |       | <b>(3,474.65)</b>      | <b>(1,466.98)</b>      |
| <b>Liabilities</b>                                                    |       |                        |                        |
| <b>Non-current liabilities</b>                                        |       |                        |                        |
| (a) Financial liabilities                                             |       |                        |                        |
| (i) Borrowings                                                        | 13    | 13,672.03              | 16,089.54              |
| (b) Provisions                                                        | 14    | 29.05                  | 26.00                  |
| <b>Total non-current liabilities</b>                                  |       | <b>13,701.08</b>       | <b>16,115.54</b>       |
| <b>Current liabilities</b>                                            |       |                        |                        |
| (a) Financial liabilities                                             |       |                        |                        |
| (i) Borrowings                                                        | 13    | 4,317.51               | 2,590.51               |
| (ii) Trade payables                                                   |       |                        |                        |
| (a) total outstanding dues of micro enterprises and small enterprises |       | 164.68                 | 185.49                 |
| (b) total outstanding dues other than (a) above                       | 15    | 13,084.17              | 8,035.76               |
| (iii) Other financial liabilities                                     | 16    | 602.82                 | 728.43                 |
| (b) Other current liabilities                                         | 17    | 79.00                  | 597.79                 |
| (c) Provisions                                                        | 14    | 0.68                   | 0.67                   |
| <b>Total current liabilities</b>                                      |       | <b>18,248.86</b>       | <b>12,138.65</b>       |
| <b>Total equity and liabilities</b>                                   |       | <b>28,475.29</b>       | <b>26,787.21</b>       |

Notes 1 to 39 forms an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Karik Gogia**  
Partner  
Membership No.: 5123



**Place:** Gurugram  
**Date:** 12 May 2025

For and on behalf of the Board of Directors of  
**Indorama Ventures Yarns Private Limited**

  
**Vishal Lohia**  
Additional Director  
DIN: 00206458



**Place:** Gurugram  
**Date:** 12 May 2025

  
**Umesh Kumar Agrawal**  
Director  
DIN: 08502514

**Place:** Gurugram  
**Date:** 12 May 2025



Indorama Ventures Yarns Private Limited  
CIN: U17299MH2021PTC363295  
Statement of Profit and Loss for the year ended 31 March 2025  
(All amounts in ₹ lakhs, unless stated otherwise)

| Particulars                                                                                                        | Notes | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| <b>I Income</b>                                                                                                    |       |                                     |                                     |
| Revenue from operations                                                                                            | 18    | 48,551.79                           | 13,628.02                           |
| Other income                                                                                                       | 19    | 11.93                               | 0.34                                |
| <b>Total income</b>                                                                                                |       | <b>48,563.72</b>                    | <b>13,628.36</b>                    |
| <b>II Expenses</b>                                                                                                 |       |                                     |                                     |
| Cost of materials consumed                                                                                         | 20    | 34,196.55                           | 11,657.54                           |
| Purchases of stock-in-trade                                                                                        | 21    | 9,523.13                            | 3,053.37                            |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade                                      | 22    | (798.62)                            | (3,065.73)                          |
| Employee benefits expense                                                                                          | 23    | 458.42                              | 612.90                              |
| Other expenses                                                                                                     | 24    | 4,887.23                            | 2,151.95                            |
| <b>Expenses before depreciation and amortisation expense, finance costs and foreign exchange fluctuation</b>       |       | <b>48,266.71</b>                    | <b>14,410.04</b>                    |
| <b>Profit/ (loss) before depreciation and amortisation expense, finance costs and foreign exchange fluctuation</b> |       | <b>297.01</b>                       | <b>(781.68)</b>                     |
| Depreciation and amortisation expense                                                                              | 2     | 450.54                              | 154.79                              |
| Finance costs                                                                                                      | 25    | 1,841.73                            | 1,130.38                            |
| Foreign exchange fluctuation loss                                                                                  |       | 19.08                               | 5.03                                |
| <b>Total expenses</b>                                                                                              |       | <b>50,578.06</b>                    | <b>15,700.24</b>                    |
| <b>III Loss before tax [I-II]</b>                                                                                  |       | <b>(2,014.34)</b>                   | <b>(2,071.88)</b>                   |
| <b>IV Tax expense :</b>                                                                                            |       | -                                   | -                                   |
| <b>V Loss for the year [III-IV]</b>                                                                                |       | <b>(2,014.34)</b>                   | <b>(2,071.88)</b>                   |
| <b>VI Other comprehensive income (OCI)</b>                                                                         |       |                                     |                                     |
| <b>Items that will not be reclassified to profit or loss</b>                                                       |       |                                     |                                     |
| Re-measurement of defined benefit liability                                                                        |       | 6.67                                | (4.57)                              |
| Less: Income tax relating to remeasurement of defined benefit liability                                            |       | -                                   | -                                   |
| <b>Other comprehensive income for the year</b>                                                                     |       | <b>6.67</b>                         | <b>(4.57)</b>                       |
| <b>VII Total comprehensive income for the year</b>                                                                 |       | <b>(2,007.67)</b>                   | <b>(2,076.45)</b>                   |
| <b>VIII Loss per equity share [nominal value of equity share ₹ 10]</b>                                             |       |                                     |                                     |
| Basic and diluted                                                                                                  | 26    | (28.78)                             | (29.60)                             |

Notes 1 to 39 forms an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/1508019

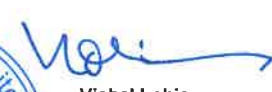
  
Kartik Gogia  
Partner

Membership No.: 512371

Place: Gurugram  
Date: 12 May 2025



For and on behalf of the Board of Directors of  
**Indorama Ventures Yarns Private Limited**

  
Vishal Lohia  
Additional Director  
DIN: 00206458

Place: Gurugram  
Date: 12 May 2025

  
Umesh Kumar Agrawal  
Director  
DIN: 08502514

Place: Gurugram  
Date: 12 May 2025

**Indorama Ventures Yarns Private Limited**  
**CIN: U17299MH2021PTC363295**  
**Statement of Cash Flows for the year ended 31 March 2025**  
*(All amounts in ₹ Lakhs, unless stated otherwise)*

| Particulars                                                                                                            | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A. Cash flow from operating activities</b>                                                                          |                                     |                                     |
| Loss before tax                                                                                                        | (2,014.34)                          | (2,071.88)                          |
| Depreciation and amortisation expense                                                                                  | 450.54                              | 154.79                              |
| Finance costs                                                                                                          | 1,841.73                            | 1,130.38                            |
| Interest income                                                                                                        | (1.37)                              | (0.34)                              |
| <b>Operating profit/ (loss) before working capital changes</b>                                                         | <b>276.56</b>                       | <b>(787.05)</b>                     |
| Adjustments for movement in:                                                                                           |                                     |                                     |
| Changes in trade receivables                                                                                           | (510.46)                            | (742.64)                            |
| Changes in other financial assets and loans                                                                            | 262.54                              | (303.17)                            |
| Changes in other assets                                                                                                | (617.73)                            | (548.72)                            |
| Changes in inventories                                                                                                 | (807.10)                            | (3,132.76)                          |
| Changes in trade payables                                                                                              | 5,027.60                            | 8,186.29                            |
| Changes in provisions                                                                                                  | 9.73                                | 16.51                               |
| Changes in other financial liabilities                                                                                 | (3.39)                              | (0.96)                              |
| Changes in other liabilities                                                                                           | (518.79)                            | 578.52                              |
| <b>Cash generated from operating activities</b>                                                                        | <b>3,118.96</b>                     | <b>3,266.02</b>                     |
| Income tax (paid) [net]                                                                                                | (14.05)                             | (24.76)                             |
| <b>Net cash generated from operating activities [A]</b>                                                                | <b>3,104.91</b>                     | <b>3,241.26</b>                     |
| <b>B. Cash flow from investing activities</b>                                                                          |                                     |                                     |
| Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances) | (392.24)                            | (12,058.95)                         |
| Interest Income                                                                                                        | 1.37                                | 0.34                                |
| <b>Net cash used in investing activities [B]</b>                                                                       | <b>(390.87)</b>                     | <b>(12,058.61)</b>                  |
| <b>C. Cash flow from financing activities</b>                                                                          |                                     |                                     |
| Proceeds from non-current borrowings                                                                                   | 5,853.85                            | 9,967.98                            |
| Repayment of non-current borrowings                                                                                    | (6,544.36)                          |                                     |
| Movement in current borrowings [net]                                                                                   |                                     |                                     |
| Finance costs paid                                                                                                     | (1,846.51)                          | (1,125.39)                          |
| <b>Net cash (used in)/ generated from financing activities [C]</b>                                                     | <b>(2,537.02)</b>                   | <b>8,842.59</b>                     |
| <b>Net increase in cash and cash equivalents [A+B+C]</b>                                                               | <b>177.02</b>                       | <b>25.24</b>                        |
| Cash and cash equivalents at the beginning of the year                                                                 | 55.03                               | 29.79                               |
| <b>Closing cash and cash equivalents (refer note 9)</b>                                                                | <b>232.05</b>                       | <b>55.03</b>                        |

**Notes:**

- The above statement of cash flow 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 13 for reconciliation of movements of liabilities to cash flows arising from financing activities in accordance with Ind AS-7.

Notes 1 to 39 forms an integral part of these financial statements

This is the Statement of Cash Flows referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of  
**Indorama Ventures Yarns Private Limited**

*Kartik*

**Kartik Gogia**  
Partner

Membership No.: 512074

Place: Gurugram  
Date: 12 May 2025



*Vishal*

**Vishal Lohia**  
Additional Director  
DIN: 00206458

Place: Gurugram  
Date: 12 May 2025

*Umesh*

**Umesh Kumar Agrawal**  
Director  
DIN: 08502514

Place: Gurugram  
Date: 12 May 2025

A. Equity share capital

| Particulars          | Balance as at<br>1 April 2024 | Changes in equity share<br>capital during the period | Balance as at<br>31 March 2025 |
|----------------------|-------------------------------|------------------------------------------------------|--------------------------------|
| Equity share capital | 700.00                        | -                                                    | 700.00                         |

| Particulars          | Balance as at<br>1 April 2023 | Changes in equity share<br>capital during the period | Balance as at<br>31 March 2024 |
|----------------------|-------------------------------|------------------------------------------------------|--------------------------------|
| Equity share capital | 700.00                        | -                                                    | 700.00                         |

B. Other equity  
Attributable to the equity holders  
Retained earnings

| Particulars                             | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year    | (2,166.98)             | (90.53)                |
| Loss during the year                    | (2,014.34)             | (2,071.88)             |
| Other comprehensive income for the year | 6.67                   | (4.57)                 |
| Balance at the end of the year          | (4,174.65)             | (2,166.98)             |

Notes 1 to 39 forms an integral part of these financial statements  
This is the Statement of Changes in Equity referred to in our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Kartik Gogia  
Partner  
Membership No.: 51237  
  
Place: Gurugram  
Date: 12 May 2025



For and on behalf of the board of directors of  
Indorama Ventures Yarns Private Limited

  
Vishal Lohia  
Additional Director  
DIN: 00206458  
  
Place: Gurugram  
Date: 12 May 2025



  
Umesh Kumar Agrawal  
Director  
DIN: 08502514  
  
Place: Gurugram  
Date: 12 May 2025

## **Indorama Ventures Yarns Private Limited**

### **Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025**

#### **1. (i) Corporate information**

Indorama Ventures Yarns Private Limited (hereinafter referred to as 'the Company' or 'IVYPL') is a Private Company domiciled in India, with its registered office situated at The Metropolitan, 6th Floor, Bandra Kurla Complex, Bandra (East), Mumbai. The Company has been incorporated under the provisions of Companies Act, 2013. The Company is engaged in trading of polyester yarn and is in process of setting up project to manufacture draw textured yarn (DTY).

The financial statements were approved for issue by the Board of Directors on 12 May 2025.

#### **(ii) Basis of preparation and presentation**

These 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 financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. The financial statements have been prepared on the historical cost basis. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

The statement of cash flows have been prepared under indirect method.

The financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are measured at fair value/ amortised cost.

#### **(iii) Amended Accounting Standards (Ind AS) and interpretations effective during the year**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified below new standards / amendments which were effective from 1 April, 2024.

##### **a. Amendments to Ind AS 116 -Lease liability in a sale and leaseback**

The amendments require an entity to recognise lease liability including variable lease payments which are not linked to index or a rate in a way it does not result into gain on Right of use asset it retains.

The amendments had no impact on the Company.

##### **b. Introduction of Ind AS 117**

MCA notified Ind AS 117, a comprehensive standard that prescribe, recognition, measurement and disclosure requirements, to avoid diversities in practice for accounting insurance contracts and it applies to all companies i.e., to all "insurance contracts" regardless of the issuer. However, Ind AS 117 is not applicable to the entities which are insurance companies registered with IRDAI.

The amendments had no impact on the Company.

#### **(iv) Material accounting policy information**

##### **a. Use of estimates and judgements**

The preparation of 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 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 financial statements in the period in which changes are made. In particular, information about significant areas of estimation, uncertainty and critical judgements

## **Indorama Ventures Yarns Private Limited**

### **Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025**

in applying accounting policies that have most significant effect of the amounts recognized in the financial statements is includes in:

- estimation of useful lives of property, plant and equipment and intangible assets
- measurement of defined benefit obligations: key actuarial assumptions.
- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

#### **b. Going concern**

Going concern basis of accounting used for preparation of the accompanying financial statements is appropriate with no material uncertainty.

#### **c. Current/non-current classification**

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.

#### **d. Property, plant and equipment**

##### **Recognition, derecognition and measurement**

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.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

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.

##### **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.





**Depreciation**

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Company have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

| Particulars         | Management estimate of useful life | Useful life as per Schedule II |
|---------------------|------------------------------------|--------------------------------|
| Buildings           | 58 years                           | 30/60 years                    |
| Plant and machinery | 45/20/18 years                     | 25/3 years                     |
| Office equipment's  | 20 years/6 years                   | 5 years                        |

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets costing less than Rs. 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.

**e. 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 recognises loss allowances using the Expected Credit Loss ('ECL') model for the financial assets which are not fair valued through Statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the Statement of profit and loss.

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.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that

assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date. 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.

**f. Inventories**

Inventories are measured at the lower of cost and net realisable value.

**Raw materials, stock-in-trade, packing material and stores and spares:** The cost of inventories is calculated on weighted average basis, and includes expenditure incurred in acquiring the inventories 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.

**g. 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.

**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 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**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a other long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the profit or loss.

The Company has unconditional right to defer payment of compensated absences beyond 12 months from reporting date.

**h. Revenue**

**i. Sale of goods**

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. There is no significant financing component because there isn't any difference between the amount of promised consideration and the cash selling price.

Revenue is recognised upon transfer of control of promised products to customers being when the goods are shipped to the customers or dispatched from warehouse basis the contract with 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.

**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 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.

## **j. 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.

However, trade receivables are initially measured at transaction price (as defined in Ind AS 115, Revenue from Contract with Customers) unless those contain a significant financing component determined in accordance with Ind AS 115.

### **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

## Indorama Ventures Yarns Private Limited

### Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025

- business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it

would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding. Additionally, for 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.





**k. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cheques on hand, cash on hand, short term deposits with an original maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

**l. 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 are dealt with in the Statement of Profit and Loss.

**m. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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.

**n. Measurement of profit before depreciation and amortisation expense, finance costs, foreign exchange fluctuation and exceptional item**

The Company have elected to present loss before finance costs, and foreign exchange fluctuation as a separate line item on the face of the statement of Profit and Loss.

In the measurement, the Company includes interest income but does not include finance costs, foreign exchange fluctuation and tax expense.



**Indorama Ventures Yarns Private Limited**

**Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025**

**o. Amendment to Accounting Standards (Ind AS) issued but not yet effective.**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31st March, 2025 MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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**2. Property, plant and equipment**

| Particulars                        | Leasehold Improvement | Buildings       | Plant and equipment | Furniture and Fixtures | Office equipments | Total            |
|------------------------------------|-----------------------|-----------------|---------------------|------------------------|-------------------|------------------|
| <b>A. Gross carrying amount</b>    |                       |                 |                     |                        |                   |                  |
| Balance as at 1 April 2023         | -                     | -               | -                   | -                      | -                 | -                |
| Additions during the year          | 357.53                | 7,638.62        | 10,014.64           | -                      | 3.80              | 18,014.59        |
| Disposals during the year          | -                     | -               | -                   | -                      | -                 | -                |
| <b>Balance as at 31 March 2024</b> | <b>357.53</b>         | <b>7,638.62</b> | <b>10,014.64</b>    | <b>-</b>               | <b>3.80</b>       | <b>18,014.59</b> |
| Additions during the year          | -                     | 170.28          | 2,701.07            | 20.77                  | 114.99            | 3,007.11         |
| Disposals during the year          | -                     | -               | -                   | -                      | -                 | -                |
| <b>Balance as at 31 March 2025</b> | <b>357.53</b>         | <b>7,808.90</b> | <b>12,715.71</b>    | <b>20.77</b>           | <b>118.79</b>     | <b>21,021.70</b> |
| <b>B. Accumulated Depreciation</b> |                       |                 |                     |                        |                   |                  |
| Balance as at 1 April 2023         | -                     | -               | -                   | -                      | -                 | -                |
| Additions during the year          | 8.32                  | 18.45           | 127.97              | -                      | 0.05              | 154.79           |
| Disposals during the year          | -                     | -               | -                   | -                      | -                 | -                |
| <b>Balance as at 31 March 2024</b> | <b>8.32</b>           | <b>18.45</b>    | <b>127.97</b>       | <b>-</b>               | <b>0.05</b>       | <b>154.79</b>    |
| Additions during the year          | 8.31                  | 125.93          | 294.08              | 5.89                   | 16.33             | 450.54           |
| Disposals during the year          | -                     | -               | -                   | -                      | -                 | -                |
| <b>Balance as at 31 March 2025</b> | <b>16.63</b>          | <b>144.38</b>   | <b>422.05</b>       | <b>5.89</b>            | <b>16.38</b>      | <b>605.33</b>    |
| <b>Net carrying value</b>          |                       |                 |                     |                        |                   |                  |
| Balance as at 31 March 2025        | 340.90                | 7,664.52        | 12,293.66           | 14.88                  | 102.41            | 20,416.37        |
| Balance as at 31 March 2024        | 349.21                | 7,620.17        | 9,886.67            | -                      | 3.76              | 17,859.80        |

**Note**

1. Refer note 27 for information on capital commitments for acquisitions of property, plant and equipment.

2. The costs that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 35.

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**3. Capital work-in-progress**

|                                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------------|------------------------|------------------------|
| <b>Reconciliation of carrying amount</b>  |                        |                        |
| Opening balance                           | 3,225.48               | 8,548.43               |
| Additions                                 | 302.03                 | 12,691.64              |
| Transfer to property, plant and equipment | (3,007.11)             | (18,014.59)            |
| <b>Total</b>                              | <b>520.40</b>          | <b>3,225.48</b>        |

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. The costs that are directly attributable to the acquisition or construction of property, plant and equipment had been capitalised during the year, refer note 35.

**(a) Capital work-in-progress ageing schedule as at 31 March 2025 and 31 March 2024**

| Projects in progress | Amount in capital work-in-progress for a period of |           |           |                   | Total           |
|----------------------|----------------------------------------------------|-----------|-----------|-------------------|-----------------|
|                      | Less than 1<br>year                                | 1-2 Years | 2-3 Years | More than 3 Years |                 |
| <b>31 March 2025</b> | 306.84                                             | 177.36    | 36.20     | -                 | <b>520.40</b>   |
| <b>31 March 2024</b> | 2,561.73                                           | 663.75    | -         | -                 | <b>3,225.48</b> |

(b) There are no such project under capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2025 and 31 March 2024.

**4. Other financial assets**

|                              | Non-current            |                        | Current                |                        |
|------------------------------|------------------------|------------------------|------------------------|------------------------|
|                              | As at<br>31 March 2025 | As at<br>31 March 2024 | As at<br>31 March 2025 | As at<br>31 March 2024 |
| Security deposits            | 41.33                  | 2.48                   | -                      | -                      |
| Advance to employees         | -                      | -                      | 0.42                   | 1.15                   |
| Claims and other receivables | -                      | -                      | 0.80                   | 301.46                 |
| <b>Total</b>                 | <b>41.33</b>           | <b>2.48</b>            | <b>1.22</b>            | <b>302.61</b>          |

**5. Non current tax assets (net)**

|                    | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------|------------------------|------------------------|
| Prepaid income tax | 44.03                  | 29.98                  |
| <b>Total</b>       | <b>44.03</b>           | <b>29.98</b>           |

**6. Other non current assets**

|                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------|------------------------|------------------------|
| Capital advances | 0.07                   | 27.30                  |
| <b>Total</b>     | <b>0.07</b>            | <b>27.30</b>           |

**7. Inventories**

|                                                                                          | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Inventories</b>                                                                       |                        |                        |
| [ Valued at lower of cost or net realisable value unless otherwise stated]               |                        |                        |
| Raw materials                                                                            | 22.27                  | 19.54                  |
| Work-in-progress                                                                         | 378.45                 | 191.17                 |
| Finished goods *                                                                         | 1,493.80               | 208.58                 |
| Stores spares                                                                            | 11.82                  | 4.65                   |
| Packing material and others                                                              | 41.42                  | 42.84                  |
| Waste**                                                                                  | 14.37                  | 6.59                   |
| Stock-in-trade [includes in transit Rs.345.34 lakhs (31 March 2024 : Rs.2,659.39 lakhs)] | 1,977.73               | 2,659.39               |
| <b>Total</b>                                                                             | <b>3,939.86</b>        | <b>3,132.76</b>        |

\* The inventories were reduced by Rs 16.66 lakhs.( 31 March 2024 : Rs 0.67 lakhs) on account of net realisable value being lower than the cost.

\*\* Valued at net realisable value

**8. Trade receivables**

|                            | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------|------------------------|------------------------|
| Unsecured, considered good | 1,253.10               | 742.64                 |
| <b>Total</b>               | <b>1,253.10</b>        | <b>742.64</b>          |

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.The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 33

3. No amount is due from directors or officers of the Company.

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## Trade receivable ageing schedule as at 31 March 2025 and 31 March 2024

| 31 March 2025                  | Not Due       | Outstanding for following periods from due date of payment |                     |             |           |                   | Total           |
|--------------------------------|---------------|------------------------------------------------------------|---------------------|-------------|-----------|-------------------|-----------------|
|                                |               | Less than 6 months                                         | 6 months to 1 years | 1-2 years   | 2-3 years | More than 3 years |                 |
| Undisputed trade receivables   |               |                                                            |                     |             |           |                   |                 |
| Considered good                | 983.08        | 265.00                                                     | 4.40                | 0.62        | -         | -                 | 1,253.10        |
| <b>Total trade receivables</b> | <b>983.08</b> | <b>265.00</b>                                              | <b>4.40</b>         | <b>0.62</b> | <b>-</b>  | <b>-</b>          | <b>1,253.10</b> |

| 31 March 2024                  | Not Due       | Outstanding for following periods from due date of payment |                     |           |           |                   | Total         |
|--------------------------------|---------------|------------------------------------------------------------|---------------------|-----------|-----------|-------------------|---------------|
|                                |               | Less than 6 months                                         | 6 months to 1 years | 1-2 years | 2-3 years | More than 3 years |               |
| Undisputed trade receivables   |               |                                                            |                     |           |           |                   |               |
| Considered good                | 259.13        | 483.51                                                     | -                   | -         | -         | -                 | 742.64        |
| <b>Total trade receivables</b> | <b>259.13</b> | <b>483.51</b>                                              | <b>-</b>            | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>742.64</b> |

There are no disputed and unbilled trade receivables. Hence, the same is not disclosed in the ageing schedule.

## 9. Cash and cash equivalents

|                     | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------|------------------------|------------------------|
| Balances with banks | 232.05                 | 55.03                  |
| <b>Total</b>        | <b>232.05</b>          | <b>55.03</b>           |

## 10. Other current assets

|                                                     | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------|------------------------|------------------------|
| Deposit and receivables from government authorities | 249.85                 | -                      |
| Balance with government authorities                 | 1,701.59               | 1,219.83               |
| Prepaid expenses                                    | 59.26                  | 186.41                 |
| Advance to supplier                                 | 16.16                  | 2.89                   |
| <b>Total</b>                                        | <b>2,026.86</b>        | <b>1,409.13</b>        |

## 11. Equity share capital

|                                                                                        | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Authorised</b>                                                                      |                        |                        |
| 1,00,00,000 (31 March 2024: 1,00,00,000) equity shares of Rs. 10 each                  | 1,000.00               | 1,000.00               |
|                                                                                        | <b>1,000.00</b>        | <b>1,000.00</b>        |
| <b>Issued, subscribed and fully paid up</b>                                            |                        |                        |
| 70,00,000 (31 March 2024: 70,00,000) equity shares of Rs. 10 each fully paid-up        | 700.00                 | 700.00                 |
| Add: Issue of equity shares during the year                                            | -                      | -                      |
| <b>70,00,000 (31 March 2024 : 70,00,000) equity shares of Rs.10 each fully paid-up</b> | <b>700.00</b>          | <b>700.00</b>          |

## Notes:

i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

| Particulars                          | As at 31 March 2025 |               | As at 31 March 2024 |               |
|--------------------------------------|---------------------|---------------|---------------------|---------------|
|                                      | Number of shares    | Amount        | Number of shares    | Amount        |
| Balance at the beginning of the year | 70,00,000           | 700.00        | 70,00,000           | 700.00        |
| Add: Issued during the year          | -                   | -             | -                   | -             |
| Balance at the end of the year       | <b>70,00,000</b>    | <b>700.00</b> | <b>70,00,000</b>    | <b>700.00</b> |

ii) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Shares in the Company held by each shareholder holding more than 5% and shares held by holding Company are as under:

|                                                         | As at 31 March 2025 |                   | As at 31 March 2024 |                   |
|---------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|
|                                                         | Number of shares    | % of shareholding | Number of shares    | % of shareholding |
| Indo Rama Synthetics (India) Limited [holding Company]* | 70,00,000           | 100.00%           | 70,00,000           | 100.00%           |
|                                                         | <b>70,00,000</b>    | <b>100.00%</b>    | <b>70,00,000</b>    | <b>100.00%</b>    |

\* including nominee shareholders

(iv) Shareholding of promoter is as follows:

| Promoter Name                                          | As at 31 March 2025 |                   | As at 31 March 2024 |                   | % change |
|--------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|----------|
|                                                        | Number of shares    | % of shareholding | Number of shares    | % of shareholding |          |
| Indo Rama Synthetics (India) Limited [Holding Company] | 70,00,000           | 100.00%           | 70,00,000           | 100.00%           | -        |
|                                                        | <b>70,00,000</b>    | <b>100.00%</b>    | <b>70,00,000</b>    | <b>100.00%</b>    | <b>-</b> |

v) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and previous year.



**12. Other equity**

|                                         | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------|------------------------|------------------------|
| <b>a. Retained earnings</b>             |                        |                        |
| Balance at the beginning of the year    | (2,166.98)             | (90.53)                |
| Loss during the year                    | (2,014.34)             | (2,071.88)             |
| Other comprehensive income for the year | 6.67                   | (4.57)                 |
| <b>Balance at the end of the year</b>   | <b>(4,174.65)</b>      | <b>(2,166.98)</b>      |

**Nature of reserves****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.

**13. Borrowings**

|                                      | Non-current            |                        | Current                |                        |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                      | As at<br>31 March 2025 | As at<br>31 March 2024 | As at<br>31 March 2025 | As at<br>31 March 2024 |
| <b>Secured Loan</b>                  |                        |                        |                        |                        |
| <b>Term loan from banks</b>          |                        |                        |                        |                        |
| i) Rupee term loans from banks       | 10,362.03              | 14,679.54              | 4,317.51               | 2,590.51               |
| Unsecured loan from Holding Company* | 3,310.00               | 1,410.00               | -                      | -                      |
|                                      | <b>13,672.03</b>       | <b>16,089.54</b>       | <b>4,317.51</b>        | <b>2,590.51</b>        |

**Note:****Details of rate of interest, terms of repayment and security for long-term loans from banks:****Secured term loans from bank**

(a) ₹ 14,679.54 lakhs (31 March 2024: ₹ 17,270.54 lakhs) are secured by Stand By Letter of Credit (SBLC) by ultimate controlling company (i.e. Indorama Ventures Public Company Limited), Repayable in 12 quarterly installments aggregating ₹ 1,079.37 lakhs each in FY 2025-2026, ₹ 1,295.25 lakhs each in FY 2026-2027 and each in FY 2027-2028 respectively, rate of interest range from 7.93 % p.a to 9.55% p.a ( March 2024 8.70 % p.a to 9.45% p.a ).

**Unsecured loan**

| Name of related party*               | Nature of Loan | Rate of interest Per annum | Repayment terms     | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------------------------------|----------------|----------------------------|---------------------|------------------------|------------------------|
| Indo Rama Synthetics (India) Limited | Non current    | 8.75 % p.a                 | Within 1 to 5 years | 3,310.00               | 1,410.00               |
| <b>Total</b>                         |                |                            |                     | <b>3,310.00</b>        | <b>1,410.00</b>        |

The purpose of the loan is for meeting the funding requirements for capex execution and ongoing operations.

(b) The Company has not defaulted in repayment of interest during the current period. There are no financial covenants of any interest bearing loans and borrowings applicable in the current period.

**(c) Reconciliation of movements of liabilities to cash flows arising from financing activities:**

| Particulars                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------|------------------------|------------------------|
| <b>Opening balance</b>                |                        |                        |
| Non current borrowings                | 18,680.05              | 8,712.07               |
| <b>Cash flows</b>                     |                        |                        |
| Proceeds from non-current borrowings  | 5,853.85               | 9,967.98               |
| Repayment from non current borrowings | (6,544.36)             | -                      |
| <b>Closing Balance</b>                |                        |                        |
| Non current borrowings                | 17,989.54              | 18,680.05              |

**14. Provision**

|                                                    | Non-current            |                        | Current                |                        |
|----------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                    | As at<br>31 March 2025 | As at<br>31 March 2024 | As at<br>31 March 2025 | As at<br>31 March 2024 |
| <b>Provision for employee benefits</b>             |                        |                        |                        |                        |
| Provision for gratuity [refer note 30]             | 11.73                  | 9.72                   | 0.05                   | 0.05                   |
| Provision for compensated absences [refer note 30] | 17.32                  | 16.28                  | 0.63                   | 0.62                   |
| <b>Total</b>                                       | <b>29.05</b>           | <b>26.00</b>           | <b>0.68</b>            | <b>0.67</b>            |

**15. Trade payables**

|                                                                                          | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------------------------------------------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises [refer note 28]        | 164.68                 | 185.49                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises * | 13,084.17              | 8,035.76               |
|                                                                                          | <b>13,248.85</b>       | <b>8,221.25</b>        |

\*Includes amount due to related entities ( refer note 31)

11,909.84 2,688.66

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## Trade payables ageing schedule

| 31 March 2025                                              | Outstanding for following periods from due date of payment |                  |           |           |                   | Total            |
|------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|------------------|
|                                                            | Not due                                                    | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |                  |
| <b>Undisputed trade payables</b>                           |                                                            |                  |           |           |                   |                  |
| Outstanding due to micro enterprises and small enterprises | 138.68                                                     | 26.00            | -         | -         | -                 | 164.68           |
| Others                                                     | 4,414.52                                                   | 8,669.65         | -         | -         | -                 | 13,084.17        |
| <b>Total</b>                                               | <b>4,553.20</b>                                            | <b>8,695.65</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>13,248.85</b> |

There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

| 31 March 2024                                              | Outstanding for following periods from due date of payment |                  |           |           |                   | Total           |
|------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|-----------------|
|                                                            | Not due                                                    | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |                 |
| <b>Undisputed trade payables</b>                           |                                                            |                  |           |           |                   |                 |
| Outstanding due to micro enterprises and small enterprises | -                                                          | 185.49           | -         | -         | -                 | 185.49          |
| Others                                                     | 3,107.39                                                   | 4,928.37         | -         | -         | -                 | 8,035.76        |
| <b>Total</b>                                               | <b>3,107.39</b>                                            | <b>5,113.86</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>8,221.25</b> |

## 16. Other financial liabilities

|                                                   | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------|------------------------|------------------------|
| Interest accrued and not due on borrowings        | 3.21                   | 7.99                   |
| Creditors towards property, plant and equipments* | 598.69                 | 716.13                 |
| Payable to employees                              | 0.82                   | 4.04                   |
| Others                                            | 0.10                   | 0.27                   |
|                                                   | <b>602.82</b>          | <b>728.43</b>          |

\* Includes due towards MSME vendors Rs 574.49 Lakhs [Rs 499.57 Lakhs 31 March 2024]

## 17. Other current liabilities

|                         | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------|------------------------|------------------------|
| Advances from customers | 58.43                  | 581.72                 |
| Statutory dues          | 20.57                  | 16.07                  |
|                         | <b>79.00</b>           | <b>597.79</b>          |

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## Indorama Ventures Yarns Private Limited

CIN: U17299MH2021PTC363295

## Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025

(All amounts in ₹ Lakhs, unless stated otherwise)

## 18. Revenue from operations

|                                          | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|------------------------------------------|-------------------------------------|-------------------------------------|
| a) Sale of products                      |                                     |                                     |
| Finished goods                           |                                     |                                     |
| Domestic                                 | 38,682.69                           | 13,259.66                           |
| Export                                   | 121.38                              | -                                   |
| Traded goods                             |                                     |                                     |
| Domestic                                 | 10,163.22                           | 361.05                              |
|                                          | 48,967.29                           | 13,620.71                           |
| Less: Rebates and discounts to customers | 424.32                              | -                                   |
| Sub-total (A)                            | 48,542.97                           | 13,620.71                           |
| b) Other operating income;               |                                     |                                     |
| Scrap sales                              | 2.27                                | 5.00                                |
| Interest from customers                  | 0.85                                | -                                   |
| Others                                   | 5.70                                | 2.31                                |
| Sub-total (B)                            | 8.82                                | 7.31                                |
| Total (A+B)                              | 48,551.79                           | 13,628.02                           |

## Notes:

## Reconciling the amount of revenue recognised in the statement of profit and loss

## i) with the contracted price

|                                                                |           |           |
|----------------------------------------------------------------|-----------|-----------|
| Gross sale of products                                         | 48,967.29 | 13,620.71 |
| Less: Adjustment on account of discounts and price differences | 424.32    | -         |
|                                                                | 48,542.97 | 13,620.71 |

## ii) Contract balances \*

|                                         |       |        |
|-----------------------------------------|-------|--------|
| Advances from customers (refer note 17) | 58.43 | 581.72 |
|-----------------------------------------|-------|--------|

## 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

581.72 2.65

b. Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous period

\* The Company expects to realise the contract balances within contracted period.

## 19. Other income

|                           | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---------------------------|-------------------------------------|-------------------------------------|
| Interest income on others | 1.37                                | 0.26                                |
| Miscellaneous income      | 10.56                               | 0.08                                |
| Total                     | 11.93                               | 0.34                                |

## 20. Cost of materials consumed

|                                            | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| Raw materials at the beginning of the year | 19.54                               | -                                   |
| Add: Purchases during the year*            | 34,199.28                           | 11,677.08                           |
| Less: Raw materials at the end of the year | 22.27                               | 19.54                               |
| Total                                      | 34,196.55                           | 11,657.54                           |

\* Includes other incidental costs

## 21. Purchases of stock-in-trade

|                             | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Purchases of stock-in-trade | 9,523.13                            | 3,053.37                            |
| Total                       | 9,523.13                            | 3,053.37                            |

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**22 Changes in inventories of finished goods, work in progress and stock-in-trade**

|                          | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------|-------------------------------------|-------------------------------------|
| <b>Opening stock (A)</b> |                                     |                                     |
| Finished goods           | 208.58                              | -                                   |
| Stock in trade           | 2,659.39                            | -                                   |
| Work-in-progress         | 191.17                              | -                                   |
| Waste                    | 6.59                                | -                                   |
|                          | <b>3,065.73</b>                     | <b>-</b>                            |
| <b>Closing stock (B)</b> |                                     |                                     |
| Finished goods           | 1,493.80                            | 208.58                              |
| Stock in trade           | 1,977.73                            | 2,659.39                            |
| Work-in-progress         | 378.45                              | 191.17                              |
| Waste                    | 14.37                               | 6.59                                |
|                          | <b>3,864.35</b>                     | <b>3,065.73</b>                     |
|                          | <b>(798.62)</b>                     | <b>(3,065.73)</b>                   |

**23. Employee benefits expense**

|                                                           | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-----------------------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus *                               | 404.45                              | 572.32                              |
| Contribution to provident and other funds(refer note 30)* | 26.51                               | 24.42                               |
| Staff welfare expenses*                                   | 27.46                               | 16.16                               |
| <b>Total</b>                                              | <b>458.42</b>                       | <b>612.90</b>                       |

**Note:**

\*The cost that are directly attributable to the acquisition or construction of property, plant and equipment has been capitalised during the year, refer note 35

**24. Other expenses**

|                                               | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| Consumption of stores and spares              | 131.56                              | 24.88                               |
| Power and fuel                                | 1,766.49                            | 1,041.20                            |
| Rent and hire charges                         | 11.48                               | 34.04                               |
| Repair and maintainence                       |                                     |                                     |
| Plant and machinery                           | 12.51                               | 8.39                                |
| Building                                      | 17.83                               | 0.23                                |
| Others                                        | 21.08                               | -                                   |
| Insurance                                     | 15.33                               | 11.78                               |
| Rates and taxes                               | 3.28                                | 9.28                                |
| Packing material                              | 1,446.98                            | 529.31                              |
| Freight and forwarding charges                | 195.00                              | 86.34                               |
| Brokerage and commission                      | 23.47                               | 17.19                               |
| Legal and professional charges                | 27.03                               | 7.10                                |
| Auditor's remuneration                        |                                     |                                     |
| - for audit fees                              | 2.50                                | 3.50                                |
| - for reimbursement of out of pocket expenses | 0.17                                | 0.22                                |
| Membership fees and subscription              | -                                   | 0.07                                |
| Communication services                        | -                                   | 0.12                                |
| Contract labour expenses                      | 557.74                              | 354.79                              |
| Operating and handling charges                | 619.61                              | -                                   |
| Miscellaneous                                 | 35.17                               | 23.51                               |
|                                               | <b>4,887.23</b>                     | <b>2,151.95</b>                     |

Note: The costs that are directly attributable to the acquisition or construction of property, plant and equipment were capitalised during the year. Refer note 35

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**25. Finance costs**

|                                           | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on:-                     |                                     |                                     |
| term loan                                 | 1,453.81                            | 882.00                              |
| others                                    | 283.00                              | 144.90                              |
| remeasurement of actuarial interest costs | 1.93                                | 0.40                                |
| Other borrowing costs                     | 102.99                              | 103.08                              |
|                                           | <b>1,841.73</b>                     | <b>1,130.38</b>                     |

Note: The costs that are directly attributable to the acquisition or construction of property, plant and equipment capitalised during the year. Refer note 35

**26. Loss per share**

|                                                                      | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| a) Net loss attributable to the equity shareholders (A)              | (2,014.34)                          | (2,071.88)                          |
| b) Number of equity shares at the beginning of the year (absolute)   | 70,00,000                           | 70,00,000                           |
| Total number of shares outstanding at the end of the year (absolute) | 70,00,000                           | 70,00,000                           |
| Weighted average number of equity shares (B) (absolute)              | 70,00,000                           | 70,00,000                           |
| <b>Basic and diluted loss per share (Rs.)</b>                        | <b>(28.78)</b>                      | <b>(29.60)</b>                      |
| Nominal value of equity share (₹)                                    | 10.00                               | 10.00                               |

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## 29. Deferred tax liabilities

## I. Recognition of deferred tax assets and liabilities

|                                                                | Deferred tax assets    |                        | Deferred tax (liabilities) |                        | Net deferred tax assets (liabilities) |                        |
|----------------------------------------------------------------|------------------------|------------------------|----------------------------|------------------------|---------------------------------------|------------------------|
|                                                                | As at<br>31 March 2025 | As at<br>31 March 2024 | As at<br>31 March 2025     | As at<br>31 March 2024 | As at<br>31 March 2025                | As at<br>31 March 2024 |
| Property, plant and equipment                                  | -                      | -                      | (580.26)                   | (167.92)               | (580.26)                              | (167.92)               |
| Employee benefits                                              | 5.10                   | 0.93                   | -                          | -                      | 5.10                                  | 0.93                   |
| Brought forward business losses                                | 575.16                 | 166.99                 | -                          | -                      | 575.16                                | 166.99                 |
|                                                                | 580.26                 | 167.92                 | (580.26)                   | (167.92)               | -                                     | -                      |
| Offsetting of deferred tax assets and deferred tax liabilities | (580.26)               | (167.92)               | 580.26                     | 167.92                 | -                                     | -                      |
| <b>Net deferred tax liability</b>                              | -                      | -                      | -                          | -                      | -                                     | -                      |

## II. Movement in temporary differences

|                                                                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| Opening balance of deferred tax liability                                 | -                      | -                      |
| Tax expense during the year recognised in the statement of profit or loss | -                      | -                      |
| <b>Closing balance of deferred tax liability</b>                          | -                      | -                      |

## III. Effective tax rate

|                                                                                                  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Loss before tax                                                                                  | (2014.34)                           | (2071.88)                           |
| Effective tax rate (As per Income Tax Act, 1961)                                                 | 17.16%                              | 17.16%                              |
| Current tax expense/(income) on profit before tax at the effective income tax rate in India      | (345.66)                            | (355.53)                            |
| Expense not allowed for tax purpose                                                              | 235.14                              | -                                   |
| (Creation)/ Non-creation of deferred tax assets on unused tax losses and unabsorbed depreciation | 110.52                              | 355.53                              |
| <b>Tax expense/ (credit) reported in the statement of profit and loss</b>                        | -                                   | -                                   |
| <b>Tax expense/ (credit) during the year recognised in statement of profit or loss</b>           | -                                   | -                                   |
| <b>Tax expense/ (credit) during the year recognised in other comprehensive income</b>            | -                                   | -                                   |

## C. Unrecognised deferred tax assets

|                                        | As at 31 March 2025 |                            | As at 31 March 2024 |                            |
|----------------------------------------|---------------------|----------------------------|---------------------|----------------------------|
|                                        | Gross amount        | Unrecognised<br>tax effect | Gross amount        | Unrecognised<br>tax effect |
| Unabosebed depreciation (never expire) | 635.05              | 108.97                     | 160.18              | 27.49                      |
| Unused tax losses (refer below table)  | 866.75              | 148.73                     | 1,991.89            | 341.81                     |
|                                        | <b>1,501.80</b>     | <b>257.70</b>              | <b>2,152.07</b>     | <b>369.30</b>              |

The unused business tax losses for which no deferred tax assets are recognised, are as follows:

| Year of expiry<br>Year ended 31 March | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------|------------------------|------------------------|
| 2032-33                               | 190.47                 | -                      |
| 2031-32                               | 596.09                 | 1,911.70               |
| 2030-31                               | 34.79                  | 34.79                  |
| 2029-30                               | 45.40                  | 45.40                  |
|                                       | <b>866.75</b>          | <b>1,991.89</b>        |

The Company has not recognized deferred tax assets in respect of the unused tax losses and unabsorbed depreciation of the Company in absence of reasonable certainty of future taxable profits.

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**30. Employee benefits****a) Defined contribution plan**

An amount of ₹ 25.61 lakhs [31 March 2024 : ₹ 32.50 lakhs] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund, and amount of ₹ 0.76 lakhs [31 March 2024 : ₹ 0.64 lakhs] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance which are deposited with the government authorities and have been included under employee benefit expenses .

**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<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------------|------------------------|------------------------|
| <b>(i) Changes in present value obligation</b>            |                        |                        |
| Present value obligation as at the beginning of the year  | 9.77                   | 1.51                   |
| Interest cost                                             | 0.70                   | 0.11                   |
| Current service cost                                      | 5.21                   | 7.17                   |
| Actuarial gain/loss on obligation                         | -3.90                  | 0.98                   |
| Benefits paid                                             | -                      | -                      |
| <b>Present value obligation as at the end of the year</b> | <b>11.78</b>           | <b>9.77</b>            |

**(ii) Net liability recognised in the Balance Sheet**

|                                           | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------------|------------------------|------------------------|
| Current liabilities                       | 0.05                   | 0.05                   |
| Non-current liabilities                   | 11.73                  | 9.72                   |
| <b>Net liability in the Balance Sheet</b> | <b>11.78</b>           | <b>9.77</b>            |

**(iii) Amount recognized in the statement of profit and loss**

|                                                               | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Current service cost                                          | 5.21                                | 7.17                                |
| Interest cost                                                 | 0.70                                | 0.11                                |
| <b>Expense recognised in the statement of profit and loss</b> | <b>5.91</b>                         | <b>7.28</b>                         |

**(iv) Re-measurements recognised in the statement of other comprehensive income (OCI)**

|                                                        | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--------------------------------------------------------|-------------------------------------|-------------------------------------|
| Changes in financial assumptions                       | 3.90                                | (0.98)                              |
| <b>Amount recognised in other comprehensive income</b> | <b>3.90</b>                         | <b>(0.98)</b>                       |

**(v) Actuarial assumptions**

|                               | As at<br>31 March 2025                                             | As at<br>31 March 2024                                             |
|-------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| Discount rate (p.a.)          | 6.78%                                                              | 7.35%                                                              |
| Salary escalation rate (p.a.) | 4.50%                                                              | 4.50%                                                              |
| 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<br>Mortality (2012-14)<br>(modified) Ultimate | Indian Assured Lives<br>Mortality (2012-14)<br>(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.

**(vi) Sensitivity analysis for gratuity liability**

The below 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<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 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%                                                                 | 0.87                   | 0.65                   |
| Impact due to increase of 0.50%                                                                 | (0.79)                 | (0.59)                 |
| <b>Impact of change in salary escalation rate (p.a.)</b>                                        |                        |                        |
| Impact due to increase of 0.50%                                                                 | 0.89                   | 0.66                   |
| Impact due to decrease of 0.50%                                                                 | (0.81)                 | (0.60)                 |

**(vii) Expected future cash flows**

|                                                                                       | As at<br>31 March 2025 | As at<br>31 March 2024 |
|---------------------------------------------------------------------------------------|------------------------|------------------------|
| The expected future cash flows in respect of gratuity (undiscounted) were as follows: |                        |                        |
| Year 1                                                                                | 0.05                   | 0.05                   |
| Year 2                                                                                | 0.02                   | 0.02                   |
| Year 3                                                                                | 0.19                   | 0.02                   |
| Year 4                                                                                | 0.48                   | 1.72                   |
| Year 5                                                                                | 0.27                   | 0.53                   |
| Year 6                                                                                | 0.51                   | 0.18                   |
| Year 6 onwards                                                                        | 10.26                  | 7.25                   |
| <b>Total</b>                                                                          | <b>11.78</b>           | <b>9.77</b>            |

**(viii) Expected contribution**

The expected future employer contributions for defined benefit plan ₹ 6.88 lakhs as at 31 March 2025 [31 March 2024: ₹ 9.68 lakhs].

**(ix) Weighted average duration**

The weighted average duration for defined benefit plan is 17.58 years as at 31 March 2025 [31 March 2024 : 18.17 years ].

**c) Other long-term employee benefits**

An amount of ₹6.65 lakhs [31 March 2024 : ₹16.68 lakhs] pertains to expense towards compensated absences.





**32. Segment information****Basis of segmentation:**

The Company's primary business segment is reflected based on principal business activities carried on by the Company. The Board of Directors 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 & trading of polyester goods.

There are two customers having revenue amounting to 10% or more of Company's total revenue as per the below details:

Customer A: Rs. 6,304.90 lakhs (PY:Rs. 2,138.11 lakhs) (excluding GST)

Customer B: Rs. 2,762.20 lakhs (PY: Rs. 1,649.07 lakhs) (excluding GST)

Customer C: Rs. 5,321.90 lakhs (PY: nil) (excluding GST)

**Geographical information:****a) Revenue:**

|              | For the Year ended<br>31 March 2025 | For the Year ended<br>31 March 2024 |
|--------------|-------------------------------------|-------------------------------------|
| Domestic     | 48,430.41                           | 13,628.02                           |
| Overseas*    | 121.38                              | -                                   |
| <b>Total</b> | <b>48,551.79</b>                    | <b>13,628.02</b>                    |

**\*Revenue from overseas countries:**

|       |        |   |
|-------|--------|---|
| Nepal | 121.38 | - |
|-------|--------|---|

**b) Trade receivables:**

|              | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------|------------------------|------------------------|
| Domestic     | 1,131.72               | 742.64                 |
| Overseas*    | 121.38                 | -                      |
| <b>Total</b> | <b>1,253.10</b>        | <b>742.64</b>          |

**\*Trade receivables from overseas countries:**

|       |        |   |
|-------|--------|---|
| Nepal | 121.38 | - |
|-------|--------|---|

**c) Non-current assets:**

|              | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--------------|------------------------|------------------------|
| Domestic#    | 20,936.84              | 21,112.58              |
| Overseas     | -                      | -                      |
| <b>Total</b> | <b>20,936.84</b>       | <b>21,112.58</b>       |

#excluding security deposit and income tax assets

**33. 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.

**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 2025          | Carrying value |        |                  |                  | Fair value hierarchy |         |         |
|------------------------------|----------------|--------|------------------|------------------|----------------------|---------|---------|
|                              | FVTPL*         | FVOCI# | Amortized Cost   | Total            | Level 1              | Level 2 | Level 3 |
| <b>Financial assets</b>      |                |        |                  |                  |                      |         |         |
| Trade receivable             | -              | -      | 1,253.10         | 1,253.10         | -                    | -       | -       |
| Cash and cash equivalents    | -              | -      | 232.05           | 232.05           | -                    | -       | -       |
| Other financial assets       | -              | -      | 42.55            | 42.55            | -                    | -       | -       |
| <b>Total</b>                 | -              | -      | <b>1,527.70</b>  | <b>1,527.70</b>  | -                    | -       | -       |
| <b>Financial liabilities</b> |                |        |                  |                  |                      |         |         |
| Borrowings                   | -              | -      | 17,989.54        | 17,989.54        | -                    | -       | -       |
| Trade payables               | -              | -      | 13,248.85        | 13,248.85        | -                    | -       | -       |
| Other financial liabilities  | -              | -      | 602.82           | 602.82           | -                    | -       | -       |
| <b>Total</b>                 | -              | -      | <b>31,841.21</b> | <b>31,841.21</b> | -                    | -       | -       |

| As at 31 March 2024          | Carrying value |        |                  |                  | Fair value hierarchy |         |         |
|------------------------------|----------------|--------|------------------|------------------|----------------------|---------|---------|
|                              | FVTPL*         | FVOCI# | Amortized Cost   | Total            | Level 1              | Level 2 | Level 3 |
| <b>Financial assets</b>      |                |        |                  |                  |                      |         |         |
| Trade receivable             | -              | -      | 742.64           | 742.64           | -                    | -       | -       |
| Cash and cash equivalents    | -              | -      | 55.03            | 55.03            | -                    | -       | -       |
| Other financial assets       | -              | -      | 305.09           | 305.09           | -                    | -       | -       |
| <b>Total</b>                 | -              | -      | <b>1,102.76</b>  | <b>1,102.76</b>  | -                    | -       | -       |
| <b>Financial liabilities</b> |                |        |                  |                  |                      |         |         |
| Borrowings                   | -              | -      | 18,680.05        | 18,680.05        | -                    | -       | -       |
| Trade payables               | -              | -      | 8,221.25         | 8,221.25         | -                    | -       | -       |
| Other financial liabilities  | -              | -      | 728.43           | 728.43           | -                    | -       | -       |
| <b>Total</b>                 | -              | -      | <b>27,629.73</b> | <b>27,629.73</b> | -                    | -       | -       |

\*Fair value through profit and loss

#Fair value through other comprehensive income

Notes:

k

2. There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2025 and 31 March 2024.



**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

**(i) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**(ii) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: Moderate credit risk

C: High credit risk

The credit risk for cash and cash equivalents and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Loan is given to subsidiaries. Accordingly, credit risk for loan is considered negligible.

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 Company's significant payment terms range from 30 days to 90 days.

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 2025   |                      | As at 31 March 2024   |                      |
|-----------------------|-----------------------|----------------------|-----------------------|----------------------|
|                       | Gross carrying amount | Expected credit loss | Gross carrying amount | Expected credit loss |
| Less than 180 days    | 1,248.08              | -                    | 742.64                | -                    |
| More than 180 days    | 5.02                  | -                    | -                     | -                    |
| <b>Total</b>          | <b>1,253.10</b>       | <b>-</b>             | <b>742.64</b>         | <b>-</b>             |

**Expected credit loss for trade receivable as at 31 March 2025**

| Particular                                        | Not due | Less than 6 months | 6 months to 1 year | 1-2 year | 2-3 year | More than 3 year | Total           |
|---------------------------------------------------|---------|--------------------|--------------------|----------|----------|------------------|-----------------|
| Gross carrying amount -Trade receivables          | 983.08  | 265.00             | 4.40               | 0.62     | -        | -                | 1,253.10        |
| Expected credit loss rate (%)                     | -       | -                  | -                  | -        | -        | -                | -               |
| Expected credit losses (Loss allowance provision) | -       | -                  | -                  | -        | -        | -                | -               |
| <b>Total</b>                                      |         |                    |                    |          |          |                  | <b>1,253.10</b> |

**Expected credit loss for trade receivable as at 31 March 2024**

| Particular                                        | Not due | Less than 6 months | 6 months to 1 year | 1-2 year | 2-3 year | More than 3 year | Total         |
|---------------------------------------------------|---------|--------------------|--------------------|----------|----------|------------------|---------------|
| Gross carrying amount -Trade receivables          | 260.55  | 482.09             | -                  | -        | -        | -                | 742.64        |
| Expected credit loss rate (%)                     | -       | -                  | -                  | -        | -        | -                | 0%            |
| Expected credit losses (Loss allowance provision) | -       | -                  | -                  | -        | -        | -                | -             |
| <b>Total</b>                                      |         |                    |                    |          |          |                  | <b>742.64</b> |

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**(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:

| As at 31 March 2025         | On demand | Less than 1 year | 1- 5 years       | More than 5 years | Total            |
|-----------------------------|-----------|------------------|------------------|-------------------|------------------|
| Non current borrowings      | -         | 4,317.51         | 13,672.03        | -                 | 17,989.54        |
| Trade payables              | -         | 13,248.85        | -                | -                 | 13,248.85        |
| Other financial liabilities | -         | 602.82           | -                | -                 | 602.82           |
| <b>Total</b>                | -         | <b>18,169.18</b> | <b>13,672.03</b> | -                 | <b>31,841.21</b> |

| As at 31 March 2024         | On demand | Less than 1 year | 1- 5 years       | More than 5 years | Total            |
|-----------------------------|-----------|------------------|------------------|-------------------|------------------|
| Non current borrowings      | -         | 2,590.51         | 16,089.54        | -                 | 18,680.05        |
| Trade payables              | -         | 8,221.25         | -                | -                 | 8,221.25         |
| Other financial liabilities | -         | 728.43           | -                | -                 | 728.43           |
| <b>Total</b>                | -         | <b>11,540.19</b> | <b>16,089.54</b> | -                 | <b>27,629.73</b> |

**(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. Further, selling price of finished goods and cost of raw materials fluctuates due to fluctuation in prices of crude oil and Company expects that the net impact of such fluctuation would not be material.

**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. 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.

**Interest rate risk****i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

| Particulars              | 31 March 2025    | 31 March 2024    |
|--------------------------|------------------|------------------|
| Variable rate borrowings | 17,989.54        | 18,680.05        |
| <b>Total borrowings</b>  | <b>17,989.54</b> | <b>18,680.05</b> |

**Sensitivity**

Below is the sensitivity of profit or loss and equity changes in interest rates.

| Particulars                                                                     | 31 March 2025 | 31 March 2024 |
|---------------------------------------------------------------------------------|---------------|---------------|
| <b>Interest sensitivity*</b>                                                    |               |               |
| Interest rates – increase by 100 basis points (31 March 2024: 100 basis points) | 179.90        | 186.80        |
| Interest rates – decrease by 100 basis points (31 March 2024: 100 basis points) | (179.90)      | (186.80)      |

\* Holding all other variables constant

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**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) Foreign currency risk exposure:

| As at 31 March 2025                                             |          |                                         |                      |                    |
|-----------------------------------------------------------------|----------|-----------------------------------------|----------------------|--------------------|
| Particulars                                                     | Currency | Amount in foreign currency (in million) | Exchange rate (in ₹) | Amount (in ₹ Lakh) |
| Trade payables                                                  | USD      | 2.16                                    | 85.48                | 1,843.56           |
| <b>Exposure in respect of recognised assets and liabilities</b> |          |                                         |                      | <b>1,843.56</b>    |

| As at 31 March 2024                                             |          |                                         |                      |                    |
|-----------------------------------------------------------------|----------|-----------------------------------------|----------------------|--------------------|
| Particulars                                                     | Currency | Amount in foreign currency (in million) | Exchange rate (in ₹) | Amount (in ₹ Lakh) |
| Trade payables                                                  | USD      | 3.44                                    | 83.38                | 2,868.27           |
| <b>Exposure in respect of recognised assets and liabilities</b> |          |                                         |                      | <b>2,868.27</b>    |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the INR and USD 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.

|          |                                   | As at 31 March 2025 |          | As at 31 March 2024 |          |
|----------|-----------------------------------|---------------------|----------|---------------------|----------|
| Currency | (changes in currency value by 5%) | Increase            | Decrease | Increase            | Decrease |
| USD      | 5% movement                       | 92.17               | (92.17)  | 1.44                | (1.44)   |

**C. Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise the shareholder's value. Management also monitors the return on capital. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

|                                          | As at<br>31 March 2025 | As at<br>31 March 2024 |
|------------------------------------------|------------------------|------------------------|
| Total liabilities                        | 31,949.94              | 28,254.19              |
| Less: cash and cash equivalents          | 232.05                 | 55.03                  |
| <b>Adjusted net debt</b>                 | <b>31,717.89</b>       | <b>28,199.16</b>       |
| Total equity                             | (3,474.65)             | (1,466.98)             |
| <b>Adjusted net debt to equity ratio</b> | <b>(9.13)</b>          | <b>(19.22)</b>         |

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**27. Capital commitment**

|                                                                                                                                               | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Capital commitments- estimated amount of contracts remaining to be executed on capital account and not provided for [net of capital advances] | 83.11                  | 663.97                 |

**28. 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:

|                                                                                                                                                                                                                                                                         | As at<br>31 March 2025 | As at<br>31 March 2024 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Principal amount remaining unpaid *                                                                                                                                                                                                                                     | 739.17                 | 685.06                 |
| Interest due thereon                                                                                                                                                                                                                                                    | 0.38                   | 10.63                  |
| 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                                                                       | 1,573.11               | 10,031.94              |
| 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                                                                   | 17.79                  | 37.65                  |
| Interest accrued and remaining unpaid as at end of the year                                                                                                                                                                                                             | 73.33                  | 55.16                  |
| 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. |                        |                        |

\* Includes creditors towards property, plant and equipment amounting to Rs. 574.49 lacs (31 March 2024: Rs.499.57 Lakhs).

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31. Related party disclosure

a) Disclosure of related parties and relationship between the parties

| Nature of relationship                                                                                                                                                                                          | Name of related party                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Key managerial personnel                                                                                                                                                                                     | Mr. M N Sudhindra Rao [Director till 24 April 24]<br>Mr. Umesh Kumar Agrawal [Director]<br>Mr. Hemant Balkrishna Bal [Director till 17 April 24]<br>Mr. Sudesh Manohar Sheth [Director till 20 June 24]<br>Mr. Saurabh Mishra (Director)<br>Mr. Sanjay Thapliyal [ Director w.e.f 05 October 2024]<br>Mr. Vishal Lohia [Director w.e.f. 05 October 24] |
| ii) Other group entities over which Key Management Personnel and their Close members are able to exercise significant influence and fellow subsidiaries of the Company (with whom transaction have taken place) | PT Indo-Rama Synthetics Tbk<br>PT Indorama Polychem Indonesia<br>Indorama Polyester Industries Public Company Limited<br>PT Indorama Ventures Indonesia                                                                                                                                                                                                |
| ii) Holding Company                                                                                                                                                                                             | Indo Rama Synthetics (India) Limited                                                                                                                                                                                                                                                                                                                   |
| iii) Ultimate controlling Company                                                                                                                                                                               | Indorama Ventures Public Company Limited *                                                                                                                                                                                                                                                                                                             |
| iv) Fellow subsidiary (with whom transaction have taken place)                                                                                                                                                  | Indorama Yarns Private Limited                                                                                                                                                                                                                                                                                                                         |

\*The Group has availed credit lines with the support of the promoter Group Company to the tune of USD 19.74 million [31 March 2024 : USD 22.9 million] by way of stand by letter of credit (SBLC).

|  | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|--|-------------------------------------|-------------------------------------|
|--|-------------------------------------|-------------------------------------|

b) Disclosure of transactions between the Company and its related parties\*\*

i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence and fellow subsidiaries of the Company

|                                                                             |                  |                  |
|-----------------------------------------------------------------------------|------------------|------------------|
| <b>Purchases of goods and services</b>                                      |                  |                  |
| PT Indo-Rama Synthetics Tbk                                                 | 6,220.88         | 12.23            |
| Indorama Polyester Industries Public Company Limited                        | 25.00            | -                |
| PT Indorama Polychem Indonesia                                              | -                | 29.30            |
| PT Indorama Ventures Indonesia                                              | 1,829.87         | 2,659.36         |
|                                                                             | <b>8,075.75</b>  | <b>2,700.89</b>  |
| <b>Sale of goods and services</b>                                           |                  |                  |
| Indorama Yarns Private Limited                                              | 768.02           | 345.43           |
|                                                                             | <b>768.02</b>    | <b>345.43</b>    |
| <b>ii) Holding Company</b>                                                  |                  |                  |
| <b>Purchase of goods and services</b>                                       |                  |                  |
| Indo Rama Synthetics (India) Limited                                        | 37,935.85        | 13,124.23        |
|                                                                             | <b>37,935.85</b> | <b>13,124.23</b> |
| <b>Sale of goods and services</b>                                           |                  |                  |
| Indo Rama Synthetics (India) Limited                                        | 1,208.31         | 166.52           |
|                                                                             | <b>1,208.31</b>  | <b>166.52</b>    |
| <b>Unsecured loans taken during the year</b>                                |                  |                  |
| Indo Rama Synthetics (India) Limited                                        | 1,900.00         | 910.00           |
|                                                                             | <b>1,900.00</b>  | <b>910.00</b>    |
| <b>Interest expenses</b>                                                    |                  |                  |
| Indo Rama Synthetics (India) Limited                                        | 264.10           | 96.61            |
|                                                                             | <b>264.10</b>    | <b>96.61</b>     |
| <b>iii) Ultimate controlling Company</b>                                    |                  |                  |
| <b>Purchases of goods and services</b>                                      |                  |                  |
| Indorama Ventures Public Company Limited (Credit notes during current year) | (16.55)          | 234.57           |
|                                                                             | <b>(16.55)</b>   | <b>234.57</b>    |

|  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|--|------------------------|------------------------|
|--|------------------------|------------------------|

c) Disclosure of related parties year end balances

i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence and fellow subsidiaries of the Company

|                                            |                  |                 |
|--------------------------------------------|------------------|-----------------|
| <b>Trade Receivables</b>                   |                  |                 |
| Indorama Yarns Private Limited             | 16.40            | 345.43          |
|                                            | <b>16.40</b>     | <b>345.43</b>   |
| <b>Trade payables</b>                      |                  |                 |
| PT Indorama Polychem Indonesia             | -                | 29.30           |
| Indorama Polyesters Public Company Limited | 25.00            | -               |
| PT Indorama Ventures Indonesia             | -                | 2,659.36        |
| PT Indo-Rama Synthetics Tbk                | 1,800.43         | -               |
|                                            | <b>1,825.43</b>  | <b>2,688.66</b> |
| <b>ii) Holding Company</b>                 |                  |                 |
| <b>Trade Receivables</b>                   |                  |                 |
| Indo Rama Synthetics (India) Limited       | 47.35            | 166.52          |
|                                            | <b>47.35</b>     | <b>166.52</b>   |
| <b>Unsecured loans</b>                     |                  |                 |
| Indorama Synthetics (India) Limited        | 3,310.00         | 1,410.00        |
|                                            | <b>3,310.00</b>  | <b>1,410.00</b> |
| <b>Trade payables</b>                      |                  |                 |
| Indorama Synthetics (India) Limited        | 10,038.40        | 4,726.64        |
|                                            | <b>10,038.40</b> | <b>4,726.64</b> |
| <b>iii) Ultimate controlling company</b>   |                  |                 |
| <b>Trade payables</b>                      |                  |                 |
| Indorama Ventures Public Company Limited   | 46.01            | 180.96          |
|                                            | <b>46.01</b>     | <b>180.96</b>   |

\*\* The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.  
Note: The disclosure of transactions between the Company and its related parties presented above are inclusive of taxes, where applicable

34. 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 Company 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 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.

### 35. Capitalisation of expenditure incurred during construction period

|                                                                             | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Opening Balance                                                             | 192.00                              | 610.74                              |
| Incurred during the year:                                                   |                                     |                                     |
| Employee benefit expenses*                                                  | -                                   | 158.00                              |
| Other expenses                                                              | -                                   | 129.15                              |
| Finance cost**                                                              | -                                   | 446.65                              |
| <b>Total</b>                                                                | <b>192.00</b>                       | <b>1,344.54</b>                     |
| Less : Expenses capitalised to property plant and equipment during the year | 192.00                              | 1,152.54                            |
| <b>Balance carried forward as part of capital work in progress</b>          | <b>-</b>                            | <b>192.00</b>                       |

\*includes nil [31 March 2024:Rs 8.96 lakhs]paid towards contribution to provident and other funds

\*\*Finance cost is capitalised in accordance with Ind AS 23 Borrowing costs

36. The current liabilities of the Company exceed its current assets by Rs. 10,795.77 lakhs as at 31 March 2025 and has incurred losses during the year. The Company has commissioned its plant in the previous year ended 31 March 2024 and as per the management projections for future cash flows including availability of sufficient existing credit facilities from the banks and the Holding Company, the management believes that the Company will be able to realize its assets and will be able to meet its liabilities at the amounts stated in books and commitments in the normal course of business. Therefore, the financial statements continue to be prepared on a going concern basis.

### 37. Ratio analysis and its elements

a) The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024

| Particular                               | Note   | As at<br>31 March 2025 | As at<br>31 March 2024 | % variation |
|------------------------------------------|--------|------------------------|------------------------|-------------|
| (a) Current ratio                        | (i)    | 0.41                   | 0.46                   | -59.16% #   |
| (b) Debt equity ratio                    | (ii)   | (7.28)                 | (43.57)                | -828.08% #  |
| (c) Debt service coverage ratio          | (iii)  | (0.03)                 | (0.09)                 | -103.27% #  |
| (d) Return on equity ratio (%)           | (iv)   | 81.53%                 | 483.23%                | -18.47%     |
| (e) Inventory turnover ratio             | (v)    | 13.73                  | 8.70                   | 1272.70% #  |
| (f) Trade receivable turnover ratio      | (vi)   | 48.65                  | 36.68                  | 4764.66% #  |
| (g) Trade payable turnover ratio         | (vii)  | 4.07                   | 3.57                   | 307.29% #   |
| (h) Net capital turnover ratio           | (viii) | (4.50)                 | (2.10)                 | -549.73% #  |
| (i) Net profit ratio (%)                 | (ix)   | -4.15%                 | -15.20%                | -104.15% #  |
| (j) Return on capital employed ratio (%) | (x)    | -1.19%                 | -5.47%                 | -101.19% #  |
| (k) Return on investment ratio (%)       | (xi)   | NA                     | NA                     | -           |

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**Indorama Ventures Yarns Private Limited**

**Summary of material accounting policy information and other explanatory information for the year ended 31 March 2025**

CIN: U17299MH2021PTC363295

(All amounts in ₹ Lakhs, unless stated otherwise)

**Reasons for variance**

#The Company has started manufacturing operations during the last year, and current year being the first full year of operations, leading to variance.

Notes :

- (i) Current ratio = Current assets/ current liabilities
- (ii) Debt Equity Ratio = Total Debt/ Shareholders equity
- (iii) Debt service coverage ratio = Earnings available for debt service/ Debt Service (refer point (A) below)
- (iv) Return on Equity ratio = Net Profits after taxes – Preference Dividend (if any)/ Average Shareholder's Equity
- (v) Inventory turnover ratio = sales (excluding other operating income) /average inventory
- (vi) Trade receivables turnover ratio = net credit sales/ avg. accounts receivable
- (vii) Trade payables turnover ratio = Net credit purchases (comprise of purchase of raw materials + stores & spares + packing materials) / average trade payables)
- (viii) Net capital turnover ratio = net sales/ working capital
- (ix) Net profit ratio= net profit/ net sales
- (x) Return on capital employed (ROCE)= earning before interest and taxes/ capital employed (refer point (B) below)
- (xi) Return on investment= income received from investments/ average investments. No income has been received on investment in the year ended 31 March 2025 and 31 March 2024 hence reported as nil.

**Other explanatory points**

- (A) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss
- (B) Capital Employed = Tangible net worth + Total debt + Deferred tax liability

**38. Other statutory information**

- (a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company do not have any transactions with companies struck off.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Company have not traded or invested in Crypto currency or Virtual Currency during the current period.
- (e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the current
- (h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.
- (i) The Company has not been sanctioned any working capital limit by banks or financial institutions on the basis of security of current assets. and Hence, the Company is not required to file any quarterly return or statement with such banks or financial institutions.

39.The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. However, the audit trail feature is not enabled at database level for accounting software to log any direct data changes for users with certain privileged access rights. Further there is no instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Additionally, the audit trail has been preserved at the application level by the Company as per the statutory requirements for record retention.

Presently, the log is enabled at the application level and the privileged access to accounting software database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

This is the summary of material accounting policy information and other explanatory information referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

  
Kartik Gogia  
Partner

Membership No.: 51237

Place: Gurugram  
Date: 12 May 2025



For and on behalf of the Board of Directors of  
Indorama Ventures Yarns Private Limited

  
Vishal Lohia  
Additional Director  
DIN: 00206458

Place: Gurugram  
Date: 12 May 2025



  
Umesh Kumar Agrawal  
Director  
DIN: 08502514

Place: Gurugram  
Date: 12 May 2025